GENERAL AGREEMENT ON
TARIFFS AND TRADE

Committee on Trade in Industrial Products
Group 4 - Licensing

REPLIES TO THE QUESTIONNAIRE ON LICENSING

Addendum

KENYA

THE SYSTEM OF IMPORT/EXPORT LICENSING IN KENYA

1. The import and export licensing is carried out by the Ministry of Commerce and Industry in the Government of Kenya.

2. The import licences are issued for the importation into Kenya of foreign products that by and large are not available at the local markets. We limit the quantity of these products through quota system. The export licences are vetted and issued for the local products that are competitive - quality and price-wise.

3. The import licensing system does not discriminate against the source of goods originating in and coming from contracting countries and Members of GATT, EEC, EAC and UNCTAD but the Government may review the trade situations especially where the import good is not conducive to economic development. The country concerned is normally informed of the decision to limit the importation of the good.

4. The licensing system tries to restrict the quantity or the value of imports through the quota arrangement method thus allowing other contracting countries a share of the market with a view to increasing the quantum of trade with them.

5. The licensing system in Kenya is carried out in keeping with the rules and regulations of EAC, EEC, GATT and UNCTAD but fully aware of the general economic conditions in the local and international markets. The statutory licensing is desired to limit certain products which do not need to be imported (in large quantities) in order to protect local infant industries.

6. (a) The formalities of filing licence applications and the conditions relating to the allocation of quotas are made known to the applicants and government concerned notified in each case.

(b) The size of the quota is determined annually or seasonally depending on the economic conditions prevailing at any given time and the traders are advised to submit their applications for licences three months in advance during the beginning of each year.
Licences are allotted for certain goods partly and to domestic producers if supply does not siphon demand. The importer knows his source of purchases and takes the initiative to contact the exporter on obtaining the licence. The unused allocation may be lost if no prior arrangement had been fixed for it to be lumped up together with that of the succeeding year. The communication at this stage is carried out governmentally.

Traders submit their applications for the allocation of new quotas and import licences but for those who already hold quotas for a particular product the submission of applications presents no difficulties for their renewal.

The minimum and maximum length of time for processing licence applications depends on the number of applications and the availability of quota; however, applicants are reminded to apply three months in advance.

Since trade is wholly handled by the private sector, importers normally contact the foreign exporters immediately after obtaining the licences.

The importers/exporters approach a single administrative organ to obtain trade licences.

The issuing of trade licences depends on the availability of existing quotas and the new ones, being created by the renewal of the previous ones, present no difficulties unless the importation of a particular product is placed under temporary restriction.

In the case of bilateral quotas or export restraint arrangements import licences are issued immediately when the critical period is declared over.

In the cases where imports are allowed on the basis of export permits, the information to this effect is relayed through the appropriate governmental channels.

There is no regulation that some products for which licences are issued are required not to be sold in the domestic market.

Where there is no quantitative limit on the importation of any products or on imports from a particular country, licences may be obtained equally within the same time-limit without difficulty.

A licence may be granted immediately on request if a quota is established.

Applications for trade licences are submitted three months before the current licences expire.
(d) The issuance of trade licences is effected by a single administrative
organ whom the trader approaches to demand a licence.

8. The Trade Licensing Act 1967 makes it illegal for non-citizen traders to
carry out any commercial transactions without the written consent of the
Government; a licence may be refused and the applicant notified of the decision
against which he/she may appeal to the Trade Licensing Appeals Committee. The
secretary of the Appeals Committee is required to be an officer of the Ministry of
Commerce and Industry.

9. All persons, firms and institutions are eligible to apply for licences until
the applicant receives a notification confirming or rejecting the application.
While a non-citizen trader may be issued with a licence, any person declared
lunatic, minor or engaged in illegal business (recognized as such by the laws of
Kenya) are not issued with trade licences.

10. A copy of sample form is enclosed.¹

11. Upon actual importation, one would be required to produce a shipper's invoice
and bill of lading.

12. No.

13. No.

14. The period of validity of a licence is normally six months and could be
extended for a further period of three months.

15. No.

16. No.

17. No.

18. No.

19. Foreign exchange is provided by the Central Bank of Kenya on condition that
the importer presents a valid import licence issued by the Department of Trade
and Supplies authorising him to import. Foreign exchange is always available to
cover licences issued. "Form 3" must be filled to accompany the import licence for
the Central Bank before they issue foreign exchange. (Form 3 is provided by the
Central Bank).

¹This sample form, which is not reproduced in this document, is available for
consultation in the secretariat.