



IMPORTANT NOTICE

REDUCTION OF WITHHOLDING TAX ON LONG TERM TREASURY BONDS


In order to encourage investment in the long term Treasury Bonds and promote the development of the Bond Market, the Government in the Budget for financial year 2009/2010 reduced the withholding tax charged on interest income earned from long term bonds from 15% to 10%.

The Central Bank of Kenya, in its capacity as the fiscal agent of the Government is therefore pleased to inform all esteemed investors that effective **12th June 2009** interest income earned from listed Fixed Coupon Treasury Bonds will attract **10%** withholding tax provided that:

1. The bonds are not issued for infrastructure financing
2. The tenor of the bonds is **ten (10) years** and above

However, the interest income accrued from listed infrastructure bonds is exempted from withholding tax.

For enquiries please contact Central Bank of Kenya, Monetary Operations & Debt Management Department on 2860000 or any Central Bank of Kenya Branch in Mombasa, Kisumu or Eldoret or send an email to NDO@centralbank.go.ke or visit the CBK website on www.centralbank.go.ke


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Thursday, July 30, 2009