

PUBLIC NOTICE

COLLECTION OF THE CONSTRUCTION LEVY

The National Construction Authority is a State Corporation established under the National Construction Authority Act No. 41 of 2011. The broad mandate of the Authority is to oversee the Construction Industry and Coordinate its development.

Core objectives of the Authority include:-

1. Undertaking and commissioning research in the construction industry,
2. Registering contractors and regulating their professional undertakings,
3. Promoting and ensuring quality assurance in the construction industry,
4. Initiating and maintaining a construction industry information system,
5. Providing, promoting, reviewing and coordinating construction industry training,
6. Accrediting skilled construction workers amongst other functions.

Section 31 of the Act provides for the imposition of a Construction levy not exceeding 0.5% of the value of any contract whose value exceeds five million shillings and further empowers the Minister to make Regulations prescribing the manner of payment of the levy.

The National Construction Authority Regulations 2014, with an effective date of 6th June, 2014 make the following major provisions on the payment of levy among others:-

- a) Regulation 25 - The 0.5% construction levy is payable to the Authority by the owner of any construction works whose construction value exceeds five million shillings
- b) Regulation 26 (i) – Every owner shall notify the Authority the details of any project contract awarded by the owner to a contractor for the purpose of the levy.
- c) Regulation 26 (2) – The Authority shall notify the owner of the amount of levy payable within 14 days of the notification in (b) above and this levy shall be paid before commencement of the works.
- d) Regulation 26 (6) – The Authority may suspend, cancel or revoke the registration of a contractor who executes works for which the owner has not paid the construction levy.

Consequent to the foregoing the Authority wishes to notify the public, institutional and private developers, construction professionals and all stakeholders of the following:-

1. The construction levy is payable for all construction works which commenced after 6th June, 2014.
2. The levy is payable at the rate of 0.5% of the contract value of any construction project above five million shillings. This is in relation to all construction projects in buildings, roads, water works, electrical works and other works which require the services of a contractor.
3. The levy is payable by all project owners including Government ministries and departments, state corporations and other public entities, NGOs, public and private companies and corporations social groups and individual developers.
4. All owners/developers are required to register their projects using the form provided on the Authority's website www.nca.go.ke within 30 days of awarding a contract to a contractor. The Authority shall then notify the owner/developer of the amount of levy payable for the works.
5. The amount of levy so notified shall be paid in full by the owner/developer to the Authority upon which the Authority shall issue a Compliance Certificate to the owner/developer. No construction works shall be commenced without this Compliance Certificate from the Authority.
6. All contractors shall be expected to ensure that the construction levy is paid as due by the owner/developer and a Compliance Certificate is duly issued by the Authority before they can commence construction works on any project.

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