

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 (REGISTERED COLLECTIVE INVESTMENT SCHEMES) RULES, 2024

Citation	1. These Rules may be cited as the Income Tax (Registered Collective Investment Schemes) Rules, 2024.
Scope of application	2. These rules shall apply to all the entities listed under section 20(1) of the Act and shall collectively be referred to as “collective investment schemes.”
Conditions for registration	3. A collective investment scheme shall, upon application being made under rule 4, be registered by the Commissioner for the purposes of section 20 of the Act if the Commissioner is satisfied that: (a) the collective investment scheme is registered under the Capital Markets Act, (Cap. 485A); (b) the collective investment scheme shall undertake portfolio investment in accordance with the policies and guidelines under the Capital Markets Act, (Cap. 485A); (c) the sole purpose of the collective investment scheme is to carry on investments on behalf of the unit holders or shareholders; (d) the collective investment scheme has been in operation for at least twelve months and for that purpose submit the audited financial statements for a period of at least one year immediately preceding the application; (e) after six months of commencement of the collective investment scheme no unit holder or shareholder shall own or be capable of holding more than twelve and one -half percent of the units or shares in any one collective investment scheme; and

	(f) it will, within six months of its commencement and thereafter, maintain at least twenty-five unit holders or shareholders.
Application for registration	<p>4. (1) An application for the registration of a collective investment scheme shall be made to the Commissioner in the prescribed manner.</p> <p>(2) The Commissioner shall notify, in writing, the collective investment scheme, within sixty days, of its registration and the year of income in respect of which the registration takes effect,</p> <p>Provided that the Commissioner shall notify the collective investment scheme in writing where it is not registered and the reasons thereof.</p>
Withdrawal of registration	<p>5. (1) The Commissioner may at any time, by notice in writing to a collective investment scheme, withdraw the registration where the collective investment scheme no longer fulfills the conditions for registration under these Rules;</p> <p>(2) A withdrawal of registration under this rule shall take effect from the beginning of the year of income in which the grounds for that withdrawal arose or such later date as the Commissioner may determine.</p>
Exempt persons	6. Where unit holders or shareholders in a collective investment scheme are exempt persons under the First Schedule to the Act, the collective investment scheme shall maintain separate but identifiable account of the funds of such persons.
Transitional provision	7. Any collective investment scheme registered under The Income Tax (Registered Unit Trusts/Collective investment schemes) Rules, 2003 shall be deemed to have been registered under these Rules.
Revocation	The Income Tax (Registered Unit Trusts/Collective Investment Schemes) Rules, 2003, are revoked.

Dated the _____, 2024.

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

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