

THE EXCISE DUTY REGULATIONS, 2019

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THE EXCISE DUTY REGULATIONS, 2019	
PART I- CITATION AND INTERPRETATION	
Citation.	1. These Regulations may be cited as the Excise Duty Regulations, 2019.
Interpretation.	<p>2. In these Regulations –</p> <p>“Act” means the Excise Duty Act, 2015;</p> <p><i>Alcoholic Beverages</i>” includes beer, opaque beer, powdered beer wine, spirits and spirituous beverages and mead;</p> <p>“Customs Control” has the meaning assigned to it under the East African Community Customs Management Act, 2004;</p> <p>“denaturer” means a person holding a licence under section 17 of the Act to denature spirits;</p> <p><i>feints</i>” means spirits conveyed into a receiver in a distillery entered under these regulations as a feints receiver;</p> <p><i>Form</i>” means a form set out in the First Schedule or a form approved by the Commissioner;</p> <p><i>Tobacco and Tobacco products</i>” includes Cigarettes, cigars, cigarillos, electronic cigarettes, other manufactured tobacco and manufactured tobacco substitutes or essences;</p> <p><i>wash</i>” means the fermented liquor from which spirits are produced by distillation;</p> <p><i>worts</i>” means the liquid obtained by dissolving sugar or molasses in water or by extracting the soluble portion of malt or corn in the process of brewing and any primary or colouring solution.</p>
PART II- LICENSING OF PREMISES AND PLANT	
Application for license or registration to manufacture or import excisable goods, supply excisable services, users of excisable goods	<p>3. (1) Where a person makes an application to be licensed or registered under section 16, the application shall be-</p> <p style="padding-left: 40px;">(a) In the approved form;</p> <p style="padding-left: 40px;">(b) Accompanied by-</p> <p style="padding-left: 40px;">(i) the documents that the Commissioner may require;</p> <p style="padding-left: 40px;">(ii) an application for approval of the processes, appliances, stills, vats, vessels, utensils, pipes and fittings for use by the applicant;</p> <p style="padding-left: 40px;">(iii) a written description of all the processes;</p> <p style="padding-left: 40px;">(iv) a plan of each building, room or place to which the application for a license relates, and the situation of each building, room or</p>

	<p>place in relation to other buildings, rooms or places in the vicinity;</p> <p>(v) details of the installed production capacity of each production line;</p> <p>(vi) the prescribed license application fees; and</p> <p>(vii) evidence of installation of devices, equipment, systems or any other similar requirements prescribed under these regulations or the Act</p> <p>(2) For purposes of sub regulation (3) (b) (iv), the license or registration fee for activities listed under Section 15 (1) (a) and (b) of the Act shall be one hundred thousand shillings.</p> <p>(3) The applicant shall furnish security in such amount as the Commissioner may require in Form EBS for activities listed under section 15(1) (a) of the Act.</p> <p>(4) A license issued under this regulation shall be in the prescribed form.</p> <p>(5) A person who contravenes this regulation commits an offence.</p>
<p>registration of importers of cigarette paper, cigarette packaging materials, raw or unprocessed tobacco and ethanol</p>	<p>4. (1) A person shall not undertake the following activities unless registered by the Commissioner-</p> <p>(a) importation of cigarette paper or cigarette packaging materials;</p> <p>(b) importation of raw or unprocessed tobacco; and</p> <p>(c) Importation of ethanol.</p> <p>(2) Only persons licensed as manufacturers of tobacco products shall be registered as importers of items under sub regulation 1 (a) and(b) above.</p> <p>(3) only persons-</p> <p>a. licenced as manufacturers of alcoholic beverages; or</p> <p>b. registered as users of spirit to manufacture unexcisable goods,</p> <p>shall be registered as importers of ethanol.</p> <p>(4) An application for registration under this regulation shall be-</p> <p>(a) in the prescribed form; and</p> <p>(b) accompanied by the documents that the Commissioner may require.</p> <p>(3) A person who contravenes this regulation commits an offence.</p>
<p>Inspection of premises</p>	<p>5. The Commissioner shall inspect premises and processes in case of an application under regulation 3 and 4.</p>
<p>Requirement to provide remote view of the factory</p>	<p>6. (1) A licensee shall install systems to enable a remote view of the operations of the factory.</p> <p>(2) The Commissioner shall prescribe the specifications of the systems required under this regulation.</p>

	<p>(3) For purposes of (1) above, the Commissioner shall have unlimited access to the system.</p> <p>(4) The systems referred to in (1) above, shall be capable of storing and transmitting real-time digital images and such other information through a secure platform as the Commissioner may require.</p>
<p>Suspension and cancellation of a license or registration</p>	<p>7. (1) The Commissioner may, In addition to the circumstances listed under Section 20 of the Act, suspend a licence where-</p> <ul style="list-style-type: none"> (a) a person has been found in possession of unexcised goods or services; (b) a person has been found engaging in activities not specified in the license or registration; (c) the licensed activity becomes prohibited by the Act or any other law; or (d) the licensed premises or the equipment therein have been altered without the approval of the Commissioner. <p>(2) Where a license or registration is suspended under the Act, the person shall-</p> <ul style="list-style-type: none"> (a) immediately cease to manufacture or import excisable goods, or supply excisable services; and (b) comply with any conditions that the commissioner may require. <p>(3) Where a license or registration is cancelled under the Act-</p> <ul style="list-style-type: none"> (a) the person shall- <ul style="list-style-type: none"> (i) immediately cease to manufacture or import excisable goods, or supply excisable services; (ii) immediately pay all excise duty on excisable goods at hand or excisable services supplied in respect of which duty is still unpaid; and (iii) dispose of excisable goods, materials, plant and equipment in the manufacturer's factory in accordance with the direction of the commissioner; (b) the Commissioner may- <ul style="list-style-type: none"> (i) require the licensed manufacturer to remove excisable goods in the manufacturer's factory to another place approved by the Commissioner; (ii) take control of the manufacturer's factory and of any excisable goods at the factory as may be necessary for the protection of revenue and ensure compliance with the Act.

	PART III- EXCISE CONTROL
Marking of premises and pipes	<p>8. (1) A licensee shall-</p> <ul style="list-style-type: none"> (a) at the principal entrance and such other prominent place as the Commissioner may require mark in official language- <ul style="list-style-type: none"> (i) the words "EXCISE PREMISES"; and (ii) the name of the licensed person and the license number allocated to the premises. (b) ensure that the pipes in the production process are joined permanently and easily examined along the whole length; (c) ensure that the pipes and vessels conform to the standards specified for that industry; (d) mark and maintain in oil colors each item of plant used in the manufacture, preparation for sale, or storage of materials or excisable goods; (e) to the satisfaction of the Commissioner, place and keep each vessel and utensil in a convenient situation easy to access for official examination and account, and so fixed as to admit of the content thereof being accurately gauged or metered; (f) provide all such fittings as may be required by the Commissioner for the attachments of revenue locks or seals to secure the factory and plant for excise purposes; (g) to the satisfaction of the Commissioner— <ul style="list-style-type: none"> (i) paint and maintain so painted, in different oil colours, pipes used for delivery of products at each stage of manufacturing; and (ii) place and keep each vessel and utensil in a convenient situation easy to access for official examination and account, and so fixed as to admit of the content thereof being accurately gauged or metered. (h) for purposes of (1) (g) above, a distiller shall paint on the full length or in bands of suitable intervals on pipes for conveyance of- <ul style="list-style-type: none"> (i) Spirit -Red (ii) Wash/worts- Blue (iii) Molasses- Green (iv) Low wines of feints- Brown

