

February/27/2019

TRAINING TO USEA MEMBERS ON:

Customs Laws

The law we are practicing is the East African Community Customs Management Act, 2004 for customs.

Amended every two to four years. The most recent amendment is for July 2016 and provides that:

26	<p>“Specialized Solar and Wind Energy Equipment”</p> <p>Specialized equipment for development and generation of Solar and Wind Energy including deep cycle batteries which use and/ or store solar power.</p>	<p>Legal Notice No. EAC/12/2006 Dated June 30, 2006 Vol. AT 1- No. 003</p> <p>Legal Notice No. EAC/13/2010 dated June 29, 2010 Vol. AT 1-No.005</p> <p>Legal Notice No. EAC/23/2014 Dated June 30, 2014</p> <p>Legal Notice No. EAC/39/2016 Vol.AT 1-No.5 dated 30th June, 2016</p>
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Domestic Tax Laws (the value added tax)

Value Added Tax Act cap.349, Second Schedule for Exempt supplies S.19 item 1(q) last ammended 2018, provides for:

- (sc) the supply of deep cycle batteries, composite lanterns, and raw materials for the manufacture of deep cycle batteries and composite lanterns;
- (t) the supply of photosensitive semiconductor devices, including photovoltaic devices, whether or not assembled in modules or made into panels; light emitting diodes; solar water heaters, solar refrigerators and solar cookers.

Classification and the Customs Procedure Codes (CPC)

Classification is based on presentation and the essential character of the items presented.

- Solar Generator of Heading **85.01 (Solar Panels, Charge controllers, Deep cycle batteries)** using Additional Note 2 to Section XVI of the East African Community Common External Tariff, **CPC 472.**

When imported as individual components:

Item	Hs code	CPC
Solar Panels	8541.40.00	472
Charge controllers	8504.40.00	478
Deep cycle batteries	8507.80.00	478
Composite lamps	8513.10.90	478
LED Lamps	8539.50.00	400
Light fixtures	9405	400

Deep cycle batteries

Part played is one of storing the solar energy generated and developed by the panels hence cannot be cleared as solar generators on their own.

Composite lanterns cleared under CPC 478

- A thing made up of several parts or elements (combined)
- Should therefore have their own source of energy
- Should be portable

The Procedure

- ✚ If guidance required write a letter to the Assistant Commissioner Trade requesting for guidance for tax exemption on solar generator components being imported in a phased manner
- ✚ Letter from the Ministry of Energy and Mineral Development
- ✚ Uganda Solar Energy Association (USEA)
- ✚ Periodic accountability on the usage of the imports to the Assistant Commissioner Customs.

Who should apply?

A company that consolidates components like Solar Panels and Deep cycle Batteries for consolidation into solar power systems.

THE END