

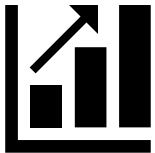
An aerial view of a modern city skyline and port. The image shows a dense cluster of skyscrapers, a large port area with several container ships and cranes, and a bridge crossing a body of water. The scene is bathed in a blue light, suggesting a clear sky or a specific time of day. The text '2026/2027 TANZANIA NATIONAL BUDGET HIGHLIGHTS' is overlaid in large, white, sans-serif font across the center of the image.

2026/2027 TANZANIA NATIONAL BUDGET HIGHLIGHTS

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



- ▶ On 11 June 2026, the Minister for Finance, Hon. Ambassador Khamis Mussa Omar (MP.), tabled the FY 2026/2027 National Budget before the National Assembly, indicating the Government revenue and expenditure for the fiscal year 2026/2027.
- ▶ The 2026/27 budget marks the first phase in implementing Tanzania Development Vision 2050 (Dira 2050) and has been formulated in alignment with key national, regional, and international policy frameworks. These include the Fourth National Five-Year Development Plan (2026/27–2030/31), the CCM Election Manifesto 2025, the East African Community Vision 2050, the African Union Agenda 2063, the Sustainable Development Goals 2030, and other regional and global agreements to which Tanzania is a party.
- ▶ while improving the investment and business climate. The budget emphasizes priority areas aimed at strengthening a resilient, inclusive, and competitive economy.
- ▶ It focuses on advancing strategic projects, expanding the use of information and communication technology, promoting value addition in agriculture, fisheries, livestock, and mining, and fostering employment and economic opportunities for youth, women, and other social groups.
- ▶ The budget prioritizes efficient use of public resources and the reform of State-Owned Enterprises to enhance operational efficiency, transparency, and productivity.
- ▶ The proposed revenue measures will be effective 1 July 2026, subject to the legislative amendments to be passed in the Finance Bill and relevant Government Notices.

ECONOMIC OVERVIEW



GDP GROWTH



- ▶ Nominal GDP reached 234.1 trillion shillings in 2025, equivalent to USD 91.8 billion.
- ▶ Further, real GDP grew by 5.9 percent in 2025.



FOREIGN EXCHANGE RESERVES

- ▶ As of April 2026, foreign exchange reserves stood at USD 5,722.5 million, sufficient to cover imports of goods and services for not less than 4.4 months.



EXPENDITURE PERFORMANCE

- ▶ From July 2025 to April 2026, total Government expenditure, excluding principal for debt repayment, amounted to 40.92 trillion shillings, equivalent to 98.8 percent of the target for the period.



REVENUE PERFORMANCE

- ▶ From July 2025 to April 2026, the Government collected revenue (including grants) amounting to 34.75 trillion shillings, equivalent to 101.8 percent of the target.

INFLATION



- ▶ From July 2025 to April 2026: the headline inflation averaged 3.4 percent which is within the medium-term target of between 3.0 – 5.0 percent.



PUBLIC DEBT

- ▶ As of March 2026, the Government debt stood at 114.34 trillion shillings, of which domestic debt was 38.45 trillion shillings equivalent to 33.6 percent, and external debt was 75.89 trillion shillings (66.4 percent).



DOMESTIC CURRENCY PERFORMANCE

- ▶ The value of the shilling against the currencies of major 7 trading partners continued to strengthen, where for the year ending April 2026 the value of the shilling against the US dollar appreciated by an average of 2.7 percent.

2026/2027 BUDGET OVERVIEW

- ▶ In the 2026/27 fiscal year, the Government projects total revenue and expenditure of 62.33 trillion shillings, representing a 10.3 percent increase compared to the 2025/26 budget.
- ▶ Total revenue is estimated at 46.79 trillion shillings, including 36.99 trillion shillings from tax revenue, 9.24 trillion shillings from other sources (of which 1.97 trillion shillings comes from Local Government Authorities' own revenues), and 563.1 billion shillings from development partner grants.
- ▶ 74.2 percent of the budget is expected to be financed through domestic revenue in line with the Government's self-reliance agenda, while grants from development partners are projected to decline by 39.1 percent due to changing policies.
- ▶ Expenditure and investment in non-financial assets are estimated at 54.50 trillion shillings, excluding government debt principal repayments.
- ▶ This includes 10.13 trillion shillings for employees' compensation and pension contributions, 5.22 trillion shillings for goods and services, 6.86 trillion shillings for interest payments, 25.32 trillion shillings for subsidies, 1.01 trillion shillings for pensions and transfers, 2.33 trillion shillings for non-financial asset investment, and 3.63 trillion shillings for other expenses.
- ▶ The budget deficit is estimated at 7.71 trillion shillings.
- ▶ The Government will rely on both domestic and external borrowing in line with the Medium-Term Debt Management Strategy (2025/26-2027/28) to finance the Budget deficit.
- ▶ In 2026/27, total borrowing is projected at 15.54 trillion shillings, comprising 6.56 trillion shillings from domestic sources, 6.55 trillion shillings from concessional external loans, and 2.43 trillion shillings from commercial external loans,
- ▶ 7.84 trillion shillings is allocated for repayment of maturing debt obligations.

