



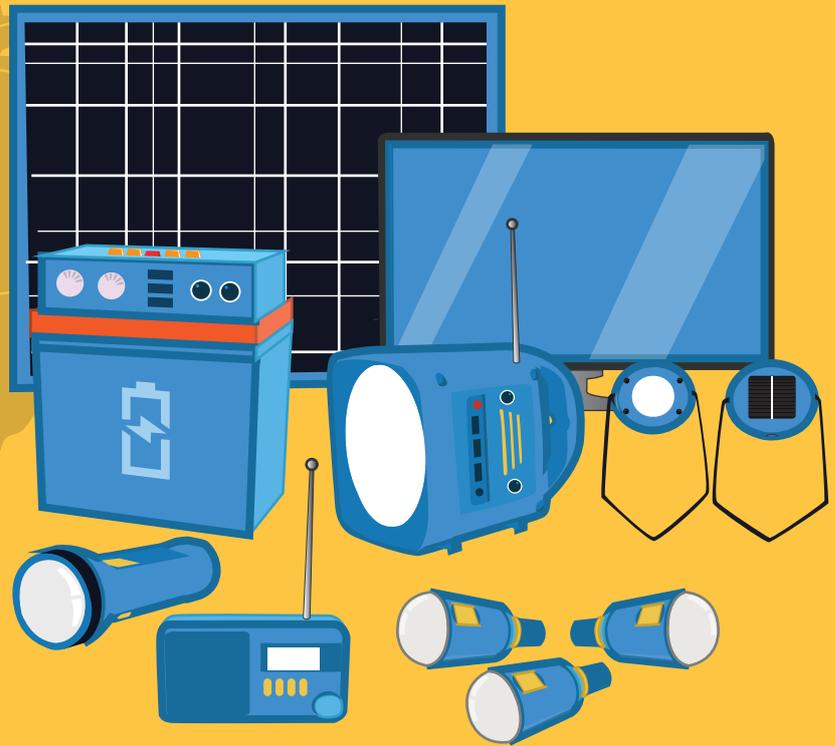
KEREA

Kenya Renewable Energy Association



Africa Clean Energy
Catalysing Africa's Solar Markets

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Solar Importation Guidelines

FOR SOLAR PV PRODUCTS AND SYSTEMS IN KENYA

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Glossary

Consolidation	Where an importer uses the services of a consolidator to bring in small consignments that cannot fill a complete container together with others.
Container Freight Station	All containerized local imports into Kenya are normally transferred to a private CFS (container freight station) assigned on a per vessel basis by the Kenya Ports Authority.
Customs	The official department at a port, airport, or frontier that administers and collects the duties levied by a government on imported goods.
Customs Duties	These are taxes levied upon goods on their entry into the country (import duties) or on their exit from the country (export duties).
Customs Entry	Refers to data entry in the customs system that then demands for the relevant tax due.
East African Community (EAC)	The East African Community established by the EAC Treaty of 1999 that is currently made up of the Republic of Uganda, Kenya, Tanzania, Rwanda, Burundi and South Sudan.
East African Community Customs Management Act (EACCMA)	The Act of the East African Community making provisions for the management and administration of customs and other related matters by partner states in the community.
East African Customs Union Protocol	Officially titled the Protocol on the Establishment of the East African Customs Union. This is the protocol establishing the East African Community Customs Union within which non-tariff barriers are eliminated, a common external tariff in respect of all goods imported into the Community is applied and customs duties are eliminated except for some specified circumstances.
Exemption from Duty	<p>Import duty is not charged on the goods specified when imported or purchased before goods are cleared through Customs.</p> <p>The Fifth Schedule of the EAC Customs Management Act specifies the goods that are exempted from import duty subject to certain conditions being fulfilled</p>
HS codes	It is a multipurpose international product nomenclature developed by the World Customs Organization
Import documentation	<ul style="list-style-type: none"> • Bill of Lading or Airway Bill - Bill of Lading or Airway Bill evidences a contract of carriage of goods between a shipper and a carrier of goods being shipped into Kenya (ship or airline). The supplier will send the document to you after s/he has passed the goods onto the carrier for shipping and they have acknowledged receipt. • Certificates of conformity - It is document given to exporters or importers to show that the good or services bought or supplied meet the required standards. The supplier will send the relevant certificate to show that the goods comply with the local requirements. • Certificate of Origin - This is a document indicating the country of origin of goods being exported to Kenya. This document is issued by exporting countries designated authorities or agencies designated by the governments where the goods originate from. Certificate of origin ensures that goods originating in certain countries like USA get the preferential treatment that they are entitled to, based on trade agreements.

Import documentation

- **Commercial Invoice** –This is a legal document between the supplier and the customer that clearly describes the sold goods, and the amount due on the customer. This document must be detailed as per pertaining packing list and the total cost insurance and freight value of the consignment must be indicated
- **Customs Bond** - Customs bond is a guarantee that the exporter to Kenya will faithfully abide by all laws and regulations governing the exportation of goods into Kenya. It guarantees that all customs duties and other charges assessed by Customs will be properly paid and that all trade procedures will be followed as set by laws of Kenya.
- **Export Manifest** - A detailed list of cargo being carried on board by a carrier such as aircraft or ship, showing the quantity, identifying marks, consignor and consignee of each item. A packaging list that should accompany goods exported to Kenya shows detailed information like weight, measurements, etc. They're two separate documents.
- **Import Declaration Form (IDF)** - This is a form that is prepared by the clearing agent and is required for all imports. It contains a summary of the information contained in the supporting documentation such as the invoice, the packing list, certificate of origin, the seller's and importer's names, addresses and related details.
- **Letter of Credit** - A specialized instrument of international trade designed to facilitate trade between exporters and importers. Letter of Credit is issued by a bank to the exporter at the request of a buyer or importer. It guarantees payment to the seller if the terms and condition specified in the letter of credit are fulfilled.
- **Packing List** - This is a statement listing in detail, the contents of a particular package. It should show marks and number of packages, gross and net weights, measurements, and description of contents of each package.
- **Pre-Shipment Inspection** - Goods being exported to Kenya must be inspected before they leave the country of origin. Pre-shipment inspection determines the quality, quantity, value, duties and taxes applicable. A report or certificate is issued which should accompany the import clearance documents. Inspected before shipment or not, Kenya Bureau of Standards (KEBS) has to inspect, certify and allow goods being imported to enter Kenya.

