



KENYA REVENUE
AUTHORITY

PUBLIC NOTICE

TAXATION OF UNIT TRUSTS

SECTION 20, INCOME TAX ACT CAP.470

We wish to clarify the tax treatment of Unit Trust income as follows:-

- i. A Unit Trust registered pursuant to the Income Tax (Unit Trust/Collective Investment Scheme) Rules of 2003, is exempt from income tax
- ii. A person making payment to a Unit Trust in respect of income earned by the trust is not required to withhold tax.
- iii. When paying dividend or interest to its unit holders, a Unit Trust is required to withhold tax at the appropriate rates.
- iv. Interest or dividend payable to a unit holder who is exempt under any provision of the Income Tax, shall not be subject to withholding tax.

For further clarification on this matter please contact:
Catherine.Bwire@kra.go.ke or telephone.2817094

COMMISSIONER OF DOMESTIC TAXES

KRA Complaints and Information Centre can be reached through the following channels:
In person: Office of the Commissioner General, Times Tower, 30th Floor,
Mail: P.O. Box 48240-00100 GPO Nairobi, Phone: (020) 281-7700
Hotline: (020) 281-7800, (020) 343342. Fax: (020) 341342. Email: cic@kra.go.ke



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