DOMESTIC REVENUE



- Import duty is expected to rise from 2,176.1 billion shillings to 2,394.4 billion shillings.
- Excise duty on imports increases from 1,857.8 billion shillings to 2,150.5 billion shillings. Excise duty on locally produced goods is projected to grow from 2,660.4 billion shillings to 2,884.6 billion shillings.



- Value Added Tax on imports increasing from 4,974.4 billion shillings in 2025/26 to 5,631.0 billion shillings in 2026/27.
- VAT on local goods rising from 4,321.0 billion shillings to 4,605.8 billion shillings.
- Income tax remains the largest contributor to domestic revenue, with collections projected to increase significantly from 11,268.6 billion shillings to 13,758.1 billion shillings.
- Other taxes are expected to grow from 6,815.6 billion shillings to 7,746.2 billion shillings.

- ▶ Non-tax revenue collected by Ministries, Departments, and Agencies (MDAs) is projected to increase from 4,681.7 billion shillings to 5,167.3 billion shillings.
- ▶ Local Government Authorities' own-source revenue is projected to rise from 1,609.5 billion shillings to 1,866.2 billion shillings, reflecting improved revenue generation at the local level.

Revenue Source	2025/26	2026/27
Import Duty	2,176.1	2,394.4
Excise Duty – Imports	1,857.8	2,150.5
Excise Duty – Local	2,660.4	2,884.6
VAT – Imports	4,974.4	5,631.0
VAT – Local	4,321.0	4,605.8
Income Tax	11,268.6	13,758.1
Other Taxes	6,815.6	7,746.2
Non-Tax Revenue (MDAs)	4,681.7	5,167.3
LGAs Own Source	1,609.5	1,866.2

Source Ministry of Finance Values (in Billion Shillings)

2026/2027 BUDGET OVERVIEW



The macroeconomic targets for 2026/27 include;

- ▶ Accelerating real GDP growth to 6.3 percent from 5.9 percent in 2025.
- ▶ Maintaining inflation within a single-digit range of 3.0-5.0 percent in the medium term. increasing domestic revenue to 17.1 percent of GDP from 16.5 percent.
- ▶ Raising tax revenue to 13.7 percent of GDP from 13.2 percent.
- ▶ Keeping the budget deficit within 3.0 percent of GDP.
- ▶ Maintaining foreign reserves sufficient to cover at least four months of imports of goods and services.

Key pillars of the Annual Development Plan 2026/27

- ▶ Governance, peace, security, and stability;
- ▶ A strong, inclusive, and competitive economy;
- ▶ Human capital and social development;
- ▶ Environmental conservation and climate change resilience;
- ▶ Transformative sectors.



Key priority areas for 2026/27 budget

- ▶ Enhancing domestic revenue collection through the identification of new revenue sources.
- ▶ Strengthening ICT systems and administrative efficiency.
- ▶ Completing ongoing development projects and programs.
- ▶ Boosting productive sectors.
- ▶ Improving the delivery of social services and creating a more conducive investment and business environment.

KEY PROPOSED TAX MEASURES

TAX RETURN

Personal Information

Last Name	First Name
Address	City
City	Zip Code
Phone Number	
Email Number	
Identification Number	
Taxpayer Identification Number	

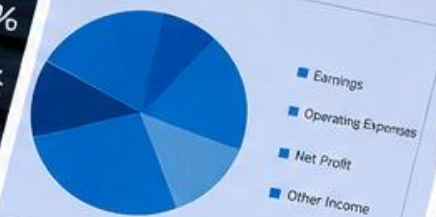
VAT RETURN

Value Added Tax

Taxpayer Name	
Trading Name	
Taxpayer Reference Number	
VAT Registration Number	
Tax Period	
Tax Periods	
Tax Rates	
Exempt Items	
Exempt Amount	
Total Sales	31,410
Total Exempt	
Total Taxable	



REVENUE



TAX REVENUE TREND



TAX

Taxpayer Name	
Trading Name	
Taxpayer Reference Number	
VAT Registration Number	
Tax Period	
Tax Periods	
Tax Rates	
Exempt Items	
Exempt Amount	
Total Sales	31,410
Total Exempt	
Total Taxable	

VALUE ADDED TAX (“VAT”) ACT, CAP 148

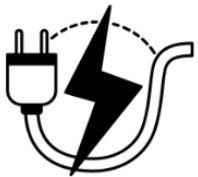
VAT EXEMPTIONS



- ▶ To exempt airline boarding passes from Value Added Tax (VAT).



- ▶ To grant VAT exemption on dairy packaging materials, both locally produced and imported, classified under HS Code 3920.20.90.
- ▶ To remove the sunset clause on VAT deferment for imported capital goods which expires on 30 June 2026.



- ▶ To exempt VAT on imported equipment used for electric vehicle charging stations classified under HS Code 8504.40.00.
- ▶ To exempt VAT on turbojets, turbo-propellers, other gas turbines under HS Heading 84.11, and aircraft tires classified under HS Code 4011.30.00



- ▶ To exempt VAT on imported LPG smart meters classified under HS Code 9028.10.00, with the exemption limited to LPG distributors.
- ▶ To exempt VAT on edible oil produced locally using locally sourced seeds for a period of one year.