Separate consignments

Components or products shipped in multiple containers but as separate entries.

Single consignment

Components or products shipped in single container or components/products shipped in multiple containers but as part of a single entry.

Suppliers/commercial invoice

This is the invoice provided by the supplier for the goods sold. The invoice provides the details of the goods such as description of the goods, price and quantity.

Unique Consignment Reference (UCR)

A unique reference number generated while filling the IDF

Value Added Tax Act

An Act of Parliament to review and update the law relating to value added tax; to provide for the imposition of value added tax on supplies made in, or imported into Kenya, and for connected purposes.

Zero Rate

Tariff rate at zero percent such as zero percent customs duty charged on the value of an imported product.

The Need for Solar PV Importation Guidelines

In Kenya, since 2013, there have been several revisions of the VAT and Customs Management Act vis-à-vis application of taxes and duties on solar PV modules, balance of system components and appliances designed for use on solar PV systems. This has resulted in varying requirements for all solar PV companies in the completion of import declaration forms and application of taxes and duties depending on exactly what is being imported e.g. a solar lantern, a solar lighting system, a solar home system (that includes appliances) or different solar PV balance of system components. In addition, the interpretation by the Custom officers at the Kenya Revenue Authority (KRA) to which solar systems qualify for exemptions has been varying.

This general lack of clarity with regard to the importation processes, requirements and qualification for exemption has resulted in significant costs and delays for many solar PV companies. In addition, inconsistent application of exemptions affect product pricing and results in some companies receiving an unfair advantage, if one company benefits from exemption for an identical product or system while another company does not.

The purpose of these guidelines is to provide clarity to the solar PV industry (solar PV companies and clearing and forwarding agents (C&F)) on the importation process, requirement and qualification for exemption for all relevant solar products in Kenya through the production of a standardised importation guideline.

The Importation Process

To Import means to bring or cause to be brought into the Partner States from a foreign country In accordance with the provisions of Sec.34 of the EACMA 2004; goods for importation shall be entered (declared) within twenty-one days after the commencement of discharge or in the case of vehicles, on arrival.

The Importer will need to acquire the services of a licensed customs clearing agent. A clearing agent is mandated to process the importation documents (refer to the glossary above) in the customs system and assist in clearing goods on behalf of the importer.

Taxes are payable depending on the value of the imported item(s) and the duty rate applicable outlined under different legal documents as given below.

Import Duties-Depending with the item to be imported, the Import tax rates vary between 0%, 10% and 25% as provided by the East Africa Community Common External Tariff (CET). However, Sensitive items Attract duty higher than 25%. The sensitive items are listed in the schedule 2 of the EAC Common External tariff.

Excise Duties-Excise Duty depends on whether the imported item is excisable or not. The Excise duty rates are prescribed under the Excise Duty Act 2015.

Value Added Tax (VAT)-The normal rate of VAT is 16%. However, the Items exempted from VAT as provided by the VAT Act of 2013 attract a rate of 0%.

Import Declaration Fees (IDF) & Railway Development Levy (RDL)-An import declaration fee of 2% and Railway development Levy of 1.5% are levied on value of imports as provided by the miscellaneous Fees and Levies Act of 2016.

When engaging a clearing agent, the importer should provide the importation documents to enable the agent to declare the goods being imported in the customs system (Create an entry).

Goods Clearance Process

This involves preparation and submission of documentations required to facilitate imports into the country. The clearing agent will represent the importer during customs examination, verification, payment of duty and delivery of cargo from customs after clearance. This process includes:

- IDF Lodgement & Processing

The importer on obtaining the pro-forma invoice shall engage a licensed clearing agent to lodge an import declaration form. The importer should then send the IDF to the Supplier for Pre-shipment inspection.

- Entry Declaration, Payment of Taxes and Processing

The appointed clearing agent should make a customs declaration and provide the importer with a payment slip. The importer makes the payment to the bank and issues the agent with the official bank slips. Customs Shall Process all compliant

declarations.

