

*A Bill Supplement to the Zanzibar Government Gazette
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CONTENTS

Page

A Bill for an Act to make provisions for the Imposition of Tax to be known as Excise Duty on Imported Goods and services and other matter relating thereto	17
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NOTICE

The Bill following hereunder shall be presented before the House of Representatives for the first reading which will start its session on 10th May, 2017, and is gazetted for the public notice incorporating together with their object and reasons.

ZANZIBAR
20th April, 2017

(Dr. ABDULHAMID Y. MZEE)
*Secretary to the Revolutionary
Council and Chief Secretary*

A BILL

for

**AN ACT TO MAKE PROVISIONS FOR THE IMPOSITION
OF TAX TO BE KNOWN AS EXCISE DUTY ON IMPORTED
GOODS AND SERVICES AND OTHER
MATTERS RELATING THERE TO**

ENACTED by the House of the Representatives of Zanzibar

**PART I
PRELIMINARY PROVISIONS**

Short title and Commencement. **1.** This Act may be cited as the Excise Duty Act, 2017 and shall come into operation immediately upon being assented to by the President.

Application. **2.** This Act shall apply in Zanzibar for excisable goods and services as specified under this Act.

Interpretation. **3.** In this Act, unless the context otherwise requires:

"aircraft" includes every description of craft used in aerial navigation;

"arms length principle" means an internationally accepted and preferred basis for determining the transfer price of a transaction between associated persons;

"Authorized officer" means the officer appointed by the Commissioner to perform any duties under this Act;

"beer" includes ale, porter, and any other description of beer and any liquor which is made or sold as a description of, or substitute for, beer and which contains more than two per centum of proof spirit but does not include local liquor as defined in the law relating to Intoxicating and Liquors;

"cigar" means a cigar, cheroot or cigarillo, prepared from tobacco;

"cigarette" means a cigarette prepared from tobacco and includes any form of tip, and the paper of the cigarette;

"Commissioner" means a person appointed under section 14(1) of Zanzibar Revenue Board Act, No. 7 of 1996;

"days" does not include Saturdays, Sundays or public holidays;

"dutiable value" means in relation to:

- (a) the use of mobile phone, amount payable for any electronic communication service supplied in relation to the use of a mobile phone, fixed or wireless phone;
- (b) prepaid electronic communication service, the face value of the voucher at a sale;
- (c) pay to view television service, the amount payable for any service supplied in relation to pay-to-view television;
- (d) financial service, the amount of charges and fees payable for the service; and
- (e) imported non- utility vehicle chargeable by the custom value.

"electronic communication service" means a service of any description provided by a person or a company by means of any transmission, emission or reception of signs, signals, writing, images and sounds or intelligible information of any nature, by wire, optical, visual or other electromagnetic means or systems, including:

- (a) voice, voice mail, data services, audio text services, video text services, radio paging and other emerging electronic communication services;
- (b) fixed telephone services including provision of access to and use of the public switched or non-switched telephone network for the transmission and switching of voice, data and video, inbound and outbound telephone service to and from national and international destinations;
- (c) cellular mobile telephone services including provision of access to and use of switched or non-switched networks for the transmission of voice, data, video and Value Added Services inbound and outbound roaming service to and from national and international destinations;
- (d) carrier services including provision of wired, optical fiber or wireless facilities and any other technology

to originate, terminate or transit calls, charging for interconnection, settlement or termination of domestic or international calls, charging for jointly used facilities including pole attachments, charging for the exclusive use of circuits, a leased circuit or a dedicated link including a speech circuit, data circuit or a telegraph circuit;

- (e) provision of call management services for a fee including call waiting, call forwarding, caller identification, multi calling, call display, call return, call screen, call blocking, automatic callback, call answer, voice mail, voice menus and video conferencing;
- (f) private network services including provision of wired, optical fiber, wireless or any other technologies of electronic communication link between specified points for the exclusive use of the client;
- (g) data transmission services including provision of access to wired or wireless facilities and services specifically designed for efficient transmission of data;
- (h) communication through facsimile, pager, telegraph, telex and other electronic communication services; and
- (i) any services which will be added from time to time by financial institutions or telecommunication service providers,

"duty" includes any imposition, tax or surtax, imposed by any excise law;

"excisable goods" means excisable goods imported in Zanzibar which are specified in the First Schedule of this Act;

"excisable services" means local and imported excisable services which are specified under the Second Schedule to this Act.

"excise duty" means any duty of excise imposed under section 4 of this Act;

"export" means in relation to the:

- (a) goods, to take or cause to be taken out of partner state;
- (b) services, to supply service or cause to be supplied out of Zanzibar.

"Financial services" includes bankers, insurance services, money transfer, and other financial service issued by any person as provided under this Act;

"head of customs" means the person who is in charge of the Customs in Zanzibar;

"import" means, to bring or cause to be brought goods or services into Zanzibar;

"importer" means a person who brings or cause to brought, receives, serves or clear the goods or services into Zanzibar;

"master" includes any person for the time being having or taking charge or command of any aircraft or vessel;

"Minister" means the Minister responsible for Finance;

"night" means the period between six o'clock in the afternoon of any day and six o'clock in the forenoon of the following day;

"non-utility vehicles" means all types of vehicles referred to under tariff codes and tariff heading used by Custom Department.