- ▶ To exempt VAT on clothing and garments manufactured using locally grown cotton.



- ▶ To abolish VAT exemption on imported fishing nets classified under HS Code 5608.11.00 while exempting VAT on polyester fibres classified under HS Code 5402.20.00 used in producing fishing nets.



- ▶ To abolish VAT exemption on locally produced and imported dog and cat food classified under HS Code 23.09.

OTHER VAT CHANGES



VAT refunds be processed and paid within 30 days from the date a refund application is submitted.



To amend the VAT Act to recognize tax exemptions provided under Framework Agreements between the Government and mining investors as approved by the Cabinet.

INCOME TAX ACT, CAP 332

AMENDMENTS TO THE PRESUMPTIVE TAX



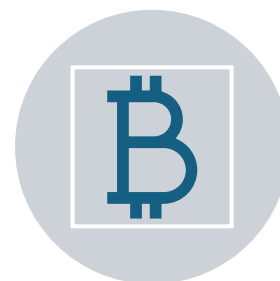
To grant a 12-month income tax exemption to newly registered taxpayers operating solely under the presumptive tax regime, effective from the date of issuance of their TIN. This change will remove the current requirement for provisional tax assessments and the obligation to settle such liabilities within six months after registration.



To increase the maximum turnover threshold for eligibility under the presumptive tax regime from TZS 100,000,000 to TZS 200,000,000. This change will allow taxpayers with annual turnover below TZS 200,000,000 to prepare audited financial statements voluntarily and adopt the self-assessment system.

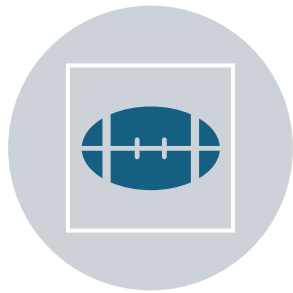


To increase the presumptive tax rate from 3.5% to 4.5% for taxpayers with annual turnover between TZS 11 million and TZS 200 million.



Digital Service Tax: To increase the income tax rate on payments made to foreign digital service providers from 2% to 3%.

WITHHOLDING TAX MEASURES



To increase the withholding tax rate on royalties paid to sports institutions or the Tanzania Football Federation from 5% to 10%.



To introduce a requirement for public institutions to withhold income tax on payments for goods.



To introduce 1% non-final withholding tax on payment by a corporation for purchase of food crops at time of sale or transportation. The tax shall become due on date of purchase of such produce, prior to its transportation or upon the transfer of ownership of the produce to another person. The tax will be paid as advance tax with single instalment tax certificate issued and which can be claimed as a credit against purchaser's income tax liability.



To introduce 1% withholding tax on payments made by companies or institutions to sellers of live animals, unprocessed milk, unprocessed fish and fish maws. The purchasers of the aforementioned products will be the withholding agents to remit the tax to the TRA.

OTHER INCOME TAX MEASURES



To amend section 33A of the Income Tax Act (Cap. 332) to reduce the fraction of deemed distribution of taxable profits to shareholders from 30% to 15%, excluding small financial sector, insurance companies, DSE-listed firms, and institutions with Government Framework Agreements.



To expand the definition of forest produce to include items such as natural varnish, latex, resin, sap, and gum, with income from these products subject to a 2% Single Instalment Tax on gross produce value.



To amend the Income Tax Law to recognize tax exemptions provided under Framework Agreements between the Government and mining investors as approved by the Cabinet.

EXCISE DUTY ACT, CAP 147

PROPOSED CHANGES

- ▶ To amend the Excise Duty Act (Cap. 147) to recognize tax exemptions provided under Framework Agreements between the Government and mining investors as approved by the Cabinet.
- ▶ To introduce a 20% excise duty on imported artificial flowers, foliage, fruits, and similar products classified under HS Heading 67.02.
- ▶ To expand the scope of excise duty to cover non-resident suppliers providing excisable services online directly to consumers without a physical presence in Tanzania.
- ▶ To impose a 10% excise duty on imported UV/LED gel nail curing machines used for manicure or pedicure under HS Code 8516.79.00.
- ▶ To increase excise duty on beauty products under HS Headings 33.03, 33.04, 33.05, and 33.07 from 10% to 15%.
- ▶ To introduce a 5% excise duty on motorcycles, excluding those designed for transporting emergency patients (motorcycle ambulances), motorcycles using natural gas or electric.
- ▶ To introduce a 10% excise duty on imported plastic or rubber clogs classified under HS Code 6402.99.00.
- ▶ To impose a 5% excise duty on vehicles under HS Code 8703.21.90 with engine capacity not exceeding 1,000 cc.
- ▶ To impose a 5% excise duty on the value of bets in gambling activities, including land-based and online/internet casino gaming, forty-machine slot games and virtual games operations. 10% or revenue collected will be remitted to Gaming Board of Tanzania.
- ▶ To increase excise duty on imported used vehicles from 15% to 20% for vehicles aged over 8 but not more than 10 years, and from 30% to 40% for those older than 10 but not exceeding 20 years. Vehicles over 20 years old will be subject to 50% duty rate.