	<p>(v) Water- Yellow (vi) Fuel oil- Black</p> <p>(i) not vary any process or alter move, or add to the vessels, utensils pipes or fittings in the factory unless the person has given prior notice in writing to the Commissioner and has obtained the Commissioner's approval of all such variations alterations, movements or additions.</p> <p>(2) (a) A Licensed premises shall provide for separate office accommodation, production area, raw materials storage and finished goods storage.</p> <p>(b) For purposes of (2) (a) above, the areas shall be secure and isolated from each other, and fitted with attachments for revenue locks or seals to secure for excise purposes.</p> <p>(3) Where a person is licensed as a manufacture of excisable goods and is also registered as an importer of excisable goods, that person shall provide separate premises or storage rooms approved by the Commissioner for storage of the imported goods.</p> <p>(4) A person who contravenes the provisions of this regulation commits an offence.</p>
Automation of production,	<p>9. (1) The Commissioner may require a licensed premise to have an automated production process at every stage of manufacturing for specific industries.</p> <p>(2) for purposes of manufactures of alcoholic beverages, the installed production capacity shall not be less than 6,000 bottles per hour.</p>
metering and measuring devices,	<p>10. (1) The Commissioner shall by notice in the gazette specify the requirements of a measuring or metering device and such other equipment as may be required under these regulations.</p> <p>(2) The production system shall include such measuring and metering devices approved by the Commissioner to allow full accounting of raw materials, intermediate goods and the finished products.</p> <p>(3) the raw materials and finished products storage tanks shall be fitted with tank gauging systems to allow proper account of the contents therein.</p> <p>(4) the metering and measurement devices required under these regulations shall be installed in such</p>

	<p>places in the production line as the commissioner may specify for each production facility.</p> <p>(5) A licensee shall-</p> <p>(a) provide and regularly maintain accurately calibrated, metered and gauged tanks and vessels to enable easy examination and account of the content therein by the Commissioner; and</p> <p>(b) Keep maintenance logs for metering and measuring devices and ensure that they are accurately calibrated at least once every year.</p>
<p>Marking of products, containers and packages</p>	<p>11. (1) All packages of excisable goods including those meant for duty free, exports and other excisable goods shall bear distinct markings to enable the goods to be trackable and traceable.</p> <p>(2) Each package or container and material wrapping the package for wholesale purposes shall have printed on it—</p> <p>(a) in the case of exports, the country of final destination;</p> <p>(b) in the case of excisable goods for consumption in Kenya, “FOR USE IN KENYA”;</p> <p>(c) in the case of excisable goods for sale to duty-free shops, or Diplomatic shops, “DUTY FREE”;</p> <p>(d) in the case of excisable goods for consumption by Kenya Defence Forces, “KENYA DEFENCE FORCES”.</p> <p>(3) For purposes of this regulation, the Commissioner may specify other markings to distinguish excisable goods meant for different persons.</p>
<p>Control of raw materials</p>	<p>12. (1) Raw materials used for manufacture of excisable goods shall be entered into a secure room or storage facility and stored in a manner to allow taking of full account of the materials therein.</p> <p>(2) A person shall not remove any raw materials for a purpose other than manufacture in the licensed premises without the approval of the Commissioner.</p> <p>(3) A distiller shall not store any alcohol, other than potable ethyl alcohol, unless it is denatured in accordance with these regulations.</p>

	<p>(4) A person who contravenes this regulation commits an offence.</p>
Storage and delivery of excisable goods after manufacture	<p>13. (1) All excisable goods shall, after the process of manufacture has been completed, be forthwith removed to a room which shall be known as the “excise stock room”; and the goods shall be kept therein until delivery therefrom is made in accordance with these regulations.</p> <p>Provided that for distilled spirit, the receiving tanks shall be deemed to be the excise stock room.</p> <p>(2) the excise stock room shall be clearly marked with the words “EXCISE STOCK ROOM”.</p> <p>(3) The excise stock room shall not be used for any purpose other than of storing finished excisable goods after they have been manufactured.</p> <p>(4) The excisable goods in a stock room shall be stored in such a manner to facilitate the taking of a full account of the them.</p> <p>(5) No person shall remove, or cause, or allow to be removed, to or from the excise stock room any excisable good unless the bottle or container has printed on its main label the name of the brand, the manufacturer, the place and date of manufacture, address, batch number, bar code or any other markings that relates the product to the licensee.</p> <p>(6) Goods manufactured for export or exempt from excise duty shall be stored separately from other goods in the excise stock room in a manner to allow easier examination and taking account of the goods.</p> <p>(7) A licensed person shall provide a separate storage for excisable goods returned to the factory in which they were manufactured.</p>
Excisable goods for export, exemption etc	<p>14. A licensee shall be liable for the payment of excise duty in respect of excisable goods-</p> <p>(1) (a) manufactured for export which are diverted into or offered for sale in Kenya; and (b) used inconsistent with conditions of exemption, remission or refund under the Act.</p> <p>(2) A licensed person shall be responsible for declaration and transportation of excisable goods destined for export or under remission, exemption or refund.</p>
Provisions relating to records	<p>15. (1) A licensee shall keep records as required under the Act and the Tax Procedures Act, 2015.</p> <p>(2) The records required in (1) above shall be – (a) printed typed or written thereon indelibly and legibly, and every alteration in the form or document made prior to its acceptance shall be made in such manner as to leave the error as well as the alteration legible; and every such alteration</p>

	<p>shall be initialled and dated by the person making it; or</p> <p>(b) in electronic form or other form which shall be made in such a manner as may be approved, and shall not be altered except in the prescribed manner.</p> <p>(3) The Commissioner may decline to accept or to act upon any form, document or records submitted to him unless the requirements of the Act and these Regulations in relation thereto have been observed</p> <p>(4) The Commissioner may specify the form of any other document required or authorized for the purposes of the Act and these regulations.</p>
Declaration of brands	<p>16. (1) No licensee shall bottle or otherwise pack any excisable goods for sale unless a declaration has been made to the Commissioner in the prescribed format and containing such particulars as the Commissioner may require and the Commissioner has approved.</p> <p>(2) notwithstanding the provisions of sub regulation (1) above, the Commissioner may upon application, authorize a person to carry out experimental operations subject to such conditions as the Commissioner may impose.</p>
	<p>PART IV- PRODUCTION ACCOUNTING</p>
Production accounting system Section 28 of the Excise Duty Act, 2015	<p>17. (1) The Commissioner may require a manufacturer or importer of excisable goods to facilitate installation of a production accounting system.</p> <p>(2) The production accounting system shall be composed of-</p> <p>(a) product authentication and validation equipment;</p> <p>(b) devices for the control, registration, recording and transmission of data on quantities of excisable goods which have been manufactured or imported by the licensee.</p> <p>(2) the production accounting system shall-</p> <p>(a) be installed on all production lines at the manufacture's premises corresponding to each packaging machine or labelling machine; and</p> <p>(b) for the management of imports, be installed in the manner specified by the Commissioner.</p> <p>(3) Where a new or modified System is required, the Commissioner shall notify the manufacturers or importers of excisable goods in writing at least thirty days before the installation and integration of the new or modified System and the notice shall state—</p> <p>(a) The requirements for the equipment to facilitate use of the system;</p>

