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REPUBLIC OF KENYA THE NATIONAL TREASURY AND PLANNING

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DATE: 23 MAR 2021

DAY: Tues

THE NATIONAL TREASURY P.O. Box 30007-00100

NAIROBI

Ref. No. ZZ/TS/GP/30

TABLED BY: Lb M Hon. Amos Kimani CLERK-AT THE-TABLE: Peter Shamba

4th March, 2021

Michael Sialai, EBS Clerk of National Assembly Parliament Building NAIROBI

ML please deal 9/3/2021/23/03/2021

Dear Sialai,

RE: EXEMPTION FROM INCOME TAX FOR JAPANESE COMPANIES, CONSULTANTS AND JAPANESE PERSONNEL

The following Financing Agreements signed between the Government of Kenya and the Government of Japan provide for exemption from tax in respect of income accrued in or derived from Kenya by Japanese Companies, Consultants and Japanese nationals involved in implementation of those projects.

In order to facilitate processing of the exemptions as provided in the listed Financing Agreements, Legal Notice No. 15 was published on 26th February, 2021 and a memorandum prepared.

Table with 3 columns: Agreement, Date Signed. Contains 4 rows of project details.

Deputy Director/In-charge RECEIVED 09 MAR 2021 Directorate of Departmental Committees

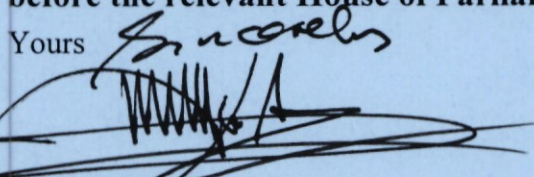
NATIONAL ASSEMBLY RECEIVED 09 MAR 2021 CLERK'S OFFICE P. O. Box 41342, NAIROBI

| | | |
|----|---|------------|
| 5 | Health Sector Policy Loan for Attainment of the Universal Health Coverage (Phase 2) | 27/8/2020 |
| 6 | Olkaria I Unit 4 and 5 Geothermal Power Project | 31/3/2010 |
| 7 | Mwea Irrigation Development Project | 16/8/2010 |
| 8 | Olkaria-Lessos-Kisumu Transmission Lines Project | 10/12/2010 |
| 9 | Mombasa Port Area Road Development Project (Phase 1) | 2/6/2012 |
| 10 | Mombasa Port Area Road Development Project (Phase 2) | 4/7/2017 |
| 11 | Mombasa Port Development Project (Phase 1) | 20/11/2007 |
| 12 | Mombasa Port Development Project (Phase 2) | 9/3/2015 |
| 13 | Olkaria V Geothermal Power Development Project | 9/3/2016 |
| 14 | Olkaria I Unit 1, 2 and 3 Geothermal Power Plant Rehabilitation Project | 16/3/2018 |
| 15 | Mombasa Gate Bridge Construction Project (1) | 5/12/2019 |
| 16 | Mombasa Special Economic Zone Development Project (I) | 27/2/2020 |

Section 11(1) of the Statutory Instruments Act No. 23 of 2013 requires that:

“Every Cabinet Secretary responsible for a regulation-making authority shall within 7 days (7) sitting days after the publication of a statutory instrument, ensure that a copy of the statutory instrument is transmitted to the responsible clerk for tabling before the relevant House of Parliament.”

Yours


HON. (AMB) UKUR YUATANI, E.G.H
CABINET SECRETARY/NATIONAL TREASURY AND PLANNING

Encls.

MEMORANDUM

PART I

Name of Statutory Instrument : The Income Tax Act

Name of Parent Act : Income Tax Act

Enacted Pursuant to : Section 13(2) of the Income Tax Act
(Cap 470)

