



REPUBLIC OF KENYA



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

www.kra.go.ke

Disclaimer: KRA notifies taxpayers that it will not accept responsibility for payments not received, credited and validated in the relevant KRA accounts.
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