



**THE FINANCE (PUBLIC REVENUE MANAGEMENT)
ACT, 2012**

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ACT NO. 9 OF 2012

ASSENT

Shein

{ DR. ALI MOHAMED SHEIN }
PRESIDENT OF ZANZIBAR
AND

CHAIRMAN OF THE REVOLUTIONARY COUNCIL

16th July, 2012

**AN ACT TO IMPOSE AND ALTER CERTAIN TAXES AND DUTIES AND TO
AMEND CERTAIN WRITTEN FINANCIAL AND TAX LAWS RELATING TO
COLLECTION AND MANAGEMENT OF PUBLIC REVENUES AND OTHER
RELATED MATTERS**

ENACTED by the House of Representatives of Zanzibar.

**PART I
PRELIMINARY PROVISION**

Short title and Commencement. 1. This Act may be cited as the Finance (Public Revenue Management) Act, 2012 and shall come into operation immediately after being assented to by the President.

**PART II
AMENDMENTS OF THE VALUE ADDED
TAX ACT NO. 4 OF 1998**

Construction. 2. This part shall be read as one with the Value Added Tax Act No. 4 of 1998 in this part referred to as the "Principal Act".

Amendment of section 2. 3. Section 2 of the Principal Act is hereby amended as follows:-

(a) by deleting the interpretation of the words "Certificate of Registration";



- (b) by deleting the interpretation of the words “taxable value” and replacing thereof with the new interpretation as follows:-

“Taxable value” has the meaning assigned to it in sections 13 and 14 of this Act and section 4 of the Tax Administration and Procedures Act No. 7 of 2009.

Amendment
of section
7.

4. Section 7 of the Principal Act is hereby amended as follows:-

“by deleting subsection (4) thereof and substituting it with the following:-

(4) Services shall be regarded as supplied in Zanzibar if:-

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

Amendment
of section
13.

5. Section 13 of the Principal Act is hereby amended as follows:-

- (a) by deleting the words ‘this section’ and replacing for them the words ‘section 4 of the Tax Administration and Procedures Act’;
- (b) by adding the words ‘excluding the Value Added Tax’ immediately after the word ‘thereon’.

Amendment
of section
14.

6. Subsection (2) of section 14 of the Principal Act is hereby amended as follows:

by deleting the words “section 13” and substituting for them the following “section 4 of the Tax Administration and Procedures Act No. 7 of 2009”.



Amendment
of section
16.

7. Section 16 of the Principal Act is hereby amended as follows:-

(a) by deleting the phrase “and a person claiming input tax in contravention of this section shall; unless he satisfies the court to the contrary be deemed to have taken step for made fraudulent recovery of tax in contravention of section 47” appearing in sub section (4);

(b) by inserting a new subsection (5) immediately after sub section (4) as follows:-

“(5) Any person when claims input tax in contravention of this section shall unless he satisfies the court to the contrary, be deemed to have fraudulently claimed the tax in contravention of section 53 of the Tax Administration and Procedures Act No. 7 of 2009”;

(c) by renumbering subsection (5) to be subsection (6).

Amendment
of section
66.

8. Section 66 of the Principal Act is hereby amended in subsection (2) by deleting the words “section 43” and substituting for them the words “Part IV of the Tax Administration and Procedures Act, No. 7 of 2009”.

PART III AMENDMENTS OF THE STAMP DUTY ACT, NO. 6 OF 1996

Construction.

9. This part shall be read as one with the Stamp Duty Act, No. 6 of 1996 in this part referred to as the “Principal Act”.

Amendment
of section
2.

10. Section 2 of the Principal Act is hereby amended by adding new interpretations as follows:-

“policy of insurance” includes any writing whereby a contract of insurance is made, issued, agreed to be made; which purports to cover any risk for any property or service under a contract of insurance in Zanzibar;

“policy of life insurance” means a policy upon any life or lives or upon any event or contingency relating to or depending upon any life or lives, except a policy of insurance against accident to a person or in respect of any injury, incapacity, sickness or the like, or a policy whereby a sum is payable to cover any compensation or damage due under any enactment relating to workers’



compensation or employer's liability or under the common law, in respect of the death or illness of or injury to an employee';

Amendment
of section
3.

11. Section 3 of the Principal Act is hereby amended as follows:-

(a) by adding a proviso in subsection (5) as follows:-

“Provided that the Minister may amend, vary or replace the schedule”

(b) by adding new subsections (6) and (7) as follows:-

(6) The Minister may, in consultation with the Commissioner, by Order published in the Gazette, appoint any agent or class of persons as an authorized officer for the purpose of this Act, in respect of all instruments or other matters or such of the foregoing or such classes thereof as may be specified in the Order.

(7) Subject to the provisions of subsection (6) of this section, the Minister may, in consultation with the Commissioner cancel the appointment of any agent or class of persons.