	<p>(b) The adaptive features required, on each production line; and</p> <p>(c) Connectivity features and operating environment for the installation and operation of computers and other equipment</p> <p>(4) A licensee shall report to the Commissioner any non-operational or inoperative production line-</p> <p>(a) within twenty-four hours of the production lines becoming non-operational; or</p> <p>(b) where the licensee does not intend to produce for a period exceeding 24 hours.</p> <p>(5) The Commissioner may secure the production lines where-</p> <p>(a) a licensee reports non-operation or inoperative lines under this part; or</p> <p>(b) where the installed production capacity of the production lines remains unutilized.</p> <p>(6) Where the Commissioner secures production lines in accordance with this Regulation, the licensee shall provide the Commissioner with a production schedule indicating the dates and times when the licensee intends to produce to facilitate the unsealing of the production lines.</p>
PART V- SECURITY OF EXCISE DUTY	
Bond security, EBS	<p>18. (1) The Commissioner shall require a licensee to provide security in Form EBS for the purpose of securing Excise duty payable on excisable goods or compliance with any requirements under the Act.</p> <p>(2) the security shall be given to the satisfaction of the Commissioner either –</p> <p>(a) by bond, in such sum and subject to such conditions and with such sureties as the Commissioner may reasonably require;</p> <p>(b) by cash deposit; or</p> <p>(c) partly by bond and partly by cash deposit.</p> <p>(3) Where security is required to be given under the Act for any particular purpose, then the security may, with the approval of the Commissioner, be given to cover any other transactions which the person giving the security may enter into within such period as the Commissioner may approve.</p> <p>(4) All bonds required to be given under this Act or these regulations shall be so framed that the person giving the bond, and any surety thereto, is bound to the Commissioner by that name for the due performance of the conditions of the bond; and all bonds may,</p>

	<p>unless sooner discharged by the due performance of the conditions thereof, be discharged by the Commissioner on the expiration of three years from the date thereof, but without prejudice to the right to the Commissioner to require fresh security.</p> <p>(5) Where a bond given under the Act or these regulations is discharged, then the Commissioner shall cause the bond to be cancelled and an endorsement to that effect made thereon.</p> <p>(6) In determination of the bond amount required under these regulations or the Act, the Commissioner shall use-</p> <p>(a) the projected annual excise duty that would be payable by the licensee; and</p> <p>(b) risk profile of the industry in which the licensee belongs determined by the levels of illicit trade in that industry.</p>
Provisions relating to sureties	<p>19. (1) Without prejudice to the rights of a surety to a bond given under the Act against the person for whom he is surety, a surety shall for all the purposes of a bond be deemed to be the principal debtor and accordingly the surety shall not be discharged, nor his liability affected, by the giving of time for payment, or by the omission to enforce the bond for a breach of any conditions thereof, or by any other act or omission which would not have discharged the bond if he had been the principal debtor.</p> <p>(2) If a person being a surety-</p> <p>(a) dies; or</p> <p>(b) becomes bankrupt or enters into an arrangement or composition with, or for the benefit of, his creditors; or</p> <p>(c) departs from Kenya without leaving sufficient property therein to satisfy the whole amount of the bond;</p> <p>the Commissioner may require the person giving the bond to enter into fresh security.</p>
Enforcement of the bond	<p>20.(1) Where the conditions of a bond have not been complied with then the Commissioner may by notice in writing forthwith require the person who has given security under it to pay to the Commissioner the amount of the security within fourteen days' of the notice; and on failure to comply with the notice, the Commissioner may enforce payment of the security as though it were excise duty due and unpaid.</p> <p>(2) A person against whom the Commissioner has enforced payment of a security under sub regulation (1) may, if aggrieved by such enforcement, file a suit in court for determination of the matter, within six months of the enforcement: Provided that prior to</p>

	<p>filing the suit, such person shall deposit to the Commissioner the whole amount of duty demanded.</p> <p>(3) Nothing in this regulation shall, unless the Commissioner otherwise allow, absolve the person who has given security under section 37 of the Act from the obligations entered into by him under the Act.</p>
Cancellation of the Bond	<p>21. A licensee may apply to the Commissioner for cancellation of any bond given by way of security under these regulations in such manner as the Commissioner may specify and shall be accompanied with such evidence of compliance with those provisions of the Act that necessitated the giving of security.</p>
	<p>PART VI -PROVISIONS RELATING TO MANUFACTURE OF WINE AND FORTIFIED WINES</p>
Manufacture of wine, Mixing of wines and fortification	<p>22. (1) Subject to such conditions and limitations as may be prescribed, a wine manufacturer may-</p> <p>(a) mix in the licensed premises, spirits with wine manufactured by him in a proportion not exceeding ten litres of proof spirit to one hundred litres of wine: Provided that the mixture shall not thereby be raised to a greater strength than fifty degrees of proof; or</p> <p>(b) during the process of manufacture, mix wine made by him with imported wine on which the full duties of customs have been paid.</p> <p>(2) If any wine contains any imported wine which has been mixed therewith the manufacturer shall declare on the main label of each bottle or other immediate container the quantity of imported wine expressed as a percentage of the total quantity of wine in each bottle or other immediate container.</p>
	<p>PART VII -PROVISIONS RELATING TO MANUFACTURE OF SPIRITS AND SPIRITUOUS BEVERAGES</p>
Purchase and of sale spirit	<p>23. (1) prior to making any sale, a licensed distiller shall confirm eligibility-</p> <p>(a) of a person to procure spirit for use in Kenya ;</p> <p>(b) of a regional importer to use spirit for lawful purposes in the country of importation.</p> <p>(2) A licensed distiller shall avail details of those purchasing ethanol on monthly basis or at such other intervals as may be determined by the Commissioner.</p>
Removal and transportation of spirit	<p>24. (1) No person, other than a distiller, shall transfer or transport any spirit to a person(s) or premise(s) for manufacture, bottling or filling unless prior notice thereof has been given to the Commissioner and approved.</p>

	<p>(2) Except as permitted by the Commissioner all spirits delivered in accordance with sub regulation (1) shall be accompanied by an approved removal permit in the approved form and subject to such limitations and conditions as may be specified in that permit.</p> <p>(3) The distiller shall give written notice in an approved form to the Commissioner before any spirits are delivered in accordance with this regulation and shall attach to the notice any removal permit or other document which may be required by these Regulations to cover that delivery.</p> <p>(4) (a) Spirit delivered in accordance with this regulation shall be packaged in cask's or containers marked and printed on its main label the name of the product, the manufacturer, the place and date of manufacture, address, batch number, bar code or any other markings that relates the product to the distiller.</p> <p>(b) Notwithstanding (4) (a) above, the Commissioner may approve delivery of spirit by other means which shall be secured to the Commissioner satisfaction.</p>
<p>Distiller who is a denaturer or compounder</p>	<p style="text-align: center;"><i>Distillation and denaturing of spirits</i></p> <p>25. (1) Where a distiller who is also a rectifier or denaturer wishes to rectify or denature spirits manufactured by him, either in the factory in which they were distilled or in another factory adjacent thereto, he shall –</p> <ul style="list-style-type: none"> (a) make such structural alterations to any of those premises; and (b) provide such additional equipment, as the Commissioner shall consider necessary for the exercise of proper revenue control. (c) Provide, to the satisfaction of the Commissioner- <ul style="list-style-type: none"> (i) a secure storage for denaturants; (ii) unlimited access to the secure storage for the denaturants therein. <p>(2) An authorized officer may, at any time access and examine the denaturants.</p> <p>(3) (a) Subject to conditions that the commissioner may impose, a licensed distiller may compound spirits manufactured in the licensed distillery.</p> <p>(b) A distiller who intends to compound spirit shall apply to the Commissioner for a separate licence to compound spirit.</p>
<p>Control of denaturer</p>	<p>26. (1) No person other than a licensed distiller shall denature spirits.</p>

