

Legal Notice No. _____

THE INCOME TAX ACT

(CAP. 470)

IN EXERCISE of the powers conferred by Section 130 of the Income Tax Act, the Cabinet Secretary for the National Treasury and Economic Planning makes the following Rules –

THE INCOME TAX (NATIONAL SOCIAL SECURITY FUND) (EXEMPTION) RULES, 2024

1. Citation	These Rules may be cited as the Income Tax (National Social Security Fund) (Exemption) Rules. 2024.
2. Interpretation	<p>In these Rules, unless the context otherwise requires: -</p> <p>"Board of Trustees" means the National Social Security Fund Board of Trustees constituted under section 5 of the National Social Security Fund Act, (Cap 258);</p> <p>"accounting period" has the meaning assigned to in section 2 of the Act;</p> <p>"Commissioner" has the meaning assigned to in section 2 of the Act;</p> <p>"National Social Security Fund" means the National Social Security Fund established under section 3 of the National Social Security Fund Act (Cap. 258) and "Fund" shall be construed accordingly.</p>
3. Conditions for exemption	<p>The income of the National Social Security Fund shall be exempt from income tax subject to the following conditions -</p> <p>(a) The Board of Trustees shall cause to be kept the accounts of -</p> <p>(i) the determination of the market value of the assets of the Fund; and</p> <p>(ii) the determination of the surplus amount of the market value, not allocated to the account;</p> <p>of a member of the Fund, excluding the reserve fund that does not exceed ten percent of the market value of the Fund in the year of audit;</p> <p>(b) the Board of Trustees shall allocate the surplus amount to the respective accounts of individual members in</p>

	<p>proportion to the value of the amounts allocated to the accounts of all members of the Fund from time to time;</p> <p>(c) the Board of Trustees shall submit the annual audit report to the Commissioner within six months of the end of the accounting period to which the audit report relates.</p>
4. Commissioner to report to Cabinet Secretary	The Commissioner shall, within twelve months of the receipt of the audit report under rule 3(c), send a report in writing to the Cabinet Secretary on the level of compliance with the conditions laid down in regulation 3 by the Board of Trustees.
5. Penalty	Failure by the Board of Trustees to comply with the conditions of rule 3 shall cause the Board of Trustees to be liable to a penalty not exceeding twenty thousand shilling for every such failure.
6. Revocation LN 97 of 2002	The Income Tax (National Social Security Fund) (Exemption) Rules, 1994 are revoked.

Dated the _____, 2024.

JOHN MBADI NG'ONGO,
Cabinet Secretary for the
National Treasury and Economic Planning.