Kenya's New Excise Duty Remission Regulations (Effective 1 April 2026)

A broader remission framework for beer, spirits and wine—paired with tighter compliance and traceability expectations.

At a glance — Kenya has introduced the **Excise Duty (Remission of Excise Duty) Regulations, 2026**, effective **1 April 2026**. The new rules expand remission beyond beer to include **spirits and wine**, while setting clearer eligibility criteria, stronger compliance obligations, and enhanced traceability requirements.

For businesses across the alcoholic beverages value chain, this change creates both opportunity and responsibility: qualifying manufacturers may access remission, but only where sourcing, production, packaging, pricing, systems, and reporting align with the updated framework.

What's changed in the 2026 Regulations

The 2026 Regulations move Kenya's remission regime from a beer-focused model to a structured framework that also covers spirits and wine—while elevating compliance controls and source verification.

Feature	2017 Regulations	2026 Regulations	Practical takeaway
Scope of products	Beer only	Beer, spirits and wine	Remission is expanded beyond beer
Remission rate	80%	80%	Rate remains unchanged
Eligible spirits	Not applicable	Distilled spirits (>90% ABV)	High-strength spirits only (per the Regulations)
Key definitions	Not defined	Defines **distiller** and **compounder**	Clearer role-based eligibility and obligations
Local input requirement	≥75% locally sourced agricultural inputs (excluding sugar, barley)	≥75% locally sourced agricultural inputs (excluding **sugarcane**, **barley**)	Local sourcing remains a core threshold
Packaging minimums	Beer: ≥30 litres	Beer: ≥30 litres; Spirits: ≥250 ml; Wine: ≥1 litre	Pack-size rules now vary by product type
Pricing caps	Beer: max. KES 100/L	Beer: max. KES 150/L; Spirits: max. KES 350/L; Wine: max. KES 750/L	Commercial models must fit category-specific caps
Compliance & systems	Tax compliance; valid excise licence; EGMS; KEBS compliance	Tax compliance; eTIMS/TIMS; valid excise licence; EGMS; flow meter; remission labelling	More controls, more data, more auditability
Returns & reporting	Monthly	Quarterly (including flow meter data)	Quarterly cadence, with flow-meter information
Traceability	Not explicit	Farmer and local-sourcing traceability required	Source verification becomes explicit

Transition	Not applicable	Six-month transition from 1 April 2026 (existing beer manufacturers)	Time to align—but planning should start early

Eligibility notes (selected)
The Regulations include product exclusions (including products made from **sugarcane** and **barley**; spirits ≤90% ABV; certain export/refund/rebate/drawback spirit products; and spirits for non-alcoholic beverage use). Where a licensed distiller compounds its own spirits, eligibility is subject to prescribed conditions (including the **≥75%** local agricultural input threshold, remission labelling, minimum packaging, and applicable pricing limits).

Why this matters

The framework is designed to support local value addition while strengthening oversight across the supply chain. In practice, it raises the compliance bar: businesses should be able to evidence local input sourcing, product classification, systems controls, traceability, and reporting to protect remission access.

For manufacturers, distributors, and sector stakeholders, now is the time to test whether current processes are fit for purpose under the 2026 regime.

Key considerations for businesses

Consideration	What to look at
Local input requirements	Confirm qualifying locally sourced agricultural inputs meet the ≥75% threshold, noting exclusions (including sugarcane and barley) when determining remission eligibility.
Compliance requirements	Assess readiness for tighter controls (tax compliance, valid excise licensing, eTIMS/TIMS where applicable, EGMS integration, flow meter installation, and prescribed remission labelling).
Systems & traceability	Map farmer traceability and local sourcing verification expectations; ensure documentation and monitoring support the enhanced reporting environment.
Spirits eligibility structure	Confirm classification for spirits (distilled spirits >90% ABV) and understand when eligibility applies to licensed distillers, including scenarios where a distiller compounds its own products under prescribed conditions.
Commercial conditions	Validate packaging and pricing models against the category minimums and caps (beer, spirits, and wine each have defined thresholds).

Business impact: what this means for you

The 2026 Regulations widen remission access for eligible businesses—but demand a more disciplined approach to compliance, documentation, and operational control. Early preparation helps protect remission benefits, reduce excise exposure, and support a smoother transition.

Recommended readiness checks

- [ ] Do your products qualify (beer, spirits >90% ABV, wine) and are exclusions understood?
- [ ] Does sourcing meet the ≥75% local agricultural input threshold (with the relevant exclusions applied)?
- [ ] Are EGMS, eTIMS/TIMS (where applicable), flow meters, and labelling controls implemented and documented?
- [ ] Can you evidence farmer and local-sourcing traceability end-to-end?
- [ ] Do packaging sizes and pricing caps align to the applicable product category?

Are quarterly returns and flow-meter data capture processes in place?

OGP Advisory can help

OGP Advisory supports businesses to evaluate eligibility, strengthen compliance frameworks, and align operations with the Excise Duty (Remission of Excise Duty) Regulations, 2026—so implementation is practical, auditable, and commercially workable.

Ready to assess your remission eligibility?
Let's review your product scope, sourcing, systems controls, and reporting readiness ahead of 1 April 2026.

Contact us
Book a consultation
Speak to an advisor

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