		<p>(2) A distiller who is also a denaturer shall-</p> <p>(a) denature spirits under supervision of the Commissioner.</p> <p>(b) not release denatured spirit without approval of the Commissioner;</p> <p>(3) No person shall import denatured spirit without the approval of the Commissioner.</p>
Substances and formula denaturing.	and for	27. Spirits shall be denatured only by the mixing therewith of the substances (in these regulations referred to as denaturants) set out in the Second Schedule and in accordance with the appropriate formula prescribed under these regulations.
Denaturants conform to conditions.	to to	28. The denaturants used in manufacturing denatured spirits shall, unless the Commissioner otherwise permit, conform to the conditions in the Third Schedule.
Mixing and storage rooms for denaturants	for	<p>29. (1) A denaturer shall provide, in convenient proximity to the denaturing plant but separate from the mixing room, an approved store room or compartment to be used solely for the storage of denaturants and marked as being used for that purpose.</p> <p>(2) For purposes of (1) above, the store room shall be secure and only accessed by means approved by the Commissioner.</p> <p>(3) Denaturants shall be stored in a manner to permit taking of full account by the Commissioner.</p> <p>(4) A denaturer shall allow an authorized officer to take samples of the denaturants.</p> <p>(5) A denaturer shall mix spirits with the prescribed denaturants only in an approved mixing room and in accordance with the formula specified in these regulations.</p> <p>(6) Save as permitted by the Commissioner and subject to such conditions as he sees fit to impose, no person shall take into or keep in any mixing room approved for denaturing any substance other than spirits for denaturing, denatured spirits or denaturants, but water intended for use in reducing denatured spirits may be taken in as and when it is required for that purpose.</p> <p>(7) A distiller shall not receive, use or dispose any denaturants without the approval of the Commissioner.</p>
Conveying of spirits for denaturing		30. Spirits for denaturing shall be conveyed to the premises where they are to be denatured through a pipeline and a metering device approved by the Commissioner and subject to such conditions as may be prescribed.
Placing denaturants in mixing vat.	of in	31. Before any spirits are placed in the mixing vat or a stainless steel a denaturer shall place therein such part of the prescribed quantities of denaturants as the

	Commissioner may require, and shall subsequently add the remainder of the prescribed denaturants and mix them with the spirits as prescribed by these regulations.
Prohibition on adding substances other than denaturants.	32. A denaturer shall not add to or mix with any spirits or denatured spirits any substance except denaturants in accordance with these Regulations, but water may be added to denatured spirits so long as it does not reduce the strength thereof below sixty degrees over proof.
Accounts of spirits to be kept by denaturer.	33. (1) A denaturer shall keep daily accounts in an approved form of all spirits and denatured spirits received or manufactured by him and of the disposal thereof. (2) A denaturer shall keep the accounts in approved form at the licensed premises and keep them open for inspection by the Commissioner.
Receivers or vats used for storage of certain spirits.	34. With the consent of the Commissioner and subject to such conditions as the Commissioner may impose, a distiller may keep receivers or vats in any approved place on the licensed premises for the storage of spirits which are subsequently to be delivered through metering devices of a type approved by the Commissioner- (a) for rectification or compounding by a rectifier; (b) for denaturing by the licensed distillers; (c) for home use by licensed or registered persons; or (d) for exportation; and while those spirits are stored in that receiver or vat they shall be deemed to be in the distiller's excise stock room.
Removal of spirits to another distillery.	35. Except with the permission of the Commissioner upon his being satisfied as to the necessity, and subject to such conditions as he may impose, a distiller shall not remove spirits from his distiller's warehouse to another distillery.
Permission to keep or use stills.	36. (1) Application for permission under section 26 of the Act to keep or use a still shall be made to the Commissioner in the approved form, and the Commissioner may grant the application subject to such conditions as he sees fit. (2) A person (other than a person who wishes to make or keep stills solely for the purpose of sale) who makes an application for permission to keep or use a still, shall furnish to the Commissioner together with the application such particulars as the Commissioner may require of – (a) the still, including drawings thereof; (b) the premises on which it is to be kept; and (c) the purpose for which it is to be kept or used.

Disposal of stills.	37. A person permitted to keep or use a still shall not dispose of the still except with the permission and in accordance with the directions of the Commissioner.
Glass flasks and containers	38. Nothing in regulations 34 and 35 shall apply to glass and containers, flasks, glass condensers and inland revenue condensers which in the opinion of the Commissioner are of a kind intended to be used solely for ordinary laboratory processes.
	<i>Ascertainment of the Strength of Spirits</i>
Strength of spirits.	39. (1) The strength of spirits may be ascertained by means of – (a) alcohol hydrometer, thermometer and its associated practical alcohol table; or (b) by means of automatic alcohol density meter at 20 degrees centigrade or its equivalent in degrees Fahrenheit. (2) Where the spirits contain any substance other than ethyl alcohol and water the Commissioner may, if he sees fit, either – (a) remove from the spirits any such substances to the extent which he considers necessary by distillation or such other process as he may direct and may, after the addition of water to replace the quantity so removed, ascertain the strength of the spirits by any means authorized under this head; or (b) treat the spirits as though they contained ethyl alcohol and water only.
Ascertainment by weight, measure or gauge.	40. (1) The volume of spirits contained in any container may be ascertained for any purpose by weight, measure or gauge as the Commissioner may direct. (2) Where the Commissioner under sub regulation (1) above directs ascertainment by weighing, the volume shall be calculated – (a) by means of alcohol hydrometer and the associated practical alcohol table; or (b) by use of an automated density meter at 20 degrees centigrade or its equivalent in degrees Fahrenheit.
Interpretation and application to denatured spirits and fermented liquor.	41. Regulations 37 and 38 shall apply to denatured spirits and to any fermented liquor as they apply to spirits.
	PART VIII PROVISIONS RELATING TO MANAGEMENT OF PETROLEUM OILS
Interpretation	42. In this part- “Commissioner” has the meaning assigned to it under the East African Customs Community Management Act, 2004;

	<p><i>“Petroleum oils”</i> means the goods classified under Tariff Number 2710 in Chapter 27 of the East African Community Customs Union Common External Tariff, as set out in Annex 1 to the Protocol on the Establishment of the East African Community Customs Union;</p> <p><i>“Proper officer”</i> has the meaning assigned to it under the East African Customs Community Management Act, 2004.</p>
Payment of excise duty on petroleum oils	43. Excise duty on petroleum oils shall become due and payable at the time of importation or at the time of release by the customs.
Pumping of petroleum oils	<p>44. (1) Any person importing petroleum oils shall notify the authorized proper officer of his intention to pump such oils by submitting the duly completed prescribed Form P1 set out in the Schedule, accompanied by a copy of –</p> <ul style="list-style-type: none"> (a) the manifest of the ship carrying the oils; (b) the bill of lading; and (c) such other shipping documents as the Commissioner may direct <p>(2) The proper officer shall ascertain the quantity of petroleum oils in the ship prior to permitting the pumping of the oils.</p> <p>(3) Petroleum oils may only be pumped into specified tanks as indicated in the notice of intention given under this regulation.</p> <p>(4) The importer shall, upon completion of pumping under sub regulation (3) above, notify the proper officer of the quantity of petroleum oils pumped by submitting to the proper officer, a notice in Form P2 in the Schedule.</p>
Release of petroleum oils	<p>45. (1) Where petroleum oils are imported through the Kipevu Oil Storage Facility or any other bonded warehouse approved by the Commissioner, each importer shall upon determination of ownership and assessment of tax liability pay the taxes and levies due on his proportion of such oils upon release thereof by the customs;</p> <p>Provided that no taxes or levies on petroleum oils imported under this regulation shall remain unpaid for more than five days from the date of entry.</p> <p>(2) Where refined petroleum oils are released by the customs from the premises of Kenya Petroleum Oil Refineries Limited, all the taxes and levies thereon shall be paid by the respective importers upon such release.</p>