"owner" in respect of any excisable goods, aircraft, vessel, vehicle, or other thing, includes any person, other than an officer acting in his official capacity being or holding himself out to be the owner, agent, or the person in possession of or beneficially interested in or having control of or having power of disposition over, such goods, aircraft, vessel, vehicle, or other thing;

"partner states" means any country granted membership under article 3 of the Treaty for the Establishment of The East African Community;

“proper officer” means any officer authorized by the Head of Custom whose right or duty is required to be performed in accordance with the provisions of this Act;

"spirits" means spirits of any description and includes all liquor mixed with spirits and all mixtures and compounds or preparations made with spirits, but does not include denatured spirits in the law relating to Intoxicating or Liquor;

"register tonnage" means the tons of a ship's net tonnage as ascertained and registered according to the tonnage Regulations of the Merchant Shipping laws or in the case of a ship which is not registered under that Act, ascertained in like manner as if it were to be so registered;

"vehicle" includes every description of conveyance for the transport by any person;

"wine" means liquor of a strength not exceeding 50 degrees of proof which is made from fruit and sugar or from fruit or sugar mixed with any other material and which has undergone a process of fermentation in the manufacture thereof and includes mead.

PART II IMPOSITION TO THE EXCISE DUTY

Imposition of excise duty.

4.-(1) Subject to the provisions of this Act, the imported excisable goods specified in the First Schedule and excisable services specified in the Second Schedule of this Act shall be chargeable with the excise duty at the rate specified in the First and Second Schedules of this Act.

(2) The Minister may, by order published in the gazette, amend the First and Second Schedules of this Act when he deems necessary.

Determination of excisable value for imported goods.

5.-(1) The excisable value in respect of imported excisable goods, shall be the value declared and determined in accordance with the provisions of the East African Community Customs Management Act taking into account the import duty payable.

(2) Where in the opinion of the Commissioner, by reason of any fraudulent act or omission on the excisable value of any imported goods is not the same as the excisable value of similar goods imported, may assess the excisable value in accordance with East African Community Customs Management Act.

6.-(1) The excise value of excisable services shall be the:

Value of excisable service.

- (a) fee, commission or charge payable for the service, if the excisable services are supplied by a registered person at arm length; or
- (b) open market value of the services, in any other case.

(2) The excisable value shall not include Value Added Tax and for fees charged by financial institutions it shall not include interest on loan or return on loan or insurance premium.

(3) Where in the opinion of the Commissioner, by reason of any fraudulent act or omission on the excisable value of any excisable service is not the same as the excisable value of a similar excisable service, may assess the excisable value in accordance with the Tax Administration and Procedures Act or arm's length principle.

7.-(1) Proper officer may require any person concerned in the importation or exportation of goods, or in the carriage, unloading, landing, loading of goods which are being or have been imported or exported, at any time within three years of the date of delivery to produce any information relating to the goods and allow the proper officer to inspect and take extracts from or make copies of any invoice, bill of lading, other book or document relating to the goods of the entry thereof;

Inspection of records.

(2) Subject to the provisions of the sub section (1) of this section, where the entry was not delivered on the date of importation or exportation thereof, the proper officer shall require the person to produce any information relating to the goods as prescribed in the Tax Administration and Procedures Act or East African Community Customs Management Act.

Time of supply of excisable services and imported goods.

8.-(1) Time of supply of excisable services shall be earlier of the time on which:

- (a) services are rendered;
- (b) the tax invoice is issued; or
- (c) payment is received.

(2) For imported goods, the time of importation shall be when the goods are entered for home consumption, if the goods:

- (a) at the port;
- (b) from a warehouse;
- (c) removed from an export processing zone; or
- (d) in any other case at the time the goods are brought in Zanzibar.

Control of excisable goods.

9.-(1) Subject to the provisions of section 11 of this Act, the imported excisable goods shall be subject to excise control by the Head of Customs in Zanzibar until the excise duty is paid or the goods are taken out of Zanzibar, re-exported or destroyed.

(2) A person who removes or attempt remove any excisable goods while under the excise Custom control of the Head of Customs in Zanzibar shall be liable to a penalty equal to double the excise duty payable on those goods.

Place of supply of excisable services.

10. Services shall be regarded as supplied in Zanzibar if the:

- (a) supplier of the services has a place of business in Zanzibar;
- (b) consumption, effective use and enjoyment of that service take place in Zanzibar, irrespective of contract, payment or beneficial interest;
- (c) supply occurs in Zanzibar, temporary or permanently, regardless where the licence, permit, certificate, concession, authorisation or other document is issued; or

- (d) services are rendered in Zanzibar, by any person who is in Zanzibar or outside of Zanzibar at the time the services are rendered.

11.-(1) The Commissioner may delegate the powers or the performance of any duty conferred by this Act in respect of the administration and collection of excise duty on imported excisable goods to the Head of Customs in Zanzibar.

Delegation of duties and powers.

(2) Any duty imposed or power conferred on the Commissioner under this Act other than duties and powers in respect of the administration and collection of excise duty on imported excisable goods may be performed or exercised by the Commissioner personally or by any officer authorized by the Commissioner.

(3) Any decision made or any notice or communication signed or issued by any officer authorized under subsection (2) of this section, may be withdrawn or amended by the Commissioner or by that officer authorized and shall be deemed to have been made, signed or issued by the Commissioner.