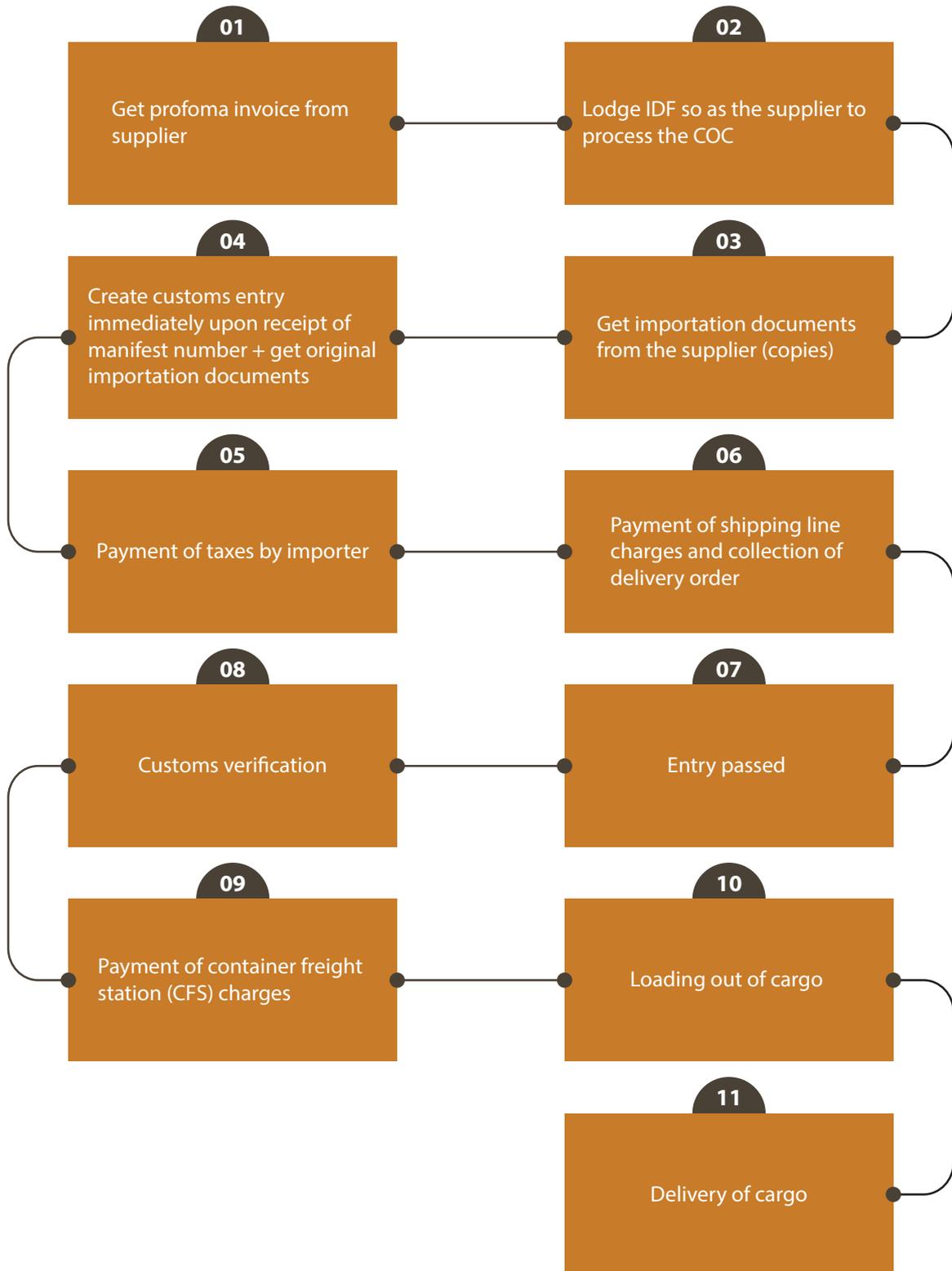
- Verification and Other Enforcement Measures

The agent should present the physical file at the customs station where the goods are domiciled where physical verification is conducted.

- Clearance and Release

Upon verification, all compliant declarations are cleared and released.

Flow Chart diagram of the Importation and Clearance process



History of Import Duty and VAT Exemptions on Solar Products

Import Duty Exemptions

Historically the East Africa Community Customs Management Act 2004 (“EACCMA 2004”) provided for import duty exemption of specialized solar powered equipment and accessories as was worded as follows:

“Specialized solar powered equipment and accessories including deep cycle batteries which use and/ or store solar power.”

With effect from 1st July 2014, paragraph 26 of the 5th Schedule to the EACCMA, 2004 was amended by the EACCMA, 2004 legal notice number 23 of 20 June 2014 to state as follows:

“Specialized equipment for development and generation of solar and wind energy, including accessories, spare parts and deep cycle batteries which use and/or store solar power”

The provision was again amended with effect from 1st July 2016 by the EACCMA, 2004 Legal Notice No.39 of 30th June 2016 to delete the words “spare parts, and accessories” to read as follows

“Specialized equipment for development and generation of Solar and Wind Energy, including deep cycle batteries which use and/or store solar power.”

VAT Exemptions

Provisions similar to the EACCMA have also been contained under the Value Added Tax legislation in Kenya. The fifth Schedule of the repealed Value Added Tax Cap 476 (“The repealed Act”) 2012 revised edition provided for zero-rating of specialized solar equipment and accessories which exclusively use and/or store solar power.

In September 2013 the newly introduced Value Added Tax Act 2013 (“The Kenyan VAT Act 2013”) did not contain any provisions providing for VAT exemption or zero-rating of solar equipment and accessories. This meant that with effect from 1st September 2013 imported solar equipment and accessories were subject to VAT at 16%.

In September 2014 the VAT Act 2013 was amended through the Finance Act 2014 to include provisions relating to the VAT treatment of solar equipment and accessories as follows.