TAX ADMINISTRATION ACT, CAP 438 & TANZANIA REVENUE AUTHORITY ACT, CAP 399

PROPOSED CHANGES

Tax Administration Act

- ▶ The Commissioner General of the Tanzania Revenue Authority to be allowed to dispose of perishable goods seized or distrained due to reasons such as tax violations and failure to pay tax debt, by public auction or private treat after notifying the taxpayer.

Tax Revenue Authority Act

- ▶ To increase the Customs Processing Fee from 0.6% to 1%.

LOCAL GOVERNMENT FINANCE ACT, CAP 290

PROPOSED CHANGES

- ▶ Local Government Authorities to increase the allocation of their revenues from 10% to 15%. The 10% maintained for loans to women, youth, and persons with disabilities, and the 5% directed toward the development of markets and entrepreneurial infrastructure to boost employment opportunities for these groups.

Rural Energy Act, Cap. 321; The Road And Fuel Tolls Act, Cap. 220;
The Railways Act, Cap. 170; The Water And Sanitation Services
Act, Cap. 272; And The Petroleum Act, Cap. 392

PROPOSED CHANGES



To provide a framework for distributing revenues collected from the Roads, Rural Energy, Water, and Railway Funds. Under this arrangement;



70% of the revenues will be transferred directly to the respective funds to support their operations and project implementation.



25% will be remitted to the Government's Consolidated Fund.



5% will be deposited into a special Bank of Tanzania account to finance infrastructure development in Export Processing Zone (EPZ) and Special Economic Zone (SEZ), including compensation for land acquired by the Government for SEZ establishment.

THE LAND ACT, CAP. 113

PROPOSED CHANGES



- ▶ To allocate the 20% of land rent revenue equally, with 10% going to the Ministry responsible for Land Affairs and the remaining 10% to Local Government Authorities.

THE BANK OF TANZANIA ACT, CAP 197 & THE NATIONAL PLANNING COMMISSION ACT

PROPOSED CHANGES

The Bank of Tanzania Act

- ▶ To lower the maximum limit for short-term government borrowing from the Central Bank from 18% to 14% of the actual revenue collected in the previous fiscal year.
- ▶ To amend the Bank of Tanzania Act (Cap. 197) by revising section 69 to clearly define the conditions under which the Bank may extend short-term loans to the Government in cases of unforeseen or unavoidable circumstances, along with specifying what constitutes such situations.

The National Planning Commission Act

- ▶ To amend section 6 of the National Planning Commission Act to establish a procedure for National development projects to be evaluated based on technical, financial, environmental, and economic criteria before being incorporated into the Government Budget.

TAX REVENUE APPEALS ACT, CAP 408 & THE ROADS AND FUEL TOLLS ACT, CAP 220 & THE ROAD TRAFFIC ACT CAP 168

PROPOSED CHANGES

TAX REVENUE APPEALS ACT



- ▶ To extend the statutory timeline for the out-of-court amicable settlement of tax disputes between the Commissioner General of the Tanzania Revenue Authority and the Taxpayer, from 60 days to 90 days from the date of the Tax Appeals Board (TRAB) or Tax Appeals Tribunal (TRAT) issues an order permitting alternative dispute resolution

THE ROADS AND FUELS TOLLS ACT



- ▶ To recognize tax exemption provisions under Framework Agreements approved by the Cabinet between the Government and mining investors, alongside establishing standard procedures to guide the granting of such exemptions.

THE ROAD TRAFFIC ACT, CAP 168

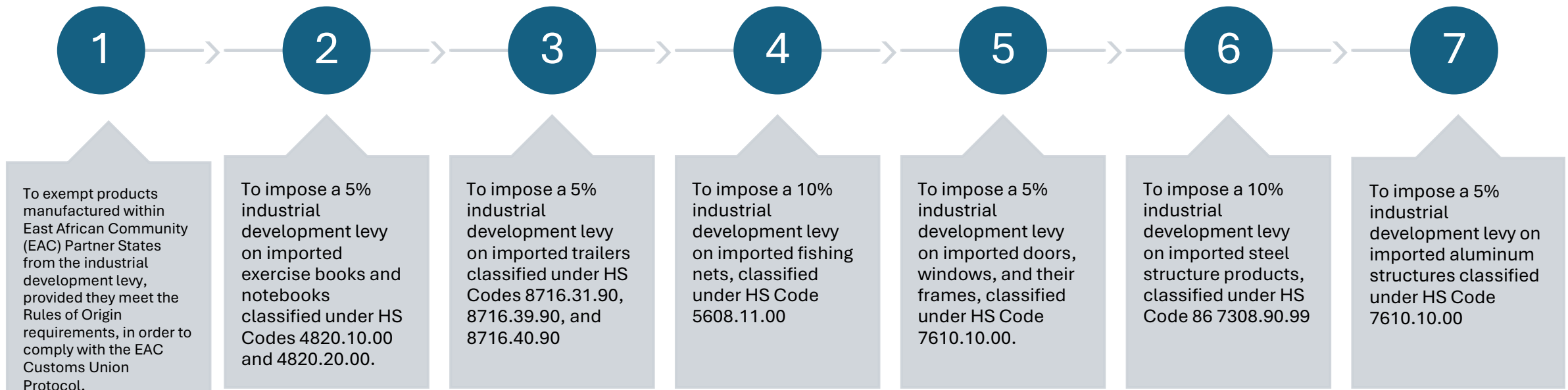


- ▶ To permit vehicles or trailers registered in Tanzania Zanzibar to operate in Mainland Tanzania using Zanzibar registration numbers, provided all required Mainland Tanzania taxes are paid in accordance with the existing laws and procedures of Tanzania Mainland.