	<p>Provided that no tax shall remain unpaid for more than ten (10) five days after petroleum oils are transferred to the owners by the Kenya Petroleum Oil Refineries Limited.</p> <p>(c) Were refined petroleum oils are imported through any other place other than as specified in (1) and (2) above, the importer shall be required to pay all taxes upfront.</p>
Transit of petroleum oils	<p>46. (1) Where the petroleum oils are entered for transit, the importer shall furnish the proper officer with-</p> <p>(a) evidence that such oils were ordered for by a person in a foreign country; and</p> <p>(b) a transit bond in the form of a duly executed guarantee equal to the amount of the taxes and import declaration fee payable on the petroleum oils.</p> <p>(2) Petroleum oils imported for transit and partner states shall be exported within a period of thirty (30) days from the date of importation; Provided that the Commissioner may, upon request by an importer extend the period by such further period as appropriate in the circumstances.</p> <p>(3) Duty shall be payable by the importer on any petroleum oils not exported in accordance with sub regulation (2).</p> <p>(4) Petroleum oils entered for transit shall be transported from Mombasa-</p> <p>(a) by rail;</p> <p>(b) by pipeline, in which case the export thereof shall be done from Kisumu, Eldoret or Nakuru</p> <p>(c) by road upon approval by the Commissioner.</p>
Accounting for petroleum oils	<p>47. The importer shall, except in cases where Regulation 43 (2) apply, within thirty (30) days from the date the petroleum oils where entered for transit, account for such oils by furnishing the office where the entry was made with-</p> <p>(a) documentary evidence of exportation; and</p> <p>(b) an application for cancellation of the transit bond.</p>
Cancellation of bond	<p>48. Where the proper officer is satisfied that the petroleum oils have been exported, he shall cancel the bond and notify the importer accordingly.</p>
Failure to provide evidence of exportation.	<p>49. (1) Where an importer fails to furnish satisfactory evidence of exportation in accordance with these regulations, the authorized proper officer shall by notice in writing require the guarantor to remit the full amount of the transit bond to the Commissioner within the period specified in the notice.</p> <p>(2) A guarantor who fails to remit the full amount of the bond when required to do so by the Commissioner shall be guilty of an offence and shall be liable to a</p>

	penalty equal to two times the amount of duty outstanding.
Failure to account for petroleum oil entered for transit.	50.(1) An importer who fails to account for petroleum oils entered for transit in accordance with regulation 44 shall be guilty of an offence and liable to- a fine not exceeding three times the duty payable on the petroleum oils entered for transit; or imprisonment for a period not exceeding three years, or both.
Warehousing of petroleum oils.	51. (1) Taxes and levies shall not be payable on the line fill except in circumstances where the Kenya Pipeline Company Limited and the Ministry for the time being responsible for petroleum notifies the Commissioner. (2) Jet fuel and aviation fuel may be warehoused- (i) in the depots of the Kenya Pipeline Company Limited at the Jomo Kenyatta International Airport and the Moi International Airport; or (ii) any other depots duly licensed by the Commissioner.
Deposit of duty before lodging a dispute	52. Any person licensed to operate a licensed warehouse or a petroleum depot shall be required to- (i) File a monthly return on or before the twentieth day of the following month in the manner as prescribed by the Commissioner; and (ii) Comply with such other requirements as may be required by the Commissioner.
PART IX -EXCISE DUTIES	
Payment of excise duty	53. Where a licensee has defaulted payment of excise duty consistently for more than one tax period, the Commissioner may require- (a) a licensee to pay excise duty liable before- (i) excisable goods are removed from the factory; or (ii) services are supplied; (b) that excise duty be paid by other persons or agents other than the licensee.
Computation of excise duty on use of raw materials	54. The commissioner may in determining excise duty payable by a licensed manufacturer use- (a) conversion formula for converting raw materials into finished excisable goods based on industry benchmarks; or (b) consumption of utilities used to manufacture excisable goods.
PART X PROVISIONS RELATING TO REBATE, REFUND AND EXEMPTION OF EXCISE DUTY	

Refund of excise duty	<p>55. (1) Where in accordance with section 29 of the Act;</p> <p>(a) the owner of any goods wishes to return them to the seller, he shall notify the Commissioner accordingly and submit such evidence as the Commissioner may require that the goods are not in accordance with the contract of sale or that the goods were damaged before they were delivered out of the factory.</p> <p>Provided that a refund shall not be allowed on any goods unless the Commissioner is satisfied that-</p> <p>(i) the goods were delivered in pursuance of a contract of sale and that the description, quality, state or condition of the goods was not in accordance with the contract; and</p> <p>(ii) the goods are re-exported within twelve months from the date of the payment of duty and in the manner that the Commissioner shall specify.</p> <p>(b) A licensee makes a claim for refund of excise duty in respect of damaged or destroyed goods, the licensee shall retain for examination by an authorized officer any residue or damaged portion of the goods in respect of which a claim is made.</p> <p>(c) A licensee makes a claim for refund of excise duty in respect of goods that have been stolen; the licensee shall provide such evidence as may the Commissioner may require that the goods were stolen while under excise control.</p> <p>Provided that where goods are destroyed or pillaged the licensee has notified the Commissioner within twenty four hours of the occurrence.</p> <p>(2) A claim for refund of excise duty in respect of spirit or illuminating kerosene used to manufacture unexcisable goods, shall only be made where;</p> <p>(a) Spirit was purchased from a licensed distiller or imported by the licensee.</p> <p>(b) Illuminating kerosene was purchased from Oil Marketing Companies licensed by the Energy and Petroleum Regulatory Authority of Kenya.</p>
Rebate of excise duty	<p>56. A person shall not offset excise duty on the raw materials under section 14 of the Act, where raw materials -</p>

	<ul style="list-style-type: none"> (a) remains unused while in the factory; (b) are used to manufacture goods which are still under excise control; or (c) are used to manufacture exempt goods.
Exemption from excise duty	<p>57. (1) Exemption of excise duty in accordance with section 7(1) of the Act on any excisable goods which have been lost or destroyed shall not be allowed unless –</p> <ul style="list-style-type: none"> (a) while the destruction of the excisable goods is taking place, or as soon as can be done thereafter, the licensee notifies the Commissioner and within twenty-four hours of the destruction thereof, or such further period as the Commissioner may allow, furnishes him with the particulars in writing of the excisable goods which were destroyed; (b) the licensee retains for examination by the Commissioner any remaining evidence of damage or destruction and any residue or damaged portion of the excisable goods. (c) Where excisable goods have been lost, the licensee has notified the Commissioner within twenty-four hours and has provided such evidence the Commissioner may require. <p>(2) (a) Excisable goods that are exported or supplied in accordance with section 7 and the second schedule paragraphs (1), (2) and (3) to the Act, shall be done under Customs Control.</p> <p>(b) For purposes of (a) above, the licensee shall execute an Excise Security Bond for purposes of security of taxes for each consignment.</p> <ul style="list-style-type: none"> (3) A bond executed under this regulation shall be discharged upon proof to the satisfaction of the Commissioner, that the goods reached the declared destination. (4) A person who contravenes this regulation commits an offence.
	PART XI- ENFORCEMENT AND SEIZURE
Seizure of goods, excise stamps, vehicle, equipment, premises or plant	<p>58. (1) The Commissioner may seize excise stamps, goods, equipment, vehicle, plant or other thing where-</p> <ul style="list-style-type: none"> (a) excisable goods- <ul style="list-style-type: none"> (i) have been manufactured or imported contrary to the provisions of these regulations or the Act;