- Item 45 of the Part I of the First Schedule to the VAT Act 2013 provides VAT exemption on supply of “specialized solar equipment and accessories, including solar water heaters and deep cycle-sealed batteries which exclusively use or store solar power”.
- Item 48 of the same schedule which introduced VAT exemption on “inputs or raw materials supplied to solar equipment manufacturers for manufacture of solar equipment or deep cycle-sealed batteries which exclusively use or store solar power as approved from time to time by the Cabinet Secretary for the National Treasury, upon recommendation by the Cabinet Secretary responsible for energy and petroleum”

The amendment to the Act, though welcomed by the industry, created a lack of clarity on the scope of the exemption. The phrase “specialized solar equipment and accessories which exclusively use or store solar power” was open to subjective interpretations as technological innovation continued to introduce new solar equipment to the market that exclusively used solar power. The industry adopted a wider interpretation and considered equipment such as solar powered TVs, radios, refrigerators, water pumps, cookers etc. exclusively designed to be powered by solar PV should be covered under the exemption. On the other hand, Kenya Revenue Authority (“KRA”) adopted the interpretation that equipment that could ‘technically’ only be powered by solar PV could qualify for exemption, thereby excluding any equipment or accessories that could potentially be powered by the grid (e.g. solar fridges, solar lanterns with a USB charging port etc.).

In September 2018, the First Schedule to the Kenyan VAT act amended item 45 on the act by removal of the word “accessories” to limit the scope of VAT exemption to “Specialized equipment for the development and generation of solar and wind energy, including deep cycle batteries which use or store solar power” thereby harmonizing the Kenya VAT exemption with the 2016 provisions of EACCMA. This effectively meant that accessories or appliances (e.g. TV, radio etc.), which use solar power would not qualify for exemption. Although this amendment on the VAT Act initially resulted in lanterns and solar lights attracting VAT and Import Duty, EAC further

clarified through a letter to all EAC finance ministries that the spirit of the amendment was not intended to exclude basic lighting appliances from exemption.

Guideline Methodology

Different companies import and sell products ranging from solar lanterns, complete solar lighting systems, complete solar home systems (that include appliances), individual solar PV modules and balance of system components to specialized solar PV equipment (e.g. solar refrigerators, solar street lights and solar pumps).

A representative sample of these solar PV companies importing solar PV products were interviewed and engaged for a period of 2 months to collate information on importation procedures and exemption application for commonly imported solar PV products and systems. The interviews targeted key personnel in the purchasing departments of solar PV companies and the companies' clearing and forwarding agents. These interviews sought to understand and document the importation procedures companies adhere to for different products, what works and what doesn't and where there are 'gray areas'.

Based on the companies interviewed the following solar PV product or system configurations were identified as the focus for the guidelines:

1. Solar lanterns
2. Solar lanterns with an integrated appliance (e.g. a radio)
3. Plug and play solar lighting system (complete kit)
4. Plug and play solar lighting system (complete kit with appliance integrated into the control unit)
5. Plug and Play Solar lighting system (incomplete kit) e.g. imported system does not include solar panels (which are either locally sourced or imported separately from a different supplier)
6. Component based solar PV system (components in single consignment)
7. Component based solar PV system (components in separate consignment)
8. Solar Water Pumping system

Development and Validation of the Guidelines

The importation guidelines developed for the selected range of imported solar products and systems aims to help companies understand the correct processes, classification, tax and duty expectations etc. to increase predictability and subsequently reduce costs and delays for solar companies.

For each of the solar PV product or system configurations mentioned above the guidelines include the following details:

- The product or system category i.e. the type of product or system being imported,
- A brief description of the system,
- Product or system sub-types considered under the category,
- Additional features of products or systems considered under this category,
- Illustrations of products or systems under the category,
- Shipping details - how the product of system is shipped e.g. as a single consignment from a single consignment or separate consignments for different suppliers,
- Packing details - how the system components are packed e.g. in a single box, in separate boxes within the container or in separate containers, requirement for correlation of components to complete systems
- HS Classification for the different system components
- Qualification for duty and VAT exemption for the different system components
- Reason for non-exemption (if any)
- Import documentation requirements – additional processes required vis-à-vis applying for exemption e.g. when a system includes both exempt and non-exempt system components
- Tariff rulings - binding administrative decisions issued by KRA e.g. with regard to tariff classification

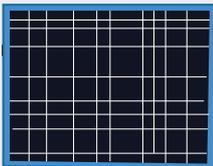
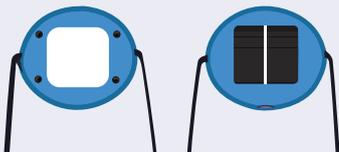
The guidelines are based on data collected, collated and synthesized from practical importation experiences of the companies interviewed. For validation, the guidelines were shared and discussed with KRA officers responsible for reviewing and approving exemptions to address errors and inconsistencies.

Note: It is important to note that this guideline is envisioned to be a living document that will be updated, through a similar process, by the Kenya Renewable Energy Association (KEREAA) when changes occur.

4. Importation Guidelines

4.1 Solar Lanterns

Product or system category:	Solar lantern
Description:	Single light, solar panel, solar powered system with built in rechargeable battery and integrated control unit
Sub-types considered under this category:	<ul style="list-style-type: none"> Solar lantern with integrated solar panel Solar lantern with non-integrated solar panel
Additional features considered under this category:	<ul style="list-style-type: none"> Solar lantern can be charged via USB Includes secondary cables (USB type) for charging phones and/or a rechargeable torch Includes rechargeable torch, charged from the lantern
Shipment details:	Single consignment
Packing details:	<ul style="list-style-type: none"> System components all packed in the same box System components packed in the separate boxes i.e. solar panels and solar lanterns packed separately
Requirement for correlation of components to complete systems:	None