(4) The Commissioner may, for the purposes of the administration of this Act, commission or make such arrangements or enter into such agreements with any institution or authority in collection of excise duty under this Act.

(5) The person who is a party to agreement or commissioned in collection of excise duty shall perform his duties and exercise his powers conferred under this Act.

(6) The Commissioner may cancel the delegation of powers or duties under sub section (1) or arrangement or agreement made under sub section (4) of this section, if he considers reasonable to do so.

**PART III
PAYMENT OF DUTY**

Payment of
duty.

12.-(1) The duty payable under this Act shall be paid to the Commissioner.

(2) Notwithstanding the provisions of sub section (1) of this section, the provisions of Customs Laws on assessment, payment and collection of taxes on imports shall apply to assessment, payment and collection of the Excise Duty on imported excisable goods.

(3) The due date for payment of excise duty in respect of:

- (a) local excisable services shall be as prescribed under provisions relating to payment of taxes under the Tax Administration and Procedure Act;
- (b) imported excisable services shall be at the time of importation;
- (c) imported excisable goods shall be as provided under sub section (2) of this section.

(4) The rates of collection of Excise Duty in respect of imported excisable goods shall be the rate in force at the time the goods liable to such duty are entered for home consumption.

(5) In any case where the time when the duty becomes due and payable in respect of any imported excisable goods cannot for any reason be ascertained, the duty shall be payable in respect of any goods at the rate in force at the time of the payment of the duty.

(6) Without prejudice the provisions of subsection (2) and (3) of this Act, the Minister may, by Regulations made under this Act or by order published in the Gazette provide for payment of duty by any person or category of persons liable to pay duty on any day other than the day on which such person or category of persons would be liable to pay the duty.

(7) The Commissioner may, where he is satisfied that it is reasonable to do so, permit payment of duty in any case to be deferred with the prescribed accounting period provided under Tax Administration and Procedures Act.

13.-(1) The excise duty imposed by this Act shall become due and payable in respect of:

Persons
liable to pay
duty.

- (a) imported goods by the importer thereof at the time immediately before the goods ceases to be subject to customs control or at such other time as the Minister may, by notice in the Gazette, direct;
- (b) any goods imported by any person exempted from duty and which is subsequently sold to any other person by the purchaser at the time of the sale of the goods by him;
- (c) any electronic communication supplied by the electronic communication service provider at the time when such mobile, fixed or wireless phone or any device used to facilitate electronic communication is in use or when the payment is made for the service whichever time shall be the earliest;
- (d) charges or fees collected by financial institutions or telecommunication service provider on money transfer and transfer service; by service provider;
- (e) any payment to view satellite television by the service provider when the service is supplied;
- (f) imported service by the importer or the recipient of the service.

(2) The Minister may, by order published in the Gazette, provided that in respect of:

- (a) any goods or class of goods or services specified in that order; or

- (b) a person other than a person liable under sub section (1) of this section,

shall be liable to pay the duty and where that order, is made the person specified in the order shall be liable to pay the duty in lieu of the person who would otherwise have been liable to pay the duty under the provisions of this Act or Regulations made under this Act shall apply to the person so specified as if he was the person in lieu of whom is liable to pay the duty.

Recovery of duty.

14.-(1) Where any excise duty payable under this Act is not paid, the Commissioner may recover such duty in case the duty is in respect of:

- (a) the imported excisable goods, in accordance with the provisions of the East Africa Community Customs Management Act; and
- (b) excisable services, in accordance with the provisions of Part VII of the Tax Administration and Procedure Act.

(2) Without prejudice the provisions of sub section (1) of this section, the Commissioner may use any other methods specified under the Regulations of this Act for imported goods or excisable services if satisfied that it shall assist in recovery of duty.

Persons and institution exempted from payment of duty.

15.-(1) Without prejudice the provisions of this Act, persons and organizations listed in the Third Schedule of this Act, shall be exempted from payment of duty subject to the procedures which may be specified under Regulations made of this Act.

(2) For the purpose of this section, the Minister may, after consultation with the Commissioner, prescribe the persons and organizations entitled to be exempted from payment of duty as specified under the Third Schedule of this Act, by order published in the Gazette.

(3) The Minister may, amend the Third Schedule of this Act when he deems necessary.

16. Where any excisable goods is entered under bond for:

- (a) export, transshipment or in transit; or
- (b) use as stores for aircraft or vessels,

Exemptions from duty on goods entered for exportation.

and is proved to the satisfaction of the Commissioner to have been duly exported or used as such stores, as the case may be, it shall be exempted from liability to the duty.

17. Excisable goods remaining on board and exported in the aircraft or vessels in which they are imported, whether as stores or otherwise, shall be exempted from liability to the duty.

Exemption on goods remaining on board.

18. Where goods imported and cleared under the custom procedures in Mainland Tanzania shall not be chargeable with duty when transferred for home consumption in Zanzibar.

Exemption on goods cleared in Mainland Tanzania.

19.-(1) Where any imported excisable goods are lost or destroyed by accident either:

Remission of the duty.

- (a) on board in any aircraft or vessel;
- (b) in removing, loading, unloading, or receiving them into or delivering them from any custom area or warehouse; or
- (c) in any custom area or warehouse,

before the goods are delivered out of Custom's control to owner, if the Commissioner is satisfied that such goods have not been and will not be consumed in Zanzibar, the Commissioner may remit the duty payable in respect of goods.