THE IMPORTS CONTROL ACT, CAP 276 & THE EXPORT TAX ACT, CAP 196

PROPOSED CHANGES

THE IMPORTS CONTROL ACT



PROPOSED CHANGES

THE EXPORT CONTROL ACT



To introduce an export tax on wastepaper of HS Code 4707.00.00 at a rate of 30% of its FOB value or 200 shillings per kilogram, whichever amount is higher.



To impose an export tax on quartz minerals (HS Code 25.06) and feldspar (HS Code 2529.10.00) at a rate of 10% of their value or 200 shillings per kilogram, whichever is higher.



To impose an export tax of 50 shillings per kilogram on wheat bran (HS Code 2302.30.00), cotton cake (HS Code 2306.10.00), rice bran (HS Code 2302.40.00), maize bran (HS Code 2302.10.00), and sunflower cake (HS Code 2306.30.00).

THE STAMP DUTY, CAP 189 & FAIR COMPETITION ACT, CAP 285

PROPOSED CHANGES

THE STAMP DUTY ACT

It is proposed to amend the Schedule to the Stamp Duty Act by:

- Expanding the definition of a lease to cover documents involving the exchange of movable property.
- Increasing stamp duty on bills of sale used as collateral security from 1,000 to 10,000 shillings.
- Raising the maximum stamp duty on bills of sale by way of security from 10,000 to 100,000 shillings.
- Revising partnership deed stamp duty to 5,000 shillings for capital value not exceeding 1,000,000 shillings and 10,000 shillings for amounts above that threshold.
- Raising stamp duty on cheques from 100 to 500 shillings.
- Increasing duty on Surrender of Lease documents from 1,000 to 2,000 shillings.
- Introducing a 5,000-shilling stamp duty on bills of exchange of property.
- Applying an ad valorem stamp duty rate of 0.5% on agricultural land transfer documents instead of the current fixed 500 shillings.

FAIR COMPETITION ACT, CAP 285

- ▶ To amend section 88 of the Competition Commission Act, Cap. 285 to provide that the Fair Competition Tribunal's revenue includes 0.5% of the income generated by the regulatory authorities listed under section 88(1)(d), including EWURA, LATRA, TCRA, and TCAA.

INVESTMENT AND SPECIAL ECONOMIC ZONE ACT, 2025

PROPOSED CHANGES

INVESTMENT AND SPECIAL ECONOMIC ZONE ACT

- ▶ To amend the Investment and Special Economic Zones Act of 2025 by adding road tractors for semi-trailers, classified under specified HS Codes, to the negative list of goods that are not eligible for tax exemptions.

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed new changes in the East African Community Common External Tariff (EAC CET) rates are as follows:

Proposed change	Item	HS Code
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US\$ 2 per SQM whichever is higher for one year.	Worked monumental or building stone	Heading 68.02 .
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 25 percent or US\$ 550/MT whichever is higher for one year.	Aluminium bars, rods and profiles	Heading 76.04
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US\$ 350/MT whichever is higher for one year.	Washing powder	3402.49.00; 3402.50.00; and 3402.90.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed new changes in the East African Community Common External Tariff (EAC CET) rates are as follows:

Proposed change	Item	HS Code
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US\$ 250/MT whichever is higher for one year.	Welding electrodes	8311.10.00.
Grant stay application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent for one year.	Crude palm oil (CPO)	1511.10.00
Grant stay application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent for one year.	Calcium carbonate	2836.50.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed new changes in the East African Community Common External Tariff (EAC CET) rates are as follows:

Proposed change	Item	HS Code
to amend EAC Common External Tariff rate of 35 percent and apply a duty rate of 35 percent or US\$ 350 per metric tonne whichever is higher for one year.	Nails, tacks, drawing pins, corrugated nails staples and similar articles of iron or steel, whether or not with heads of other materials	7317.00.00
Grant duty remission at a rate of 10 percent instead of 25 percent for one year for one year.	Paper	4805.24.00; and 4805.25.00
Grant duty remission at a rate of 0 percent instead of 10 percent for one year.	Paper	4804.19.00; 4804.39.00 and 4804.52.00.
Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year	Raw materials	3506.91.00 and 3920.10.10

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

► The proposed new changes in the East African Community Common External Tariff (EAC CET) rates are as follows:

Proposed change	Item	HS Code
Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 35 percent or 0.30 US\$ per meter whichever is higher for one year.	Imported cotton grey fabric	5208.11.00; 5208.12.00; 5208.19.00; 5209.19.00; 5211.11.00; 5209.11.00; 5210.11.00; 5211.12.00; 5208.13.00; 5209.12.00; 5210.19.00; 5211.19.00; 5212.11.00; and 5212.21.00
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent for one year.	Doors, windows and their frames and thresholds for doors, of plastic	3925.20.00
Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 10 percent for one year.	Electric motor vehicles	8702.40.19; 8702.40.22; 8702.40.29; 8702.40.99; 8703.80.90 and 8704.60.90..
to amend EAC Common External Tariff rate of 35 percent and apply a duty rate of 35 percent or US\$ 3 per SQM whichever for one year	Ceramic tiles	6907.21.00; 6907.22.00; 6907.23.00; 6907.30.00; and 6907.40.00.