	<ul style="list-style-type: none"> (ii) have not been affixed with excise stamps; (iii) have not been affixed with excise stamps; (iii) have been affixed with counterfeit stamps; (iv) have been affixed with excise stamps in a manner not consistent with the provisions of the Act and the regulations made thereunder. <p>(b) vehicle or premises-</p> <ul style="list-style-type: none"> (i) is used in the storage, concealment or transportation of excisable goods that have not met the requirements of these regulations or the Act; or (ii) is used in a manner not consistent with the provisions of these regulations or the Act. <p>(2) Any excisable goods, stamps, motor vehicle, equipment and plant which are seized under these Regulations may be liable to forfeiture and may be disposed of in the manner that the Commissioner may consider fit.</p>
Notice o Seizure	59. Notice of seizure issued under this part shall be in the prescribed form.
Procedure for seizure	60. Goods, equipment, plant, vehicle, premises or other thing subject to seizure under these regulations, shall be dealt with in accordance with the provisions of Tax Procedures Act, 2015.
	PART XII- GENERAL PROVISIONS
General offence	61. A person who fails to comply with the provisions of these Regulations commits an offence.
Forfeiture of goods and materials and withdrawal of trading license.	<p>62. (1) Any goods or materials, in respect of which an offence has been committed in relation to these regulations, shall may in addition to any penalty imposed, be forfeited to the Commissioner.</p> <p>(2) The Commissioner may recommend to the relevant authority the withdrawal, cancellation or suspension of the trading license or permit for a person convicted of repeatedly committing an offence under these regulations.</p>
Repeal Transitional provisions	63. (1) Subject to section 46 of the Act, The Customs and Excise Regulations, 1983 are repealed.

	<p>Provided that, any Legal Notice or gazette notice issued under the repealed regulations shall continue to be in force in so far as it is not inconsistent with the provisions of these regulations or the Act, until another legal notice or gazette notice with respect to the same matter is made under these Regulations.</p> <p>(2) Any person who is registered or licensed under the repealed regulations shall be –</p> <p>(a) deemed to be registered or Licensed under these regulations;</p> <p>(b) allowed a period not exceeding one year to comply with any additional requirements introduced under these regulations.</p>
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DRAFT

FIRST SCHEDULE

FORM EBS



DOMESTIC TAXES DEPARTMENT

EBS (r.17,18,19 and 20)

BOND FOR PROTECTION OF EXCISE DUTIES

I/We.....
Of
and
Of.....

Hereby acknowledge that I/we am/are bound to the Commissioner of Domestic Taxes in the sum of.....shillings to be paid to the Commissioner of Domestic Taxes for which payment I/we bind myself/ourselves jointly and severally and also my/our heirs, executors, administrators and assigns and each of them in respect of

Dated thisday of....., 20.....

WHEREAS the above namedhas/have been granted a licence to manufacture excisable goods and whereas the above named.....is/are required to pay the excise duty thereon in accordance with the provisions of the Excise Duty laws not later than the twentieth day of the month next succeeding that in which the duty becomes due or within such other time as may be determined by the Commissioner.

Now the condition of this obligation is such that if the above named shall pay the full duties due or charged within that time then this obligation shall be void but otherwise shall be and remain in full force.

Signed, sealed and delivered by
The above named..... }
In the presence of.....
of..... }

Signed, sealed and delivered by
The above named..... }
In the presence of.....
of..... }

Approved
for Commissioner

**VESSEL DISCHARGE NOTIFICATION
NOTICE OF INTENTION**

RECEIVE OF PETROLEUM PRODUCTS AT KPC-KOSF

DISCHARGE OF PETROLEUM PRODUCTS AT OF

I/Wehereby give notice of my/our intention to transfer

Approximatelyof into my reminders at

EX..... Am/pm on...Commencing (Date).....

I/We further declare that it is my/our intention to discharge this product as follows:

Tank No.....Inlet Metre Readingfrom.....am/pm to.am/pm.

Date.....

Proper Officer

IMPORTER

NOTICE OF INTENTION

DISCHARGE OF PETROLEUM PRODUCTS AT KPC

I/Wehereby give notice of my/our intention to receive

Approximatelyof into my reminders at

EX..... Am/pm on...Commencing (Date).....

I/We further declare that it is my/our intention to discharge this product as follows:

Tank No.....Inlet Metre Readingfrom.....am/pm to.am/pm.

Date.....

Proper Officer

IMPORTER

SECOND SCHEDULE

[Regulation 24]

SUBSTANCES TO BE MIXED WITH SPIRITS FOR THE PURPOSE OF MANUFACTURING DENATURED SPIRITS

Completely Denatured Spirits (CDS)

- (i) In the case of completely denatured spirits (CDS-1), to every 90 parts by volume of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added 10 parts by volume of methyl alcohol and one-half of one part by volume of crude pyridine and to each 1000 litres of the mixture of which is added 3.75 litres kerosene petroleum oil and not less than 1.5 grams of powdered methyl violet dye.
- (ii) In the case if completely denatured spirits (CDS-2) to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added 2 litres of methyl ethyl ketone, 3 litres of methyl isobutyl ketone, 1 gram of denatonium benzoate and not less than 0.2 grams of powdered methylene blue dye. CAP. 472 Customs and Excise [Rev. 2014] [Subsidiary] [Issue 1] C46 – 518
- (iii) In the case of completely denatured spirits for export (CDS-E) to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added denaturants in accordance with the regulations prescribed by the Government of a foreign country to which the denatured spirits will be exported.

Specially Denatured Spirits (SDS)

- (iv) In the case of specially denatured spirits (SDS-1) to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added 4 litres of methyl alcohol and not less than 1 gram of denatonium benzoate.
- (v) In the case of specially denatured spirits (SDS-2), to every to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added 4 litres of methyl alcohol and not less than 250 grams of sucrose octaacetate.
- (vi) In the case of specially denatured spirits (SDS-3), to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added 3 litres of isopropyl alcohol and not less than 2 grams of denatonium benzoate.

- (vii) In the case of specially denatured spirits (SDS-4), to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added two and one-half litres of diethyl phthalate and not less than 125 millilitres of tert-butyl alcohol.
- (viii) In the case of specially denatured spirits (SDS-5), to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added 250 grams of sucrose octaacetate and not less than 100 millilitres of tert-butyl alcohol.
- (ix) In the case of specially denatured spirits (SDS-6), to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added 1 gram of denatonium benzoate and not less than 100 millilitres of tert-butyl alcohol.
- (x) In the case of specially denatured spirits for export (SDS-E), to every 100 litres of ethyl alcohol of an alcoholic strength by volume of not less than 94 per cent there shall be added denaturants in accordance with the regulations prescribed by the Government of a foreign country to which the denatured spirits will be exported.

Power Alcohol

- (xi) In the case of power alcohol for use in motor spirit, to every one hundred parts by volume of anhydrous ethanol add one part by volume of motor spirit (gasoline) regular.