(2) Remission of any duty shall not be granted unless the person claiming such remission presents such claim in the manner prescribed under Regulations of this Act.

(3) Without prejudice the provisions of subsections (1) of this section, the Minister may, by Order published in the Gazette, remit

in whole or in part of any excise duty payable by any person on any imported excisable goods or any service by specifying the time limit, goods, service or any other conditions if he is satisfied that it is in the public interest so to do.

Rebate of the duty.

20.-(1) Where any goods imported into Zanzibar are damaged before such goods are delivered out of Customs control, a rebate of the duty payable in respect of such goods may be allowed in such amount as in the opinion of the proper office after consultation with the Head of Custom.

(2) Rebate of duty shall be allowed under this section in respect of any goods except where the proper officer is satisfied that the carrier or insurer of the goods has made an allowance to the owner in respect of damage; and the rebate shall not exceed, in any case, the proportion of the duty at the amount of the allowance so made bears to the value of goods.

Refund of the duty.

21.-(1) A person liable to pay excise duty may apply to the Commissioner for a refund of any excise duty paid in error or in excess of the excise duty assessed or due.

(2) The application for a refund shall be made to the Commissioner in the form and manner prescribed under Regulations of this Act.

(3) Where the Commissioner is satisfied that excise duty has been paid in error or in excess, the Commissioner shall allow the refund or reduction of any other tax due from the person liable to pay tax.

(4) The Commissioner shall, within thirty (30) days after making the decision on a refund application, serve a notice of decision in writing to the person applying the refund.

PART IV ACCOUNTING AND RECORDS

Accounting and Records.

22.-(1) A person liable to pay excise duty shall keep the records as required under the Tax Administration and Procedure Act or East African Community Customs Management Act for the imported excisable goods.

(2) The Proper officer or authorized officer may, for the purposes of this Act:

- (a) without prior a written notice, at any time, enter in any premises and make such examination and enquiry as he deems necessary;
- (b) while he is on the premises or at any time, require from any person the production of any book, document or electronic device which by this Act is required to be kept or exhibited or which relates to or which he has reasonable cause to suspect it relating to matters dealt with in this Act and which is or has been on the premises or in the possession or custody or under the control of any such person or his employee;
- (c) at any time and at any place, require from any person who has or is believed to have the possession or custody or control of any book, document or electronic device relating to any matter dealt with in this Act; and
- (d) examine and make extracts from and copies of any such book or document or electronic device and may require from any person an explanation of any entry therein and may attach any such book, document or electronic device as in his opinion may afford evidence of any matter dealt with in this Act.

- (3) A person who is:
- (a) connected with business;
 - (b) occupied or used in any premises; or
 - (c) employed by the taxable person,

shall, at any time, allow the authorized officer to enter the premises for exercise of his powers and duties under this section.

(4) Where a proper officer or an authorized officer, after having declared his official capacity and his purpose and having demanded admission into any premises, is not immediately admitted, he and any person assisting him may, at any time, except during night only in the presence of a police officer:

- (a) break or open any door or window or break through any wall on the premises for the purpose of entry and search;
- (b) break up any ground or flooring on any premises for the purpose of search and if any room, place, safe, chest, box or package is locked and the keys thereof are not produced on demand, may open such room, place, safe, chest, box or package in any manner.

(5) The Commissioner or the Head of Custom may require any person to appear before him at any time and place fixed by the Commissioner or Head of Custom and may question that person, either alone or in the presence of any other person, as he thinks fit, with respect to any matter dealt with in this Act.

(6) A proper officer may:

- (a) board any ship within the territorial waters or fishing zone of Zanzibar or may stop and board any vehicle in Zanzibar and may search any such ship or vehicle or any person found therein or thereon for goods upon which duty has not been paid, or in respect of which he has reasonable cause to believe that there has been a

contravention of any provision of this Act or Regulations made under this Act, and may freely remain on such ship or vehicle in pursuance of his duties.

- (b) if any vehicle, room, cabin, place, safe, chest, box, package or container is locked and the keys thereof are not produced on demand, shall open such vehicle, room, cabin, place, safe, chest, box, package or container in any manner.
- (c) have free access to and the right to rummage every part of any ship, aircraft or vehicle and to examine all goods on board, with power to fasten down hatchways and to mark any goods before landing and to lock up, seal, mark or otherwise secure any goods on board of that ship or vehicle, including any apparatus thereof, and he may also demand from the master of such ship or the pilot of any aircraft concerned or the person in charge of any other vehicle the production of any document to which any provision of this Act relates.

(7) Proper officer or an authorized officer may lock up, seal, mark, fasten or otherwise secure in any warehouse, store, room, cabin, place, vessel, appliance, utensil, fitting, vehicle or goods if he has reason to believe that any contravention under this Act or Regulations has been or is likely to be committed in respect thereof or in connection therewith.

PART V MISCELLANEOUS PROVISIONS

23.-(1) Where any excisable goods is re-imported after being exported, and in respect of which no drawback or refund of duty has been paid, or if paid, has been returned to the Commissioner, such goods shall not be liable to duty; but if the goods has been processed abroad and its excisable value has, in consequence of being so processed, increased, the amount of the increased excisable value shall be liable to duty at the rate applicable to the excisable goods so re-imported. Re-
importation.