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed new changes in the East African Community Common External Tariff (EAC CET) rates are as follows:

Proposed change	Item	HS Code
Grant duty remission at a rate of 10 percent instead of 35 percent for one year	Raw materials	3210.00.99
Grant duty remission at a rate of 0 percent for one year	Packaging materials for the manufacture of acaricides.	
To extend regional duty remission at a rate of 10 percent.	Wire of iron or non-alloy steel	7217.10.00 and 7217.90.00
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 0 percent for one year	Cash registers and other Electronic Fiscal Device (EFD) Machines and Point of Sale (POS)	8470.50.00 and 8470.90.00
Grant stay application of EAC CET rate of 0 percent and apply a duty rate of 10 percent for one year	Cocoa powder, not containing added sugar or other sweetening matter	1805.00.00
Grant stay application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent for one year	Monofilament of which any cross-sectional dimension exceeds 1mm, rods, sticks and profile shapes whether or not surface worked but not otherwise worked of plastics	3916.10.00; 3916.20.00; and 3916.90.00.
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 25 percent or US\$ 1.35/kg whichever is higher for one year	Safety matches	3605.00.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of the EAC CET rate of 35 percent and apply a duty rate of 60 percent for one year	mineral waters and aerated waters	2201.10.00
Grant stay application of EAC CET rate of 0 percent and apply 10 percent for one year	gypsum powder	2520.20.00
Grant stay application of EAC CET rate of 35 percent or USD 0.40/Kg whichever is higher and apply a duty rate of 35 percent for one year	worn items of clothing, footwear and articles	6309.00.10; 6309.00.20 and 6309.00.90
Grant stay application of the EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year	new pneumatic tyres of rubber, of a kind used on motorcycles	4011.40.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 35 percent for one year	Baby diapers	9619.00.90
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year	Cotton yarn	52.05; 52.06; and 52.07 except HS Code 5205.23.00
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent for one year	Horticultural products	0604.20.00; 0604.90.00; 0808.10.00; and 0808.30.00
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year	Polyester/ nylon twine	5607.50.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 0 percent for one year	Smart cards imported by National Identification Authority	8523.52.00
Grant stay application of the EAC CET rate of 50 percent and apply a duty rate of 35 percent for one year	Imported vitenge	5208.51.10; 5208.52.10; 5210.51.10; 5211.51.10; 5209.51.10; 5212.15.10; 5212.25.10; 5513.41.10; and 5514.41.10
Grant stay application of the EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year	Other paper, paperboard, cellulose wadding and webs of cellulose fibres	4811.90.00
Grant stay application of EAC CET rate of 100 percent or US\$ 460/MT whichever is higher and apply a duty rate of 35 percent for one year	Cane sugar	1701.14.90

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of the EAC CET rate of 10 percent and apply a duty rate of 35 percent for one year	Float, toughened and multiple-walled insulating units of glass	7005.10.00; 7005.21.00; 7005.29.00; 7005.30.00; 7007.19.00; 7007.29.00 and 7008.00.00
Grant stay application of the EAC CET rate of 35 percent and apply a duty rate of 50 percent for one year	Table salt	2501.00.90
Grant stay application of EAC CET of 0 percent and apply a duty rate of 10 percent for one year	Crude vegetable oils of soya beans, groundnuts, coconuts, mustard and linseed	1507.10.00; 1508.10.00; 1513.11.00; 1513.21.00; 1514.11.00; 1514.91.00 and 1515.11.00
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year	Unbleached kraft paper and paperboard	4804.51.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 0 percent for one year	Buses for transportation of more than 25 persons	8702.10.99; 8702.20.99 and 8702.90.99
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent for one year	Fibreboard of wood or other ligneous materials such as medium density fibreboard (MDF)	Heading 44.11
Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent for one year	Plywood, veneered panels and similar laminated wood	Heading 44.12
Grant stay application of EAC CET rate of 35 percent and apply a duty rate of 35 percent or US\$ 300/MT whichever is higher for one year	Refined vegetable oils	1507.90.00; 1508.90.00; 15.09; 15.10; 1511.90.30; 1511.90.90; 1512.29.00; 1514.19.00; 1513.19.00; 1514.99.00; 1512.19.00; 1513.29.00; 1515.19.00; 1515.29.00; 1515.50.00; 1515.60.00 and 1515.90.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$ 125/MT whichever is higher for one year	Iron and steel products	7209.16.00; 7209.17.00; 7209.25.00; 7209.28.00; 7209.26.00; 7209.90.00; 7209.18.00; 7209.27.00; 7211.23.00; 7211.90.00; 7226.92.00 and 7225.50.00.
Grant stay application of the EAC CET rate 35 percent and apply a duty rate of 35 percent or US\$ 500/MT whichever is higher for one year	Corrugated iron sheets	7210.30.00 and 7210.41.00
Grant stay application of EAC CET rate of 25 percent or US\$ 200/MT whichever is higher and apply a duty rate of 35 percent or US\$ 350/MT whichever is higher for one year	Flat-rolled products of iron or non-alloy steel	7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; and 7210.90.00
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$125/MT whichever is higher for one year	Flat-rolled products	7212.20.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of EAC CET rate of 25 percent or US\$ 200/MT whichever is higher and apply a duty rate of 25 percent or US\$ 300/MT whichever is higher for one year	Flat-rolled products of iron or non-alloy steel	7212.30.00.
Grant stay application of EAC CET rate of 35 percent and apply a duty rate of 35 percent or US\$ 350/MT whichever is higher for one year	Flat-rolled products of iron or non-alloy steel	7212.40.00 and 7212.50.00
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$ 300/MT whichever is higher for one year	Flat-rolled products of iron or non-alloy steel	7212.60.00
Grant stay application of EAC CET rate of 25 percent or US\$ 200/MT whichever is higher and apply a duty rate of 25 percent or US\$ 250/MT whichever is higher for one year	Hot-rolled bars and rods, of iron or non-alloy steel	7213.10.00; 7213.20.00; and 7213.99.00.