Amendment
of section
12.

12. Section 12 of the Principal Act is hereby amended as follows:-

(a) by deleting subsection (1) thereof and replacing it by the following subsection:-

“12.(1) Subject to procedures to be laid down under Regulations to this Act, any duty which is chargeable on conveyance of an instrument or a class of instruments under this Act can be reduced or waived by the Minister on sufficient reasons of public interest.”

(b) in subsection (2) by deleting the paragraph (c) thereof and replacing it by the following paragraph:-

“(c) any chargeable instrument which is exempted from such payment under a treaty or an agreement with specified countries to which the Government of Zanzibar is a party.”

Amendment
of section
13B.

13. Section 13B of the Principal Act is hereby deleted and replaced by the following section:-



“13B. Notwithstanding the provisions of section 4 of the Tax Administration and Procedures Act No. 7 of 2009, any acknowledgement of a receipt of sum of money of more than one thousand shillings for sale of goods or render services in Zanzibar, a payment of Stamp Duty of 3 percent on the sum shall be paid in Zanzibar.

Amendment
of section
15.

14. Section 15 of the Principal Act is hereby amended as follows:

- (a) by deleting the words “section 13 of this Act” appearing in subsection (1);
- (b) by deleting the words “periodical gross turnover” appearing in subsection (2);
- (c) by deleting the words “section 14” appearing in subsection (3) (a) and substituting for them the words “section 23 of the Tax Administration and Procedures Act No. 7 of 2009”.

PART IV
AMENDMENTS OF THE HOTEL LEVY ACT,
NO. 1 OF 1995

Construction. 15. This part shall be read as one with the Hotel Levy Act, No. 1 of 1995 in this part referred to as the “Principal Act”.

Amendment
of section
2. 16. “Section 2 of the Principal Act is hereby amended by deleting the words “section 14” appearing in the interpretation of the word “Regulation” and substituting for them the words “section 69 of The Tax Administration and Procedures Act No.7 of 2009”

Amendment
of section
3. 17. Section 3 of the Principal Act is hereby amended by deleting the words “15 percent” appearing in subsection (1), and replacing them with the words “18 percent”.

PART V
AMENDMENT OF THE PETROLEUM LEVY ACT,
NO. 7 OF 2001

Construction. 18. This part shall be read as one with the Petroleum Levy Act, No. 7 of 2001 in this part referred to as the “Principal Act”.

Amendment
of section
15A. 19. Section 15A of the Principal Act is hereby deleted and replaced by the following section:-



"15A.(1) No person is allowed to engage in the business of buying, selling, storing or transporting petroleum products other than those lawfully allowed in accordance with the provision under this Act and Regulations made thereunder.

(2) Any person found in possession of any petroleum products in contravention of this section shall be guilty of an offence and on conviction shall be liable to a fine not less than One Million Shillings but not exceeding Twenty Million; and in addition to the said penalty, the unlawfully possessed petroleum products and any device, container, equipment, vehicle, property used for the transportation and storage of the unlawful possessed of petroleum products shall be seized and forfeited."

PART VI
AMENDMENT OF THE PORT SERVICE CHARGES
ACTS NO. 2 OF 1999

- Construction. 20. This part shall be read as one with the Port Service Charge Act, No.2 of 1999 in this part referred to as the "Principal Act".
- Amendment of section 2. 21. Section 2 of the Principal Act is hereby amended by adding a new interpretation "Airport Safety Fee" immediately after the interpretation of 'airport' as follow:-
- "Airport Safety Fee" means any payment charged under section 3A of this Act.
- Addition of section 3A. 22. The Principal Act is hereby amended by adding a new section 3A immediately after section 3 as follows:-
- Airport Safety fee** 3A. (1) There shall be paid by every passenger on every occasion on which he embarks on an aircraft at an airport, a fee to be known as "an airport safety fee".
- (2) The procedure for collecting, enforcing, recovering and exempting the airport service charge as provided for under this Act and Regulations made thereunder shall apply mutatis mutandis to collection, enforcement, recovery and, as the case may be, exemption of the airport safety fee.
- Amendment of section 14. 23. Section 14 of the Principal Act is hereby deleted.