(2) This section shall not apply to any case where the excisable goods re-imported is a composite goods which is composed in part only of the excisable goods exported unless the whole of the excisable goods re-imported is composed of two or more excisable goods that has been exported.

(3) Subject to the provisions of this Act, the excise duty shall not be levied, more than once in respect of any excisable goods.

Customs control on excisable goods.

24.-(1) The following excisable goods shall be subject to Customs control in all imported goods which are:

- (a) imported through Post Office, from the time of importation until delivery for home consumption or until exportation;
- (b) under draw-back from the time of the claim for draw-back until exportation of such goods;
- (c) under the permission of the proper officer stored in a customs area pending exportation;
- (d) on board in any aircraft or vessel whilst within any port or any place in Zanzibar.

(2) Where any excisable goods is under Customs control the proper officer may, at any time, examine the goods and a person shall not interfere with the goods except with the consent of a proper officer in accordance with the provisions of this Act.

(3) Where any excisable goods is subject to customs control, the Commissioner may permit the owner of that goods to abandon the same to the customs; and on that abandonment that goods may, at the expense of the owner thereof, be destroyed or otherwise disposed off in the manner prescribed under the Regulations made to this Act.

(4) The Commissioner may direct the duty thereon shall be remitted or refunded, as the case may be.

25. The provisions of the East African Community Customs Management Act relating to the entry and warehousing of goods liable to import duty shall apply to the entry and warehousing of Excisable goods under this Act.

Entry of scheduled goods and warehousing.

26. For the purposes of this Act, all goods consigned to or brought in Zanzibar shall be deemed to have been imported in Zanzibar if the goods:

When goods deemed to be imported.

- (a) consigned to a place in Zanzibar in a vessel or aircraft, at the time when such vessel or aircraft on the voyage or flight in question, first came within the Custom control area, or at the time of the landing of such goods at the place of actual discharge thereof in Zanzibar if such vessel or aircraft did not on that voyage or flight call at the place to which the goods were consigned or if such goods were discharged before arrival of such vessel or aircraft at the place to which such goods were consigned;
- (b) not consigned to a place in Zanzibar but brought thereto by and landed therein from a vessel or aircraft, at the time when such goods were so landed;
- (c) brought to Zanzibar by post, at the time of importation in terms of paragraph (a) and (b) of this section according to the means of carriage of such goods; and
- (d) brought to Zanzibar in any manner not specified in this section, at the time specified in the Notice published in the Gazette or, if the time is not specified in the Notice in respect of the goods in question, at the time such goods are considered by the Commissioner to have entered into Zanzibar.

27. Where a person who is liable to pay excise duty under this Act is absent from Zanzibar, the Commissioner may, by notice in writing serve the:

Where person liable to pay excise duty is absent from Zanzibar.

- (a) agent of such person;
- (b) person managing the business of that person who is in Zanzibar and who has acted on behalf of that person in any matter resulting in liability;
- (c) recipient of the good or service;
- (d) manager of the business of the person in respect of whom duty is due,

to pay the duty in place of that person as if he is a person liable under the provisions of this Act.

Tax avoidance scheme.

28. A person who enters into a scheme with the sole purpose of enabling the person obtain a tax benefit and a tax benefit is obtained, the Commissioner may within five years from the last day of the month when the liability arose, assess the tax liability as if the scheme had not been entered into.

Liability to pay excise duty.

29.-(1) A person who collects excise duty due in Zanzibar in respect of a transaction that took place before the commencement of this Act shall be due and liable under this Act; unless the duty remitted to the Commissioner or refunded to the payer of such duty.

(2) A person who fails to comply with provisions of the sub section (1) of this section, shall be liable to pay the duty due together with penalty of not less than three million shillings and not exceeding ten million shillings.

Impersonation.

30. A person who impersonates with the authorized officer or proper officer and exercising of their duties or powers conferred under this Act, commits an offence and upon conviction is liable to a fine of not less than Two Million Shillings but not exceeding Ten Million Shillings or to imprisonment for a term of not less than one year but not exceeding five years, or to both the fine and imprisonment.

Offences and penalties.

31.-(1) A person who:

- (a) remove or attempt to remove goods while under custom control;
- (b) fails to pay excise duty when it is due;
- (c) fails to keep proper records as he required under this Act;
- (d) hinders or obstruct attempt to obstruct the proper officer or authorized officer in exercising of their duties or powers conferred under this Act;
- (e) fails or refuses to produce document or information required relating with the goods, services or business;
- (f) refuses to answer the questions asked by the proper officer or authorized officer relating with the goods, services or business; or
- (g) knowingly misrepresents or produces false documents or information to the proper officer or authorized officer,

Commits an offence and up on conviction is liable to a penalty of double of the excise duty payable or imprisonment for the term of not less three months and not exceeding six months or both such fine and imprisonment.

(2) Any person who fails to notify the Commissioner of discrepancies between actual recorded inventory of goods under excise control; or changes in business particulars commits an offence and upon conviction is liable to a fine of two million shillings or imprisonment for the term of not less than three months and not exceeding six months.

32. The provisions of East African Community Customs Management Act relating to offences and penalties on importation shall apply on importation of excisable goods.

Other offences.