THIRD SCHEDULE
[Regulation 25]

CONDITIONS TO WHICH DENATURANTS MUST CONFORM

1. Methyl alcohol

- (i) Methyl alcohol shall be clear colourless liquid and free from matter in suspension, as assessed by visual inspection, and shall consist essentially of methanol, CH_3OH .
- (ii) The density of the material at 20°C shall be not lower than 0.791 g/mL and not higher than 0.794 g/mL .
- (iii) When the material is distilled, the distillation range at 1013 millibars pressure shall not exceed 1.0°C and shall include the value 64.6°C .
- (iv) The residue on evaporation of the material shall not exceed 0.001% (m/m).
- (v) The material shall not be alkaline to phenolphthalein and shall not contain more than 0.003% (m/m) of acid, calculated as formic acid (HCOOH).
- (vi) The material shall not contain more than 0.005% (m/m) of aldehydes and ketones, calculated as acetone (CH_3COCH_3).
 - (i) The material shall not contain more than 0.1% (m/m) of water.
 - (ii) The material shall contain methyl alcohol purity of not less than 99.85% v/v

2. Isopropyl alcohol

- (i) Isopropyl alcohol shall be clear colourless liquid and free from matter in suspension, as assessed by visual inspection, and shall consist essentially of propan-2-ol, $(\text{CH}_3)_2\text{CHOH}$.
- (ii) The density of the material at 20°C shall be not lower than 0.785 g/mL and not higher than 0.787 g/mL .
- (iii) When the material is distilled, the initial boiling point at 1013 millibars pressure shall be not lower than 81.5°C and the dry point at 1013 millibars pressure shall be not higher than 83.0°C .
- (iv) The residue on evaporation of the material shall not exceed 0.002% (m/m).
- (v) The material shall not contain more than 0.50% (m/m) of water.
- (vi) The material shall not be alkaline to phenolphthalein and shall not contain more than 0.002% (m/m) of acid, calculated as acetic acid (CH_3COOH).
- (vii) The material shall not contain more than 0.10% (m/m) of aldehydes and ketones, calculated as acetone (CH_3COCH_3).

(viii) The material shall contain isopropyl alcohol purity of not less than 95%v/v.

3. Tertiary-Butyl alcohol

(i) Tertiary-Butyl alcohol shall be clear colorless liquid and free from matter in suspension, as assessed by visual inspection, and shall consist essentially of 2-methyl-2-propanol, $(\text{CH}_3)_3\text{COH}$.

(ii) Freezing point (first needle). Above 20°C .

(iii) Specific gravity at $25^\circ\text{C}/25^\circ\text{C}$. 0.780 to 0.786.

(iv) When 100 ml of tertiary butyl alcohol is distilled, none shall distil below 78°C and none above 85°C at 1013 millibars pressure. More than 95 percent shall distil between 81°C and 83°C .

(v) Acidity (as acetic acid). 0.003 percent by weight maximum.

(vi) Identification test. Place five drops of a solution containing approximately 0.1 percent tertiary butyl alcohol in ethyl alcohol in a test tube. Add 2 ml of Denige's reagent (dissolve 5 grams of red mercuric oxide in 20 ml of concentrated sulphuric acid; add this to 80 mL of distilled water, and filter when cool). Heat the mixture just to the boiling point and remove from the flame. A yellow precipitate forms within a few seconds.

(vii) The material shall contain Tertiary-Butyl alcohol purity of not less than 95%v/v.

4. Methyl ethyl ketone

(i) Methyl ethyl ketone shall be clear colourless liquid and free from matter in suspension, as assessed by visual inspection, and shall consist essentially of 2-butanone (ethyl methyl ketone), $\text{CH}_3\text{COCH}_2\text{CH}_3$.

(ii) The density of the material at 20°C shall be not lower than 0.803 g/mL and not higher than 0.805 g/mL.

(iii) When the material is distilled, the initial boiling point at 1013 millibars pressure shall be not lower than 79.0°C and the dry point at 1013 millibars pressure shall be not higher than 81.0°C .

(iv) The residue on evaporation of the material shall not exceed 0.002 % (m/m).

(v) The material shall not contain more than 0.15% (m/m) of water.

(vi) The acidity of the material, calculated as acetic acid (CH_3COOH), shall not exceed 0.004 % m/m.

(vii) The material shall contain not more than 0.70 % (m/m) of alcoholic impurities, calculated as butanol ($\text{C}_4\text{H}_9\text{OH}$).

(viii) The material shall contain methyl ethyl ketone purity of not less than 95%v/v

5. Methyl isobutyl ketone

(i) Methyl isobutyl ketone shall be clear colourless liquid and free from matter in suspension, as assessed by visual inspection, and shall consist essentially of 4-methylpentan-2-one, $\text{CH}_3\text{COCH}_2\text{CH}(\text{CH}_3)_2$.

(ii) The density of the material at 20°C shall be, not lower than 0.799 g/mL and not higher than 0.802 g/mL.

(iii) When the material is distilled, the initial boiling point at 1013 millibars pressure shall be not lower than 114.0°C and the dry point at 1013 millibars pressure shall be not higher than 117.0°C.

(iv) The residue on evaporation of the material shall not exceed 0.002 % (m/m).

(v) The material shall contain not more than 0.10% (m/m) of water. The acidity of the material, calculated as acetic acid (CH_3COOH).

(vi) The material shall contain not more than 0.30 % (m/m) of alcoholic impurities, calculated as hexanol ($\text{C}_6\text{H}_{13}\text{OH}$).

(vii) The material shall contain methyl isobutyl ketone purity of not less than 95%v/v

6. Sucrose octaacetate

(i) Sucrose octaacetate shall be white or cream-coloured powder, as assessed by visual inspection, and shall consist essentially of sucrose octaacetate, C281-138019.

(ii) Melting point. Not less than 78.0°C.

(iii) Free acid (as acetic acid). Maximum percentage 0.15 by weight when determined by the following procedure: Dissolve 1.0 gram of sample in 50 ml of neutralized ethyl alcohol and titrate with 0.1N sodium hydroxide using phenolphthalein indicator.

Percent acid as acetic acid = ml NaOH used x 0.6/weight of sample.

(iv) Purity. Sucrose octaacetate 98 percent minimum by weight, when determined by the following procedure: Transfer a weighed 1.50 grams sample to a 500 ml Erlenmeyer flask containing 100 ml of neutral ethyl alcohol and 50.0 ml of 0.5 N sodium hydroxide. Reflux for 1 hour on a steam bath, cool and titrate the excess sodium hydroxide with 0.5 N sulphuric acid using phenolphthalein indicator.

Percent sucrose octaacetate = (ml NaOH — ml H_2SO_4) x 4.2412/weight of sample

7. Diethyl phthalate

(i) Diethyl phthalate shall be clear colourless liquid as assessed by visual inspection, and shall consist essentially of ethyl benzene-1, 2- dicarboxylate, c- Cr2h1414.

- (ii) Specific gravity at 25°C/25°C. 1.115 to 1.118.
- (iii) Refractive index at 25°C. 1.497 to 1.502.
- (iv) Ester content (as diethyl phthalate). Not less than 99 percent by weight.

Note. The sample taken for ester determination should be approximately 0.8 gram. The number of ml of 0.5 N potassium hydroxide used in saponification multiplied by 0.05555 indicates the number of grams of ester in the sample taken for assay.

8. Denatonium benzoate

(i) Denatonium benzoate shall be white powder as assessed by visual inspection, and shall consist essentially of benzyldiethyl [(2, 6- xylylcarbamoyl) methyl] ammonium benzoate, C₂₈H₃₄N₂O₃.