Name of the Ministry/Department : The National Treasury and Planning

Gazetted on : 26th February, 2021

PART II

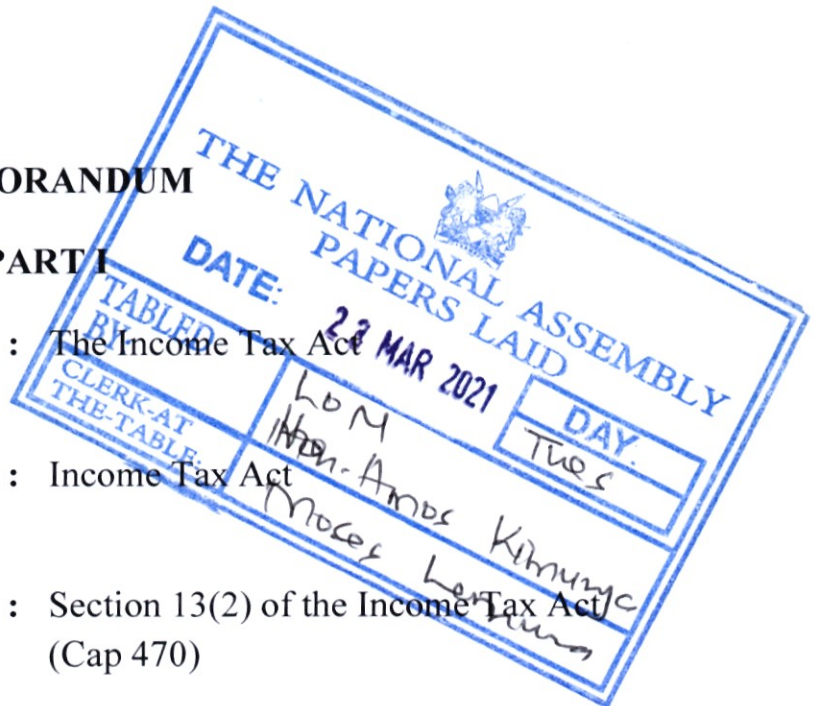
1.0 Purpose of the Statutory Instrument

The objective of this Memorandum is to submit the Legal Notice No. 15 of 2021 for tabling in the National Assembly in accordance with the provisions of Section 11 of the Statutory Instruments Act, 2013.

2.0 Legislative Context

The Legal Notice on the Income Tax Act, 15 is made pursuant to Section 13(2) of the Income Tax Act, (Cap. 470) which empowers the Cabinet Secretary to exempt tax in respect of income accrued in or derived from Kenya by Japanese Companies, Consultants and Japanese nationals involved in implementation of those projects.

In order to facilitate processing of the exemptions as provided in the listed Financing Agreements, Legal Notice No. 15 was published on 26th February, 2021.



3.0 Monitoring and review

The Legal Notice will be implemented by the Kenya Revenue Authority and may be reviewed periodically as the need may arise.

4.0 Request to the National Assembly

The National Assembly is requested to:

- a) Note the contents of this memorandum.
- b) Approve Legal Notice No. 15 of 26th February, 2021

5.0 Contact

Cabinet Secretary
National Treasury & Planning
NAIROBI

OK

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FILED 2021
MARCH 23 2021

SPECIAL ISSUE

97

Kenya Gazette Supplement No. 17

26th February, 2021

(Legislative Supplement No. 36)

LEGAL NOTICE NO. 15

THE INCOME TAX ACT

(Cap. 476)

EXEMPTIONS

IN EXERCISE of the powers conferred by section 13 (2) of the Income Tax Act, the Cabinet Secretary for National Treasury and Planning directs that the income which accrued in or was derived from Kenya by Japanese companies, Japanese consultants and Japanese employees involved in the projects under the Financing Agreements specified in the second column of the Schedule that were signed on the corresponding dates specified in the second column of the Schedule shall be exempt from income tax to the extent specified in the Financing Agreements.

SCHEDULE

| S/No. | Agreement | Date |
|-------|---|----------------------|
| 1. | The Project for the Improvement of the Power Distribution System in and around Nakuru City, and around Mombasa City | 18th September, 2020 |
| 2. | The Project for Infrastructure Development in Mombasa Special Economic Zone near Dongo Kundu Area | 27th February, 2020 |
| 3. | The Project for Enhancing Trade Facilitation and Border Control Capacity in East Africa | 16th November, 2019 |
| 4. | The Project for Human Resource Development Scholarship | 18th September, 2020 |
| 5. | Health Sector Policy Loan for Attainment of the Universal Health Coverage (Phase 2) | 27th August, 2020 |
| 6. | Olkaria I Unit 4 Geothermal Power Project | 31st March, 2010 |
| 7. | Mwea Irrigation Development Project | 16th August, 2010 |
| 8. | Olkaria - Lesses - Kisumu Transmission Lines Project | 10th December, 2010 |
| 9. | Mombasa Port Area Road Development Project (Phase 1) | 2nd June, 2012 |
| 10. | Mombasa Port Area Road Development Project (Phase 2) | 4th July, 2017 |
| 11. | Mombasa Port Development Project (Phase 1) | 20th November, 2007 |
| 12. | Mombasa Port Development Project (Phase 2) | 9th March, 2015 |
| 13. | Olkaria V Geothermal Power Development Project | 9th March, 2016 |
| 14. | Olkaria I Unit 1, 2 and 3 Geothermal Power Plant Rehabilitation Project | 16th March, 2018 |

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 23 MAR 2021

DAY: Tuesday

TABLED
BY: *LOM*
Hon. Amos Kimani

CLERK AT THE TABLE:
Moses Lemwa

| <i>S/No.</i> | <i>Agreement</i> | <i>Date</i> |
|--------------|---|---------------------|
| 15. | Mombasa Gate Bridge Construction Project (1) | 5th December, 2019 |
| 16. | Mombasa Special Economic Zone Development Project (1) | 27th February, 2020 |

Dated the 25th February, 2021.

UKUR YATANI,
Cabinet Secretary for National Treasury and Planning.

IDENTICAL COPY OF THE ORIGINAL
[Signature] 26/2/21
for [illegible]