33. A person, who contravenes any provision of this Act or its Regulations where the punishment is not specifically provided, commits an offence and upon conviction shall be liable to a fine of Two Million Shillings or imprisonment for the term of not less than three months and not exceeding six months.

34.-(1) The Minister may, by published in the Gazette, make Regulations for better implementation of the provisions of this Act.

(2) Without prejudice to the generality of the provisions of the subsection (1) of this section, the Minister may:

- (a) prescribe any fee or charge to be levied on excisable goods imported into Zanzibar; or excisable services;
- (b) provide for the form of the returns which is required to be specified under this Act;
- (c) regulate the remission, rebate and refund of excise duty;
- (d) provide the manner for securing and collection of excise duty; or
- (e) prescribe or regulate any other matter required to be prescribed for the purposes and implementation of the provisions of this Act.

35. Any act done on charging Excise Duty in Zanzibar for any goods or any services before the coming into force of this Act shall be deemed to have been done under the provisions of this Act.

PART VI CONSEQUENTIAL AMENDMENTS

36. The Schedule to the Tax Administration and Procedures Act, No. 7 of 2009 is hereby amended by inserting item No. 6 after item No. 5 as follow:

“Excise Duty Act, No..... 2017”

37. The Schedule to the Zanzibar Revenue Board Act, No. 7 of 1996 is hereby amended by inserting item No. 10 after item No. 9 as follow:

“Excise Duty Act No..... 2017”

FIRST SCHEDULE**Excisable Goods**

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
20.09		Imported fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.	ltr	Tshs. 210.00 per litre
22.02		Water, including mineral waters and aerated waters, containing added sugar or other sweetening matter of flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading No.20.09		
	2202.10.00	-Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured.	ltr	Tshs 61.00 per litre
	2202.90.00	---Other	ltr	Tshs. 58.00 per Litre
	2202.9100	Non alcoholic Beer	ltr	Tsh. 561.00 per litre
22.03		Beer made from malt		
	2203.00.10	---Stout and porter	ltr	Tshs. 765.00 per Litre
	2203.00.90	---other		Tshs. 765.00 per Litre
22.04		Wine of fresh grapes, including fortified wines; grape must other than that of heading No.20.09		
	2204.10.00	--Sparking wine		
	2204.10.10	--- With the grapes content exceeding 75%	ltr	shs.2,349 per litre

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
	2204.10.90	---other	ltr	Tshs. 2,236.00 per litre
		--Other wine; grape must with fermentation prevented or arrested by the addition of alcohol		
		--In containers holding 21 or less		
	2204.21.00	---With the grapes content exceeding 75%	ltr	Tshs. 2,349.00 per litre
	2204.21.00	---Other	ltr	Tshs.2, 349.00 per litre
	2204.29.00	---Other	ltr	Tshs.2, 349.00 per litre
	2204.30.00	--With the grapes content exceeding 75%	ltr	Tshs2,349.00 per litre
	2204.30.00	---Other		Tshs.2,349.00 per litre
22.05		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.		
		--In containers holding 21 or less		
	2205.10.00	---With the grapes content exceeding 75%	ltr	Tshs. 2,349.00 per litre
	2205.10.90	---Other	ltr	Tsha. 2,349.00 per litre
		--Other		
	2205.90.10	---With the grapes content exceeding 75%	ltr	Tsha. 2,349.00 per litre
	2205.90.90	---Other	ltr	Tsha. 2,349.00 per litre
22.06		Other fermented beverages (for example, cider, perry, mead) mixtures of fermented beverages and mixtures of fermented beverages, not elsewhere specified or included		

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
	2206.00.10	---Cider	ltr	Tshs. 2,349.00 per Litre
	2206.00.20	Beer made from 100% local unmalted creals	ltr	Tshs. 429.00 per litre
	2206.00.90	--Other		Tshs.2,349.00 per litre
22.08		Undernatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages		
	2208.20.00	-Spirits obtained by distilling grape wine or grape marc		Tshs3,481.00 per litre
	2208.30	-Whiskies	ltr	Tshs. 3,481.00 per litre
	2208.40.00	-Rum and other spirits obtained by distilling fermented sugar-cane products	ltr	Tshs. 3,481 per litre
	2208.50.00	-Gin and Geneva	ltr	Tshs. 3,481.00 per litre
	2208.60.00	-Vodka	ltr	Tshs. 3,481.00 per litre
	2208.70.00	-Liqueurs and cordials	ltr	Tshs. 3,481.00 per litre
		-Other		
	2008.90.10	Distilled Spirits e.g. Konyagi, Uganda waragi	ltr	Tshs. 3,481.00 per litre
	2208.90.00	--Other		Tshs. 3,481.00 per litre
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes		
		- Cigarettes containing tobacco		
		-Cigar, cheroots and cigaritto, containing tobacco	kgs	30%

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
	2402.20.10	---Without filter tip and containing domestic tobacco contents exceeding 75%.	mil	Tshs. 12,447.00 per mil
	2402.20.90	---With filter tip and the domestic tobacco contents exceeding 75%	mil	Tshs. 29,425.00 per mil
24.03		---Other	mil	Tshs. 53,235.00 per mil
		---other	mil	Tshs. 53,235.00 per mil
		Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco: tobacco extracts and essences.		
	240.19.00	--Smoking tobacco, whether or not containing tobacco substitutes in any proportion		
	2403.10.10	---Cut rag/filler	kg	Ths. 26,888.00 per kg
	2403.11.00	--smoking tobacco, whether or not containing tobacco substitute in any production		
		---Water pipe tobacco specified in sub heading note one to this chapter	kg	30%
	2403.19.00	---Other	kg	30%
		---Other		
	2403.91.00	---homogenized or reconstituted tobacco	kg	30%
	2403.99.00	---Other	kg	30%