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant stay application of the EAC CET rate of 35 percent and apply a duty rate of 35 or US\$ 250/MT whichever is higher for one year	Bars and rods of iron or non-alloy steel	Heading 72.14
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent or US\$ 300/MT whichever is higher for one year	Flat rods products of iron and steel	7225.91.00; 7225.92.00; and 7225.99.00
Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$ 300/MT whichever is higher for one year	Semi-finished flat rolled products	7226.99.00
Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 25 percent or US\$ 250/MT whichever is higher for one year	Other tubes, pipes and hollow profiles of iron or non-alloy steel	7306.30.00; 7306.50.00; 7306.61.00; 7306.69.00; and 7306.90.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant duty remission at a rate of 10 percent instead of 35 percent for one year	Imported wheat grain	1001.99.10 and 1001.99.90
Grant duty remission at a rate of 0 percent instead of 10 percent	Refined Bleached Deodorized (RBD) palm stearin	1511.90.40
Grant duty remission and stay of application for one year	Raw materials, accessories and machineries used to manufacture textiles and leather products	
Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year	Organic surface-active agents including LABSA	3402.31.00; 3402.39.00; and 3402.49.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant duty remission at a rate of 0 percent instead of 35 percent or 10 percent for one year	Raw material used in leather processing	3208.20.10; 3208.20.20; 3208.90.20 and 3210.00.10
Grant duty remission at a rate of 10 percent instead of 25 percent for one year	CKD for three-wheelers motorcycle excluding chassis and its components	8704.21.90
Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year	Inputs used to manufacture electric cables	7312.10.00; 7217.20.00; 7408.19.00; 7605.21.00; 2710.19.56; 7409.11.00; 3815.90.00; 5402.19.00; 5903.90.00; 7907.00.00; and 2712.10.00
Grant duty remission at a rate of 0 percent instead of 10 percent, 25 percent or 35 percent for one year	Inputs used to manufacture radiators	7409.11.00; 7409.19.00; 7410.11.00; 7410.12.00; 7409.21.00; 8001.10.00; and 3810.90.00

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant duty remission at a rate of 0 percent instead of 25 percent for one year	lithium ion electric accumulators used in the assembling or manufacturing of electric vehicle and motorcycles	8507.60.00
Grant duty remission at a rate of 0 percent for one year	inputs and raw materials used to manufacture optical fiber cables	3215.19.00; 3818.00.00; 3917.39.00; 3920.99.90; 3506.91.00; 3916.90.00; 3920.69.90; 3921.90.90; 5402.11.00; 3403.99.00; 3907.99.00; 3919.90.90; 3921.14.90; 5404.90.00; 7019.90.90; 8536.90.00; and 8544.49.00
Grant duty remission at a rate of 10 percent instead of 25 percent for one year	Inputs such as metalized paper	4811.90.00
Grant duty remission at a rate of 0 percent instead of 10 percent for one year	Inputs used by local manufacturer of waterproofing membranes.	2713.20.00; 5603.14.00; 2710.19.59; and 3920.10.10

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant duty remission at a rate of 10 percent instead of 35 percent for one year	Inputs used by local manufacturer of waterproofing membranes.	6802.99.00
Grant duty remission at a rate of 0 percent instead of 25 percent for one year	Packaging materials used by local manufacturers of tea (blenders).	4819.20.90; and 5407.44.00
Grant duty remission at a rate of 0 percent instead of 25 percent for one year	Packaging materials used for packing processed coffee.	7310.21.00; and 6305.10.00
Grant duty remission at a rate of 0 percent instead of 25 percent for one year	Packaging materials used by local producers of agricultural seeds.	6305.10.00; 4819.40.00; 7310.29.90; 6305.33.00; 6305.20.00; 6304.91.90 and 7607.19.90