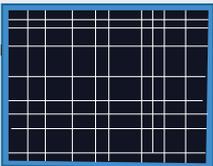
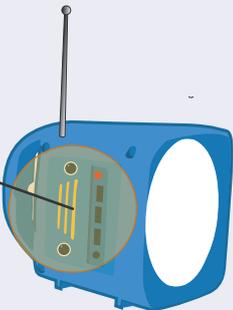
HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Solar Panel 	8541400000	Exempt	Exempt
Solar Lanterns (non-integrated solar panel) 	9405400000/ 9405500000	Exempt	Exempt
Solar Lanterns (integrated solar panel) 	9405400000/ 9405500000	Exempt	Exempt
Secondary Cables (USB type) 	8544200000/ 8544490000	Non-exempt	Non-exempt
Rechargeable Torch 	8513109000	Non-exempt	Non-exempt

Reason for non-exemption:	Non-exempt equipment is not for the development or generation of solar power or storage of solar energy as required under the EACCMA and VAT Acts
Import Documentation Requirements:	Standard
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling

4. Importation Guidelines

4.2 Solar lantern with integrated appliance (e.g. radio)

Product or system category:	Solar lantern with integrated appliance (e.g. radio)
Description:	<ul style="list-style-type: none"> • Single light, Solar panel, solar powered system with built in rechargeable battery and integrated control unit • Appliance (e.g. radio) integrated into the control unit of the solar lantern
Sub-types considered under this category:	<ul style="list-style-type: none"> • Solar lantern with integrated solar panel • Solar lantern with non-integrated solar panel
Additional features considered under this category:	<ul style="list-style-type: none"> • Solar lantern can be charged via USB • Includes secondary cables (USB type) for charging phones and/or a rechargeable torch • Includes rechargeable torch, charged from the lantern
Shipment details:	Single consignment
Packing details:	<ul style="list-style-type: none"> • System components all packed in the same box • System components packed in the separate boxes i.e. solar panels and solar lanterns packed separately
Requirement for correlation of components to complete systems:	None

HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Solar Panel	 8541400000	Exempt	Exempt
Solar Lanterns	 9405400000/ 9405500000	Exempt	Exempt
Radio	 9405400000/ 9405500000	Non-exempt	Non-exempt

4. Importation Guidelines

4.2 Solar lantern with integrated appliance (e.g. radio)

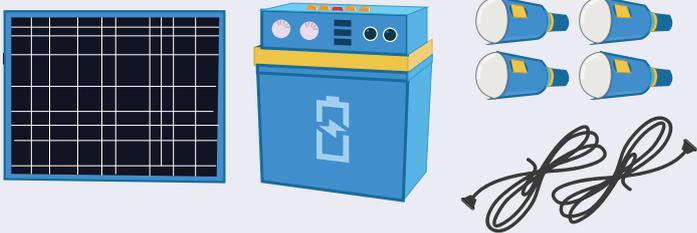
HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Secondary Cables (USB type) 	8544200000/ 8544490000	Non-exempt	Non-exempt
Rechargeable Torch 	8513109000	Non-exempt	Non-exempt

Reason for non-exemption:	Non-exempt equipment is not for the development or generation of solar power or storage of solar energy as required under the EACCMA and VAT Acts
Import Documentation Requirements:	<ul style="list-style-type: none"> Option 1: Supplier provides separate invoices for exempt and non-exempt items (e.g. the radio). Importer submits 2 IDFs, 2 CoCs and 2 commercial invoices, one for exempt items and one for non-exempt items. Master bill of lading and two house bills of lading Option 2: System components broken down in the invoice and IDF. Mother UCR (Unique Consignment Reference) generated and used to pay for non-exempt items. Child UCR(s) generated under the mother UCR and used to apply for exemption. CoCs applied for with the same IDF but different UCRs (mother and child)
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling

4. Importation Guidelines

4.3.1 Solar Home system (complete kit)

Product or system category:	Solar home system (complete kit)
Description:	Solar powered lighting system comprising of a solar panel, multiple lights, rechargeable battery and control unit
Sub-types considered under this category:	
Additional features considered under this category:	<ul style="list-style-type: none"> Control unit and battery can be separate or integrated Includes primary cables /interconnecting cables(i.e. panel to control unit and lights to the control unit) Includes secondary cables (i.e. USB cables for charging phones and rechargeable torch) Includes rechargeable torch charged from the system Solar lighting system can be charged via USB
Shipment details:	Single consignment
Packing details:	<ul style="list-style-type: none"> System components all packed in the same box System components packed in the separate boxes e.g. solar panels, lights, secondary cables, batteries and control units packed separately
Requirement for correlation of components to complete systems:	Yes

HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Solar Home system kit (includes panel, control unit, lights and primary cables/interconnecting cables) 	9405500000/ 9405400000	Exempt	Exempt
Secondary cables (USB type) 	8544200000/ 8544490000	Non-exempt	Non-exempt
Rechargeable torch 	8513109000	Non-exempt	Non-exempt
Optional			
TV 	8528599000	Non-exempt	Non-exempt
Radio 	8527990000	Non-exempt	Non-exempt

4. Importation Guidelines

4.3.1 Solar Home system (complete kit)

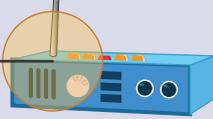
HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Fan 	8414590000	Non-exempt	Non-exempt
Hair Cutter 	8510101000	Non-exempt	Non-exempt