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
27.10		Petroleum oil and oils obtained from bituminous minerals, other than crude, preparation not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils		
		-Light oils and preparations		
	2710.11.10	---Motor spirit (gasoline) regular	ltr	Tshs.379.00 per Ltr
	2710.11.20	---Motor spirit (gasoline) premium	ltr	Tshs.379.00 per Ltr
		Other		
		-Medium oils and preparation		
		-Preparations		
	2710.19.21	----Kerosene type Jet Fuel	ltr	Nil
	2710.19.22	----Illuminating kerosene	ltr	Tshs.122.00 per Ltr
	2710.19.29	----Other medium oils and preparations	ltr	Tshs.8.7145 per Ltr
		--Gas oil and Diesel oil		
	2710.19.31	-Gas oil (automotive, light, amber for high speed engines)	ltr	Tshs.255.00 per Ltr
	2710.19.32	----Diesel oil (industrial, heavy black for low speed marine and stationary engines) -Residual oils	ltr	Tshs.201.00 per Ltr
	2710.19.41	----Residual fuels oils (marine, furnaces and similar fuel oils) of 180 centistokes.	ltr	Tshs. 97.00 per Ltr

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
	2710.19.42	----Residual fuels oils (marine, furnaces and similar fuel oils) of 180 centistokes	ltr	Tshs. 97.00 per Ltr
	2710.19.43	----Residual fuels oils (marine, furnaces and similar fuel oils) of 280 centistokes.	ltr	Tshs. 97.00 per Ltr
	2710.19.49	----Other residual fuel oils	ltr	Tshs. 97.00 per Ltr
		-Other		
	2710.19.51	----Lubricating oils	ltr	Tshs.500 per m ³
	2710.19.52	----Lubricating greases	ltr	Tshs.0.75 per kg
27.11		-Petroleum gases and other gaseous hydrocarbons		
	2711.11.00	--Natural gas	kg	Tshs.114.00 per kg
	2711.12.00	--Propane	kg	Tshs.114.00 per kg
	2711.13.00	--Butane	kg	Tshs.114.00 per kg
	2711.14.00	--Ethylene, propylene, butylenes et butadiene	kg	Tshs.114.00 per kg
	2711.19.00	--Other	kg	Tshs.114.00 per kg
39.23		Article for the conveyance or packaging of goods, of plastics; stoppers, lids, caps and closures, of plastics.		
		-Sacks and bags (including cones)		
	3923.21.00	-Of polymers of ethylene	kg	120%
	3923.21.10	---Shopping bags	kg	120%
		-Of other plastics		
	3923.29.10	---Shopping bags	kg	120%

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
85.23		Disc and tap, solid state non volatile storage devices, "smart card" and other media for recording of sound or other phenomena, whether or not recorded, including matrices and master for production of disc		
		--Magnetic media		
		--unrecorded		
	8523.29.90	--recorded video and audio tape Optical media	u	Tsh. 50.00 per unit
	8523.40.90	Recorded DVD, VCD,CD	u	Tshs. 50.00 per unit
87.02		Motor vehicles for the transport of ten or more persons, including the driver		
		-With compression ignition in terminal combustion piston engine (diesel or semi diesel)		
	8702.10.20	--Of cubic capacity of 2000 or more than seating capacity not exceeding ten persons	u	10%
		-other		
87.03		Motor car and other motor vehicles principally designed for the transport of persons other than those of heading No. 87.02, including station wagons and racing cars.		
		--other vehicles with sparking ignition combustion reciprocating piston engine.		

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
	8703.22.90	---other	u	5%
		--Of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc		
	8703.23.01	Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,000 cc	u	5%
	8703.23.99	----Other	u	10%
		---of a cylinder capacity exceeding 3000cc		
	8703.24.90	----Other	u	10%
		-other vehicles, with compression ignition internal combustion piston engine (diesel or semi diesel)		
		--Of a cylinder capacity not exceeding 1,500 cc		
	8703.31.91	---of a cylinder not exceeding 1,000cc	u	Nil
	8703.31.99	--- other	u	5%
		--Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc		
	8703.32.91	---- of a cylinder capacity exceeding 1,500 cc but not exceeding 2,000 cc	u	5%
	8703.32.99	----Other	u	10%
		---Of a cylinder capacity exceeding 2,500cc	u	5%
	8703.33.90	---Other	u	10%

