



KENYA REVENUE  
AUTHORITY

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# Public Notice

## Fringe Benefit Tax, Deemed Interest Rate and Low Interest Benefit

### FRINGE BENEFIT TAX

For the purposes of Section 12B of the Income Tax Act, the **Market Interest Rate is 8%**. This rate shall be applicable for the three months of **January, February and March 2026**.

### DEEMED INTEREST RATE

For purposes of Section 16(2)(ja) of the Income Tax Act, the **prescribed rate of interest is 8%**. This rate is applicable for the months of **January, February and March 2026**.

Withholding tax rate of 15% on the deemed interest shall be deducted and paid to the Commissioner within 5 working days.

### LOW INTEREST BENEFIT

For purposes of section 5(2A), the **prescribed rate of interest is 8%**. This rate is applicable for the months of **January, February, March, April, May and June 2026**.

**Commissioner for Micro & Small Taxpayers**

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