



THE REPUBLIC OF KENYA

LAWS OF KENYA

THE PETROLEUM DEVELOPMENT FUND ACT

CAP. 426

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Kenya

Petroleum Development Fund Act

Cap. 426

Legislation as at 18 June 1996

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Petroleum Development Fund Act (Cap. 426)

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PETROLEUM DEVELOPMENT FUND ACT

CAP. 426

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Assented to on 23 May 1991

Commenced on 31 May 1991

[Amended by [Statute Law \(Repeal and Miscellaneous Amendments\) Act, 1991 \(Act No. 14 of 1991\)](#) on 27 December 1991]
[Amended by [Finance Act, 1996 \(Act No. 8 of 1996\)](#) on 18 June 1996]

An Act of Parliament to provide for the establishment of a Petroleum Development Fund and the imposition of a petroleum development levy and for connected purposes

1. Short title and commencement

This Act may be cited as the Petroleum Development Fund Act, 1991 and shall be deemed to have come into operation on the 1st September, 1990.

[Act [No. 14 of 1991](#), Sch.]

2. Interpretation

In this Act, unless the context otherwise requires-

"**financial year**" means the period of twelve months ending on the 30th June in each year;

"**Fund**" means the Petroleum Development Fund established under [section 4](#);

"**officer administering the Fund**" means the Permanent Secretary to the Treasury or any person appointed by him in writing for that purpose.

[Act [No. 14 of 1991](#), Sch.]

3. Petroleum development levy

- (1) The Minister may make a petroleum development levy order imposing a levy on all petroleum fuels consumed in Kenya to be collected by the Collector of Customs and Excise and the order may provide for the amendment of a previous petroleum development levy order and may make different provisions in relation to different descriptions of fuel.
- (2) A petroleum development levy order may contain provision as to the evidence by which a person's liability to the levy or his discharge of that liability may be established, and as to the time at which any amount payable by way of levy shall become due and manner in which it shall be recovered by the Collector of Customs and Excise.
- (3) A person who fails to comply with any provision of a petroleum development levy order shall be guilty of an offence and liable to a fine not exceeding fifty thousand shillings or to imprisonment for a term not exceeding one year or to both.

[Act [No. 8 of 1996](#), s. 57.]

4. The Petroleum Development Fund

- (1) There shall be established a fund to be known as the Petroleum Development Fund which shall consist of moneys appropriated by Parliament for that purpose.

- (2) The Fund shall be administered by the Permanent Secretary to the Treasury or any person appointed by him in writing for that purpose.
- (3) All moneys received in respect of the petroleum development levy shall be paid into the Fund.
- (4) There shall be paid out of the Fund such monies as are necessary for the development of common facilities for the distribution or testing of oil products and for matters relating to the development of oil industry as the Minister may direct:

Provided that the funds are not used for purposes in competition with the private sector.
- (5) The expenditure from the Fund shall be on the basis and limited to the annual budget which shall be submitted to the Treasury for approval before the beginning of the financial year to which the budget relates.
- (6) All receipts, savings and accruals of the Fund and the balance of the Fund at the close of each financial year shall not be paid to the Consolidated Fund, but shall be retained for the purpose for which the Fund is established.

[Act [No. 14 of 1991](#), Sch, Act [No. 8 of 1996](#), s. 58.]

5. Powers and functions of the officer administering the Fund

The officer administering the Fund shall—

- (a) supervise and control the administration of the Fund;
- (b) if he thinks fit, impose conditions on the use of any expenditure authorized by him or on his behalf and may impose any reasonable prohibition, restriction or any other requirement on the use of such expenditure;
- (c) cause to be kept all proper books of accounts and other books and records related to the Fund; and
- (d) prepare, sign and transmit to the Controller and Auditor-General an account of the Fund in accordance with [section 18\(2\)](#) of the Exchequer and Audit Act ([Cap. 412](#)).

[Act [No. 14 of 1991](#), Sch.]

6. Regulations

The Minister may make regulations generally as may appear to him necessary or expedient for the proper carrying out of the intent and provisions of this Act.