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
88.02		Other aircraft for example helicopter, aero planes, space aircraft (including satellites and suborbital and spacecraft launch vehicles for private use excluding commercial aircraft.		
		-Helicopters		
	8802.11.00	--of an unladen weight not exceeding 2000kg	u	20%
	8802.12.00	of an unladen weight exceeding 2000kg	u	20%
	8802.20.00	--aero planes and other aircrafts of an unladen weight not exceeding 2000kg	u	20%
	8802.30.00	--aero planes and other aircrafts of an unladen weight exceeding 15,000kg	u	20%
	8804.40.00	--aero planes and other aircrafts of an unladen weight exceeding 2,000kg but not 15,000kg	u	20%
94.01		Imported seats other than those of heading 94,02 whether or not convertible into beds, and part thereof		
	9401.30.00	--swivel seats with variable height adjustment	u	20%
	9401.40.00	--Seats other than garden seats or camping equipment, convertible into beds	u	20%
		---Seats of cane, osier, bamboo or similar materials		
	9401.51.00	---Of bamboo rattan	u	20%
	9401.59.00	---Other	u	20%
		---Other seats with wooden frames:		
	9401.61.00	---upholstered	u	20%
	9401.69.00	---Other	u	20%
		---Other seats with metal frames		
	9401.71.00	-----upholstered	u	20%

HEADING	HS CODE	DESCRIPTION	UNIT	RATE
	9401.79.00	---Other	u	20%
	9401.80.00	---Other seats	u	20%
	9401.90.00	Parts	kg	20%
94.03		Other imported furniture and part thereof		
	9403.10.00	-Metal furniture of kind used in offices	kg	20%
	9403.20.00	-Other metal furniture		20%
	9403.30.00	-Wooden furniture of kind used in the offices		20%
	9403.40.00	-Wooden furniture of kind used in the kitchen	u	20%
	9403.50.00	-Wooden furniture of kind used in the bedroom	u	20%
	9403.60.00	-Other wooden furniture	u	20%
	9403.70.00	-Furniture of plastics	kg	20%
		-Furniture of other materials, including cane, osier, bamboo or similar materials		
	9403.81.00	---Of bamboo or rattan	kg	20%
	9403.89.00	--Other	kg	20%
	9403.90.00	-Parts	kg	20%
		--imported non-utility vehicle of ten years or more from the year of its manufacture.	u	25%
		---imported used spare parts motor vehicle, bicycles, motor cycles and used domestic appliances including refrigerators, washing machines, electric cookers, microwave ovens, vacuum cleaners, electric fences, air conditioners, electric radiators, and all other related products, electric appliances including televisions, cartridges, printers, photocopiers, mobile phones and all other related products.	u	25%

SECOND SCHEDULE**EXCISABLE SERVICES**
[Made under section 4(1)]

S/N	DESCRIPTION OF SERVICE	RATE OF DUTY
1	Electronic communication service	17% of the dutiable value:
2	Pay to view television service provided by licensed cable television network or cable operator other than the Government or the Local Government Authority Operator.	5% of the dutiable value
3	Services provided by financial institutions payable by a person	10% on charges or fees receiving the service
4	Money transfer and payment services provided by telecommunication service provider	10% on charges or fees payable by a person receiving the service
5	Other imported service	12% of the dutiable value

THIRD SCHEDULE**PERSONS AND ORGANIZATIONS EXMPTED FROM
PAYMENT OF DUTY**
[Made under section 15(1)]

S/No.	PERSONS AND ORGANIZATIONS EXMPTED FROM PAYMENT OF DUTY
1.	Goods or services imported or purchased by Diplomatic or Consular Mission
2.	Goods or services imported or purchased by foreign Government, International Organizations or Aid Agencies
3.	Excisable goods including motor vehicle imported by returning resident.

OBJECTIVES AND REASONS

The objective of this Bill is to make provisions for the imposition of Tax of Excise Duty on imported Goods and Services and other matter related thereto. The proposed Bill shall provide a legal framework for the imposition and collection of excise duty on services and goods imported into Zanzibar.

Currently, excise duty is collected on imported goods and services in Zanzibar through the Excise Duty (Management and Tariff) Act enacted by the Parliament of the United Republic of Tanzania. However, application of this law for collection of excise duty on imported goods and services in Zanzibar has posed a constitutional challenge because the excise duty on imported goods and services in Zanzibar is not among the Union Matters.

However, Zanzibar has not enacted a law to deal with that matter, therefore, some taxpayers have resisted to pay excise duty on services in Zanzibar on the ground that, there is no law enacted which imposing such duty on services in Zanzibar and this has caused a challenge on the collection of government revenues because the government cannot take measures against the taxpayer who resist to pay their taxes because there is no such law on this matter.

Therefore the enactment of this Act will provide a solution of these challenges and enable the Government to collect its revenues efficiently and effectively.

This Bill comprises of six parts:

Part One, is about short title and commencement, application and interpretation of some words used therein.

Part Two is about imposition of excise duty, determination of excisable value for imported goods, value of excisable service, inspection of records, time of supply of excisable services and imported goods, control of excisable goods, place of supply of excisable services and delegation of duties and powers.

Part Three deals with payment of duty, persons liable to pay duty, recovery of duty, persons and institution exempted from payment of duty, exemptions from duty on goods entered for exportation, exemption on goods remaining on board, exemption on goods cleared in Mainland Tanzania, remission of the duty, rebate of the duty and refund of the duty.

Part Four is about accounting and records.

Part Five is about re-importation, customs control on excisable goods, entry of scheduled goods and warehousing, when goods deemed to be imported, where person liable to pay excise duty is absent from Zanzibar, tax avoidance scheme, liability to pay excise duty, impersonation, offences and penalties, other offences, general penalty, regulations and savings.

Part Six deals with the Amendment of the Tax Administration and Procedures Act and Amendment of the Zanzibar Revenue Board Act.