PART VII
AMENDMENT OF THE TAX ADMINISTRATION AND
PROCEDURES ACT, NO. 7 OF 2009

- Construction. 24. This part shall be read as one with the Tax Administration and Procedures Act, No.7 of 2009 in this part referred to as the "Principal Act".
- Amendment of section 2. 25. Section 2 of the Principal Act is hereby amended as follows:-
by deleting the interpretations of the words "**accounting period**" and replacing with the new interpretation as follows:-
"prescribed accounting period" means the calendar month or such other period determined by the Commissioner;
- Amendment of section 45. 26. Section 45 of the Principal Act is hereby amended as follows:-
(a) by renumbering section 45 to be section 45(1); and
(b) by adding a new subsection (2), (3) and (4) as follows:-
(2) Subject to the provisions of subsection (1) of this section, if any amount of charge, penalty, fine and any other sum which is due from the taxpayer under this Act and which he fails to pay, the Commissioner may file before a court having jurisdiction over the area in which the defaulting taxpayer normally resides or carries on business, a certificate stating:-
(a) the name and address of the person from whom the said amount is due;
(b) the amount due; and
(c) the decision of the Commissioner.
(3) Upon such certificate being lodged before the court, the certificate shall be deemed to be a decree passed by such court against the person named in the certificate for the payment by him to the Commissioner of the amount stated in the certificate together with interest thereon of ten percent (10%) from the date on which the certificate was filed until the time of payment. Every such decree shall be executed as any decree passed by the court in a civil suit.



(4) Every certificate filed in a court pursuant to the provisions of subsection (2) of this section shall be conclusive evidence of the truth of the facts stated therein and shall be enforceable by the court notwithstanding that the amount involved exceeded the pecuniary jurisdiction of the court, in the same manner as any decree passed by the court in a civil suit.

Amendment
of section
57.

27. Section 57 of the Principal Act is hereby amended as follows:-

(a) by deleting the marginal note and replacing for it the following new marginal note as follows:-

“waiver of fine or penalty“

(b) by deleting a comma (,);

(c) by deleting the words “or interest”;

(d) by inserting the word “or” between the word “fine” and “penalty”.

**PART VIII
AMENDMENTS OF THE ZANZIBAR REVENUE
BOARD ACT, NO. 7 OF 1996**

Construction.

28. This part shall be read as one with the Zanzibar Revenue Board Act, No. 7 of 1996 in this part referred to as the “Principal Act”.

Amendment
of
section 5.

29. Section 5 of the Principal Act is hereby amended by adding new paragraphs (g) and (h) as follows:-

(g) to advise the Minister and other relevant organs of the Government on matters pertaining to fiscal policy and tax administration;

(h) to advise the Minister and other relevant organs of the Government on matters pertaining to government revenue.

Amendment
of
section 9.

30. Section 9 of the Principal Act is hereby amended as follows:-



- (a) by deleting the words “any member” and substituting for them by the words “Board Committee”;
- (b) by deleting the words “except powers given under section 8(1) (f) and (i) of this Act”.

PART IX
THE ZANZIBAR SOCIAL SECURITY FUND ACT
NO. 2 OF 2005

- Construction. 31. This part shall be read as one with the Zanzibar Social Security Fund Act No. 2 of 2005 in this part referred to as the “Principal Act”.
- Amendment of section 27. 32. Section 27 of the Principal Act is hereby amended in subsection (4) by deleting the phrase “and other income” thereof.

PART X
THE VOCATIONAL TRAINING ACT, NO. 8 OF 2006

- Construction. 33. This part shall be read as one with the Vocational Training Act, No. 8 of 2006 in this part referred to as the “Principal Act”.
- Amendment of section 15. 34. Section 15 of the Principal Act is hereby amended by adding a new subsections (4) and (5) immediately after subsection (3) as follows:-

“(4) The provisions of subsection (1), (2) and (3) of this section, shall not apply to any Government Department and to any public institution which is non-profit making and mainly financed through the Consolidated Fund.

Provided that the Government shall in every year, set aside an expenditure of not less than three percentum and not exceeding five percentum of its net allocations for salaries to its staff, for the purpose of vocational training and higher education.

(5) For the purposes of this section, the sum of Skills Development levy and Government expenditure for vocational training or higher education shall be apportioned as follows:-

- (a) 60 percent for the purpose of higher education; and



(b) 40 percent for the purpose of vocational and equivalent training.”

**PART XI
AMENDMENT OF THE ZANZIBAR INVESTMENT PROMOTION AND
PROTECTION ACT, NO. 11 OF 2004**

Construction. 35. This part shall be read as one with Zanzibar Investment Promotion and Protection Act, No. 11 of 2004 in this part referred to as the “Principal Act”.

Amendment
of section
19.

36. Section 19 of the Principal Act is hereby amended as follows:-

(a) in subsection (1) by deleting the word “shall” appearing between the words “land” and “take” and replacing it with the word “may”;

(b) by deleting subsection (2) thereof and replacing it by the following new subsection:-

“(2) The approved enterprise or domestic enterprise may be exempted from paying land rent during construction period.

Provided that such exemption shall not exceed six months from the date of the lease.”

PASSED in the House of Representatives of Zanzibar on 22nd day of June, 2012.

{YAHYA KHAMIS HAMAD}
CLERK OF THE HOUSE OF REPRESENTATIVES
ZANZIBAR