Reason for non-exemption:	Non-exempt equipment is not for the development or generation of solar power or storage of solar energy as required under the EACCMA and VAT Acts
Import Documentation Requirements:	<ul style="list-style-type: none"> Option 1: Supplier provides separate invoices for exempt and non-exempt items (e.g. the radio). Importer submits 2 IDFs, 2 CoCs and 2 commercial invoices, one for exempt items and one for non-exempt items. Master bill of lading and two house bills of lading Option 2: System components broken down in the invoice and IDF. Mother UCR (Unique Consignment Reference) generated and used to pay for non-exempt items. Child UCR(s) generated under the mother UCR and used to apply for exemption. CoCs applied for with the same IDF but different UCRs (mother and child)
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling

4. Importation Guidelines

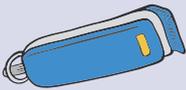
4.3.2 Solar Home system (complete kit with appliance integrated into the control unit)

Product or system category:	Solar Home system (complete kit with appliance integrated into the control unit)
Description:	<ul style="list-style-type: none"> Solar powered lighting system comprising of a solar panel, multiple lights, a rechargeable battery and a control unit for the battery and the lights Appliances (e.g. radio or TV) integrated into the control unit of the solar lighting system
Sub-types considered under this category:	
Additional features considered under this category:	<ul style="list-style-type: none"> Control unit and battery can be separate or integrated Includes primary cables/interconnecting cables (i.e. panel to control unit and lights to the control unit) Includes secondary cables (i.e. USB cables for charging phones and rechargeable torch) Includes rechargeable torch charged from the system Solar lighting system can be charged via USB
Shipment details:	Single consignment
Packing details:	<ul style="list-style-type: none"> System components all packed in the same box System components packed in the separate boxes e.g. solar panels, lights, secondary cables, batteries and control units packed separately
Requirement for correlation of components to complete systems:	Yes

HS Classification		Qualification for Exemption		
Product/system	HS Code	Import Duty	VAT	
Solar lighting system kit (includes panel, control unit, lights and primary cables)				
	9405500000	Exempt	Exempt	
Radio		8527990000	Non-exempt	Non-exempt
TV		8528599000	Non-exempt	Non-exempt
Secondary cables (USB type)		8544200000/ 8544490000	Non-exempt	Non-exempt
Rechargeable torch		8513109000	Non-exempt	Non-exempt

4. Importation Guidelines

4.3.2 Solar Home system (complete kit with appliance integrated into the control unit)

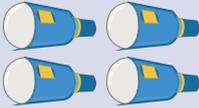
HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Optional			
Fan	 8414590000	Non-exempt	Non-exempt
Hair Cutter	 8510101000	Non-exempt	Non-exempt

Reason for non-exemption:	Non-exempt equipment is not for the development or generation of solar power or storage of solar energy as required under the EACCMA and VAT Acts
Import Documentation Requirements:	<ul style="list-style-type: none"> Option 1: Supplier provides separate invoices for exempt and non-exempt items (e.g. the radio). Importer submits 2 IDFs, 2 CoCs and 2 commercial invoices, one for exempt items and one for non-exempt items. Master bill of lading and two house bills of lading Option 2: System components broken down in the invoice and IDF. Mother UCR (Unique Consignment Reference) generated and used to pay for non-exempt items. Child UCR(s) generated under the mother UCR and used to apply for exemption. CoCs applied for with the same IDF but different UCRs (mother and child)
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling

4. Importation Guidelines

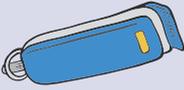
4.4 Solar home system (incomplete kit)

Product or system category:	Plug and Play Solar lighting system (incomplete kit)
Description:	Solar powered lighting system comprising of a solar panel, multiple lights, a rechargeable battery and a control unit for the battery and the lights.
Sub-types considered under this category:	Imported system does not include solar panels (which are either locally sourced or imported separately from a different supplier)
Additional features considered under this category:	<ul style="list-style-type: none"> Control unit and battery can be separate or integrated Includes primary cables/interconnecting cables (i.e. panel to control unit and lights to the control unit) Includes secondary cables (i.e. USB cables for charging phones and rechargeable torch) Includes rechargeable torch charged from the system Solar lighting system can be charged via USB
Shipment details:	Single consignment
Packing details:	<ul style="list-style-type: none"> System components all packed in the same box System components packed in the separate boxes e.g. solar panels, lights, secondary cables, batteries and control units packed separately
Requirement for correlation of components to complete systems:	No

HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
 Battery Control Unit	9505400000/ 9032890000/ 8514900000	Exempt	Exempt
 Lights	9405400000	Non-exempt	Non-exempt
 Rechargeable torch	8513109000	Non-exempt	Non-exempt
 Primary cables	8544200000	Non-exempt	Non-exempt
 Secondary cables (USB type)	8544200000/ 8544490000	Non-exempt	Non-exempt
Optional			
 TV	8528599000	Non-exempt	Non-exempt
 Radio	8527990000	Non-exempt	Non-exempt

