

**LEGAL NOTICE NO.....**

**THE INCOME TAX ACT  
(Cap. 470)**

**THE INCOME TAX (REAL ESTATE INVESTMENT TRUSTS) RULES, 2020**

**IN EXERCISE** of the powers conferred by Section 130 of the Income Tax Act, the Cabinet Secretary to the National Treasury and Planning makes the following Rules-

- Citation                      **1.** These Rules may be cited as the Income Tax (Real Estate Investment Trusts) Rules, 2020.
- Interpretation                **2.** In these Rules, unless the context otherwise requires:-
- “Act” shall mean the Income Tax Act;
- Cap.485A                        “Authority” means the Capital Markets Authority
- “Company” shall have the meaning assigned to it in the Companies Act, 2015;
- L.N116/2013                    “REIT ” means a Real Estate Investment Trust Scheme authorized by the Authority under the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations;
- “REIT Controlled Entity” means an investee company, investee trust or a wholly owned and controlled subsidiary company of one or more REITs.
- Application    for                **3.** (1) For purposes of section 20 (1) (c) and (d) of the Act, a REIT exemption                                shall apply to the Commissioner for registration of the REIT or a REIT controlled entity under the REIT.
- (2) The application for registration shall be made to the Commissioner at any time during the authorisation of the REIT Scheme by the Authority or during the process of acquiring the REIT Controlled Entity.
- (3) The Commissioner shall upon consideration of the application, communicate its decision in writing within thirty days of submission of the application, to the REIT or the REIT Controlled Entity.
- (4) Where the application is refused, the Commissioner shall communicate to the applicant the reasons for the refusal.
- Effective date for exemption                **4.** An exemption granted to a real estate investment trust scheme or a REIT controlled entity shall apply-
- (a) from the date of authorisation of the REIT scheme by the Authority; or

- (b) from the date the REIT Controlled entity was acquired or formed by the REIT.

Change in status

**5.** Where a REIT or a REIT Controlled Entity fails to satisfy the requirements of the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, or the Income Tax Act for purposes of maintaining its exemption status-

- (a) the exemption granted to the REIT or REIT Controlled Entity shall cease to apply; and
- (b) all the applicable taxes in accordance with the Income Tax Act shall fall due, and shall be payable, from the date of such failure.

Dated ....., 2020

**UKUR YATANI,**  
**Cabinet Secretary for the National Treasury & Planning.**