(ii) Melting point: Not less than 163°C and not more than 170°C, on a dried specimen.

(iii) Identification

(a) Dissolve about 150 mg in 10 ml of water, and add 15 ml of trinitrophenol: a yellow precipitate is formed.

(b) Dissolve about 100 mg in 10 mL of water, and add 20 mL of 2N sulphuric acid and 15 mL of ammonium reineckate (shake about 500 mg of ammonium reineckate with 20 mL of water frequently during 1 hour, and filter. Use within 2 days). Mix, filter through a sintered-glass crucible using gentle suction, and wash thoroughly with water. Remove as much water as possible with suction, and then dry in an oven at 105°C for 1 hour: the denatonium reineckate so obtained melts at about 170°C.

(iv) Assay. Contains not less than 99 percent by weight benzyldiethyl [(2,6-xylylcarbamoyl) methyl] ammonium benzoate when assayed by the following method: Dissolve about 900 mg of denatonium benzoate, previously dried and accurately weighed, in 50 ml of glacial acetic acid, add 1 drop of crystal violet (dissolve 100 mg of crystal violet in 10 mL of glacial acetic acid), and titrate with 0.1N perchloric acid to a green end-point. Perform a blank determination, and make any necessary correction. Each mL of 0.1N perchloric acid is equivalent to 44.66 mg of denatonium benzoate, C₂₈H₃₄N₂O₃.

9. Crude Pyridine

(i) Crude pyridine must consist of pyridine bases and must not be more deeply coloured than a mixture of 2 millilitres of 0.05 molar iodine with one litre of water.

(ii) It must mix readily and completely with alcohol of a strength of not less than 95 per cent alcohol by volume and must give a clear or only slightly opalescent solution when mixed with twice its volume of water.

(iii) 10 millilitres of a 1 per cent solution in water must produce immediately a distinct crystalline precipitate on vigorous shaking after the addition of 5 millilitres of an

aqueous solution of cadmium chloride containing 5 grammes of the anhydrous fused salt in 100 millilitres, and produce an abundant separation of crystals within 10 minutes.

(iv) A white precipitate must be formed when 10 millilitres of a 1 per cent solution in water are mixed with 5 millilitres of Nessler's reagent.

(v) 1 millilitre of crude pyridine dissolved in 10 millilitres of distilled water must require not less than 9.5 millilitres of 0.5 molar sulphuric acid for neutralisation using screened methyl orange as an indicator.

(vi) 100 millilitres distilled in accordance with Determination of distillation characteristics of volatile organic liquids (IP 195/98(2004))(BS 2000-195:1998) must give a distillate of at least 50 millilitres at a temperature of 140°C and of 90 millilitres at 160°C.

10. Kerosene petroleum oil

Kerosene petroleum oil (mineral naphtha) must be of a specific gravity of not less than 0.800 at a temperature of 15.5°C and must possess the characteristic odour and taste of commercial paraffin oil used for burning purposes.

11. Methyl violet (Crystal violet) dye (Colour Index No. 42555)

(i) Methyl violet dye (methylosaniline chloride, C₂₅H₃₀N₃C₁) must be in the form of small crystals readily and completely soluble in alcohol of strength of not less than 95 per cent alcohol by volume.

(ii) Identification test. Sprinkle about 1 mg of sample on 1 ml of sulphuric acid; it dissolves in the acid with an orange or brown-red colour. When this solution is diluted cautiously with water, the colour changes to brown, then to green, and finally to blue.

12. Methylene blue dye (Colour Index No. 52015)

(i) Methylene blue dye shall be dark green powder as assessed by visual inspection, and shall consist essentially of methylothionine chloride, C₁₆H₁₈ClN₃S.

(ii) Identification test. Mix 10 ml of a 0.01% solution with 1 ml of acetic acid and 100 mg of zinc powder and warm; the solution is decolourised. Filter and expose the filtrate to air; the blue colour returns.

FOURTH SCHEDULE**[Regulation 38]****TABLE FOR DETERMINING THE ORIGINAL GRAVITY OF WORTS**

Spirit Indication	Degrees of Original Gravity						
·0	·00	4·1	17·75	8·2	36·58	12·3	56·38
·1	·42	4·2	18·21	8·3	37·94	12·4	56·89
·2	·85	4·3	18·66	8·4	37·51	12·5	57·40
·3	1·27	4·4	19·12	8·5	37·97	16·6	57·91
·4	1·70	4·5	19·57	8·6	38·44	12·7	58·42
·5	2·12	4·6	20·03	8·7	38·90	12·8	58·93
·6	2·55	4·7	20·48	8·8	39·37	12·9	59·44
·7	2·97	4·8	20·94	8·9	39·83	13·0	59·95
·8	3·40	4·9	21·39	9·0	40·30	13·1	60·46
·9	3·82	5·0	21·85	9·1	40·77	13·2	60·97
1·0	4·25	5·1	22·30	9·2	41·24	13·3	61·48
1·1	4·67	5·2	22·76	9·3	41·71	13·4	61·99
1·2	5·10	5·3	23·21	9·4	42·18	13·5	62·51
1·3	5·52	5·4	23·67	9·5	42·65	13·6	63·01
1·4	5·95	5·5	24·12	9·6	43·12	13·7	63·52
1·3	5·52	5·4	23·67	9·5	42·65	13·8	64·03
1·4	5·95	5·5	24·12	9·6	43·12	13·9	64·54
1·5	6·37	5·6	24·58	9·7	43·59	14·0	65·10

Fourth Schedule Continued

Spirit Indication	Degrees of Original Gravity						
1-6	6-80	5-7	25-03	9-8	44-06	14-1	65-62
1-7	7-22	5-8	25-49	9-9	44-53	14-2	66-14
1-8	7-65	5-9	25-94	10-0	45-00	14-3	66-66
1-9	8-07	6-0	26-40	10-1	45-48	14-4	67-18
2-0	8-50	6-1	26-86	10-2	45-97	14-5	67-70
2-1	8-94	6-2	27-32	10-3	46-45	14-6	68-22
2-2	9-38	6-3	27-78	10-4	46-94	14-7	68-74
2-3	9-82	6-4	28-24	10-5	47-42	14-8	69-26
2-4	10-26	6-5	28-70	10-6	47-91	14-9	69-78
2-5	10-70	6-6	29-16	10-7	48-39	15-0	70-30
2-6	11-14	6-7	29-62	10-8	48-88	15-1	70-83
2-8	11-58	6-8	30-08	10-9	49-36	15-2	71-36
2-8	12-02	6-9	30-54	11-0	49-85	15-3	71-89
2-9	12-46	7-0	31-00	11-1	50-35	15-3	72-42
3-0	12-90	7-1	31-46	11-2	50-85	15-5	72-95
3-1	13-34	7-2	31-93	11-3	51-35	15-6	73-48
3-2	13-78	7-3	32-39	11-4	51-85	15-7	74-01
3-3	14-22	7-4	32-86	11-5	52-35	15-8	74-54
3-4	14-66	7-5	33-32	11-6	52-85	15-9	75-07
3-5	15-10	7-6	33-79	11-7	53-35	16-0	75-60
3-6	15-54	7-7	34-25	11-8	53-85	—	—
3-7	15-98	7-8	34-72	11-9	54-35	—	—
3-8	16-42	7-9	35-18	12-0	54-85	—	—
4-0	17-30	8-1	36-11	12-2	55-87		

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