4. Importation Guidelines

4.4 Solar home system (incomplete kit)

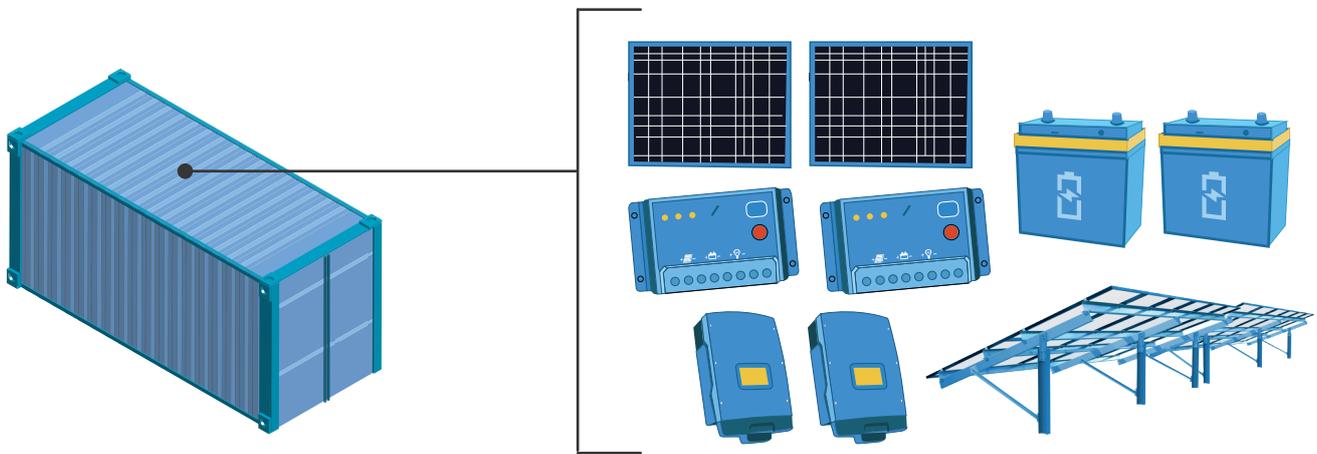
HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Fan 	8414590000	Non-exempt	Non-exempt
Hair Cutter 	8510101000	Non-exempt	Non-exempt

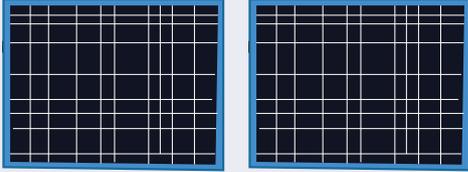
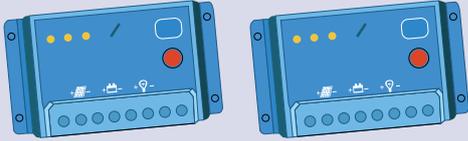
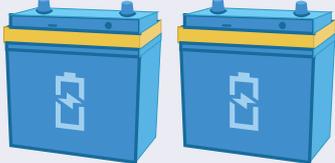
Reason for non-exemption:	Not a complete kit
Import Documentation Requirements:	<ul style="list-style-type: none"> Option 1: Supplier provides separate invoices for exempt and non-exempt items (e.g. the radio). Importer submits 2 IDFs, 2 CoCs and 2 commercial invoices, one for exempt items and one for non-exempt items. Master bill of lading and two house bills of lading Option 2: System components broken down in the invoice and IDF. Mother UCR (Unique Consignment Reference) generated and used to pay for non-exempt items. Child UCR(s) generated under the mother UCR and used to apply for exemption. CoCs applied for with the same IDF but different UCRs (mother and child)
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling

4. Importation Guidelines

4.5 Component based solar PV system (components in single consignment)

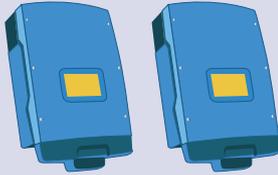
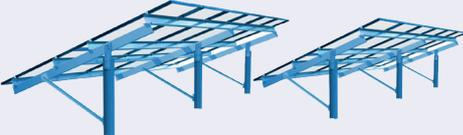
Product or system category:	Component based solar PV system (components in single consignment)
Description:	Solar panels, charge controllers, deep cycle batteries and inverters that can be combined into solar PV systems of different configurations for different applications
Sub-types considered under this category:	
Additional features considered under this category:	
Shipment details:	<ul style="list-style-type: none"> • Single consignment (e.g. components shipped in single container or components shipped in multiple containers but as part of a single consignment) • System components packed in the separate boxes e.g. Solar panels, charge controllers, deep cycle batteries and inverters packed separately in the same container. • Different system components packed in separate containers
Requirement for correlation of components to complete systems:	No



HS Classification		Qualification for Exemption		
Product/system	HS Code	Import Duty	VAT	
Solar Panels 	8541400000	Exempt	Exempt	
Charge controllers 	9032890000/ 8537100000	Exempt	Exempt	
Deep cycle batteries 	8507800000/ 8507200000	Exempt	Exempt	

4. Importation Guidelines

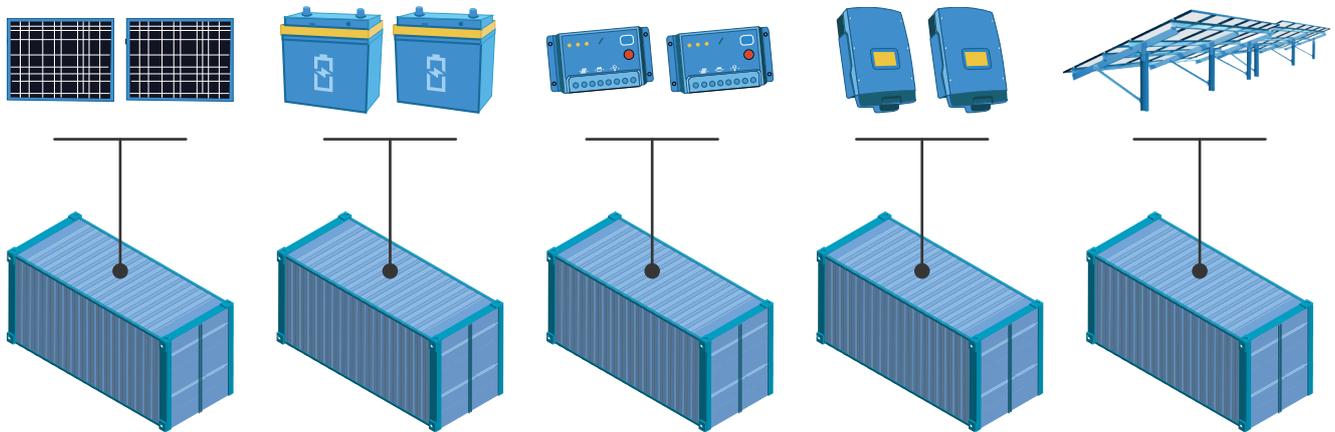
4.5 Component based solar PV system (components in single consignment)