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

- ▶ The proposed measures that were implemented in financial year 2025/2026 that will remain in the effect in the 2026/2027 financial year are as follows :

Proposed change	Item	HS Code
Grant duty remission at a rate of 0 percent instead of 25 percent or 35 percent for one year	Inputs used by domestic manufacturers of yoghurt, powdered or UHT milk.	3923.50.90; 118 4819.20.90; 4819.50.00; 4819.30.00; 4821.90.00; and 7607.19.90

- ▶ Other proposed changes include the following:
 - ▶ To amend Paragraph 1 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to include specified paper designated exclusively for printing passenger boarding passes into the scope of import duty exemption provided to aircraft operations.
 - ▶ To amend Paragraph 20 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to recognize all disaster management responsible authorities within the EAC Partner States.
 - ▶ The EAC Partner States agreed to establish the East African Community Assembling and Manufacturing of Products Regulations, 2025, which were scheduled to come into force from 1st July 2026. During the EAC meeting held in May 2026, it was agreed to defer the implementation date of the Regulations to 1st July 2027.

PROPOSED CHANGES

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT

► New import duty rates will apply effective 1 July 2026 for the following selected products:

Proposed change	Item	HS Code
A duty rate of 25 percent or US\$ 0.46 per litre whichever is higher instead of the current rate of 25 percent;	Lubricants	710.19.51
A duty rate of 25 percent or US\$ 660/MT whichever is higher instead of the current rate of 25 percent;	Yeast	2102.10.00
A duty rate of 25 percent or US\$ 200/MT whichever is higher instead of the current rate of 25 percent;	Photocopying and printing paper	4802.56.00
A duty of 10 percent or US\$ 80/MT whichever is higher instead of the current rate of 10 percent.	Photocopying and printing paper	4802.57.00



OTHER PROPOSED LEGISLATIVE MEASURES

LEGISLATION

BILL
Proposed Legislation

Be it enacted by the Parliament

SECTION 1. SHORT TITLE

This Act may be cited as the "..."

SECTION 2. INTERPRETATION

1.1 In this Act, unless the context otherwise requires

1.2 "authority" means a

1.3 "administer" means a

1.4 "regulation" means

LEGISLATIVE MEASURE

- Governance
- Compliance
- Transparency
- Accountability
- Efficiency

STATUTES

PROPOSED CHANGES

Weights and Measures Agency Regulations, 2025

- ▶ To amend the Weights and Measures Agency Regulations (2025) to raise the petroleum verification fee from TZS 0.15 per litre to TZS 1 per litre.

The Registration and Identification of Persons Regulations, 2014

- ▶ To amend the Registration and Identification of Persons Regulations, 2014, by introducing a fee of TZS 500 for citizens accessing their information from the NIDA database and TZS 1,000 for those requesting printed copies of such information.

The Road Traffic Regulations, 2024

- ▶ To continue exclude motorcycle transport business from the presumptive tax system; and
- ▶ Instead to amend the Road Traffic Regulations, 2024, to increase the registration fee for two-wheeled motorcycles from TZS 95,000 to TZS 150,000.

Establishment of Additional Source of Revenue to finance Universal Health Coverage

- ▶ To amend the Excise (Management and Tariff) Act, Cap. 147 to raise excise duty on cigarettes under HS Headings 24.02 and 24.03 by 20 shillings per mil.
- ▶ To amend the Sugar Industry Act, Cap. 251 and its regulations to increase the sugar levy by 10 shillings per kilogram on imported and locally produced sugar.

Electronic and Postal Communications (Online Content) Regulations

- ▶ To reduce online content service fees as per below.
- ▶ Application fee for an online content service license from TZS 50,000 to TZS 10,000.
- ▶ Initial, annual and renewal fees for an online content service license from TZS 500,000 to TZS 50,000.
- ▶ Application fee for an Online Content Aggregator license from TZS 100,000 to TZS 20,000.
- ▶ Initial, annual and renewal fees for an Online Content Aggregator license from TZS 1,000,000 to TZS 100,000.

PROPOSED CHANGES

Ministry of Natural Resources and Tourism

- ▶ To introduce fees for the registration of private museums as follows:
- ▶ Registration of a private museum for a fee of TZS 50,000 for Tanzanian citizens.
- ▶ A registration fee of TZS 100,000 is proposed for Tanzanian institutions operating private museums.
- ▶ A registration fee of TZS 500,000 is proposed for private museums owned by foreign citizens.
- ▶ An annual license fee of TZS 20,000 is proposed for Tanzanian citizens operating private museums.
- ▶ Tanzanian institutions would be required to pay an annual license fee of TZS 100,000 for operating private museums.
- ▶ Foreign institutions would be charged an annual license fee of TZS 300,000 to operate private museums.

Research and Investment in the Mining Sector

- ▶ To establish a Mineral Research Fund to be financed by allocating 10% of gross mineral revenue collections by the ministry responsible for minerals.

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