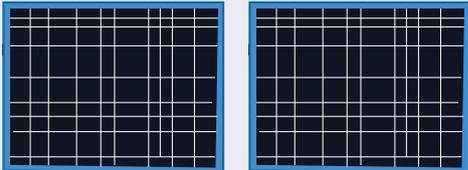
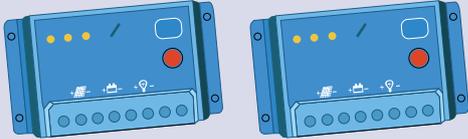
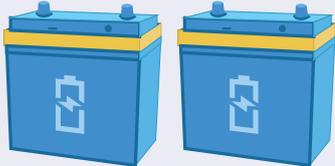
HS Classification		Qualification for Exemption		
Product/system	HS Code	Import Duty	VAT	
Inverters 	8504400000	Exempt	Exempt	
Specialized solar module mounting structures (for large systems) 	7610900000	Non-exempt	Non-exempt	
Reason for non-exemption:	Non-exempt equipment is not for the development or generation of solar power or storage of solar energy as required under the EACCMA and VAT Acts			
Import Documentation Requirements:	Standard			
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling			

4. Importation Guidelines

4.6 Component based solar PV system (components in separate consignments)

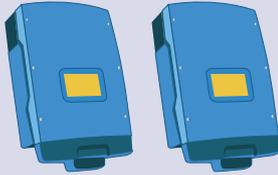
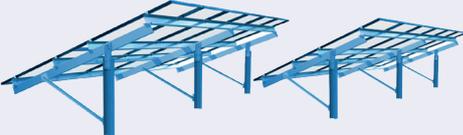
Product or system category:	Component based solar PV system (components in separate consignments)
Description:	Solar panels, charge controllers, deep cycle batteries and inverters that can be combined into solar PV systems of different configurations for different applications
Sub-types considered under this category:	
Additional features considered under this category:	
Shipment details:	Separate consignments (e.g. components shipped in multiple containers as separate consignments from different suppliers)
Requirement for correlation of components to complete systems:	No



HS Classification		Qualification for Exemption		
Product/system	HS Code	Import Duty	VAT	
Solar Panels 	8541400000	Exempt	Exempt	
Charge controllers 	9032890000/ 8537100000	Exempt	Exempt	
Deep cycle batteries 	8507800000/ 8507200000	Exempt	Exempt	

4. Importation Guidelines

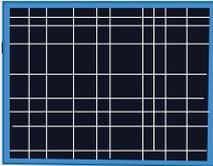
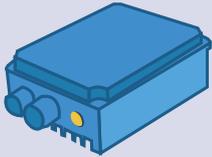
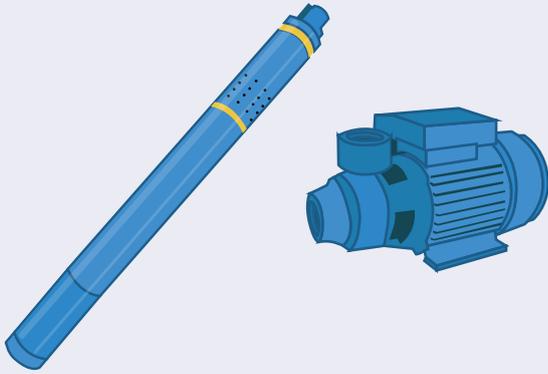
4.6 Component based solar PV system (components in separate consignments)

HS Classification		Qualification for Exemption		
Product/system	HS Code	Import Duty	VAT	
Inverters 	8504400000	Exempt	Exempt	
Specialized solar module mounting structures (for large systems) 	7610900000	Non-exempt	Non-exempt	
Reason for non-exemption:	Non-exempt equipment is not for the development or generation of solar power or storage of solar energy as required under the EACCMA and VAT Acts			
Import Documentation Requirements:	Standard			
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling			

4. Importation Guidelines

4.7 Solar Water Pumping systems

Product or system category:	Solar Water Pumping systems
Sub-types considered under this category:	Solar panels and solar powered surface or submersible pumps with or without control unit
Additional features considered under this category:	<ul style="list-style-type: none"> • AC Solar pumps • DC Solar pumps
Shipment details:	<ul style="list-style-type: none"> • Single consignment • System components packed in the separate boxes e.g. Solar panels, pumps and control unit packed separately in the same container
Requirement for correlation of components to complete systems:	No

HS Classification		Qualification for Exemption	
Product/system	HS Code	Import Duty	VAT
Solar Panel 	8541400000	Exempt	Exempt
Solar pump control unit 	9405400000/ 9405500000	Exempt	Exempt
Solar pump 	8413700000	Non-exempt	Non-exempt

Reason for non-exemption:	Non-exempt equipment is not for the development or generation of solar power or storage of solar energy as required under the EACCMA and VAT Acts
Import Documentation Requirements:	Standard
Tariff rulings:	In case of a dispute regarding HS classification, the importing company should apply for a tariff ruling

