



THE ZANZIBAR REVENUE BOARD ACT, 1996

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ACT NO. 7 OF 1996

I ASSENT

Salmin Amour

SALMIN AMOUR
PRESIDENT OF ZANZIBAR AND
CHAIRMAN OF REVOLUTIONARY COUNCIL

3rd April 1997

**AN ACT TO ESTABLISH THE ZANZIBAR REVENUE BOARD AS A
CENTRAL BODY FOR THE ASSESSMENT AND COLLECTION OF
SPECIFIED REVENUE TO ADMINISTER AND ENFORCE
THE LAWS RELATING TO SUCH REVENUE AND
TO PROVIDE FOR RELATED MATTERS**

ENACTED by the House of Representatives of Zanzibar.

1. -(1) This Act may be cited as the Zanzibar Revenue Board Act, 1996 and shall come into operation immediately upon being assented to by the President.

Short title
and
commence-
ment.

2. In this Act, unless the context requires otherwise:-

Interpretation

"Board" means the Zanzibar Revenue Board established under Section 3 of this Act;

"Commissioner" means an officer appointed as Commissioner of Revenue under this Act and shall include any other person to whom the powers and functions have been duly delegated by the commissioner;

"Minister" means the Minister for the time being responsible for finance;

"Government" means the Government of Zanzibar as established by law includes its parastatals;

"prescribed manner" means the manner prescribed in the rules made by the Board under the provisions of this Act;

"President" means the President of Zanzibar and Chairman of the Revolutionary Council;

"Revenue" means taxes, duties, fees, fines, penalties or other charges imposed by or payable under the laws and regulations relating to Inland Revenue of Zanzibar as set out in the Schedule to this Act.



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**PART II
ESTABLISHMENT, FUNCTIONS, AND POWERS OF
THE BOARD**

Establishment of the Board

3. There is established a Board to be known as the Zanzibar Revenue Board which shall consist of all departments, sections establishments concerned with collection of revenue for the Government of Zanzibar.

Body corporate

4. (1) The Board shall be a body corporate with perpetual succession and a common seal and shall be capable of suing and being sued in its corporate capacity and subject to this Act, may borrow money, acquire and dispose of property and do all such other things as a body corporate may lawfully do.

(2) The Board shall be an agency of the Government and shall be under the general supervision of the Minister.

(3) Every document purporting to be an instrument issued by the Board shall be sealed and authenticated in the prescribed manner and such an instrument shall be received in evidence without further proof.

Constitution

5. The Board shall be constituted in its governing body with the following members:-

- (a) a Chairman appointed by the President on the recommendation of the Minister;
- (b) the Principal Secretary of the Ministry responsible for Finance, Zanzibar;
- (c) the Principal Secretary of the Ministry responsible for Planning Zanzibar;
- (d) the Commissioner of Revenue, Zanzibar;
- (e) two other members appointed by the Minister in consultation with the Chairman of the Board, who have professional knowledge and experience in finance, economics, taxation, or commerce and having no vested interests in the Board;
- (f) a representative from the Attorney General Chambers;
- (g) a Secretary who shall be appointed by the Board.



6. The functions and responsibilities of the Board shall be:-

- (a) to administer and give effect to the laws and regulations concerning revenue collection in Zanzibar as set out in the Schedule to this Act and for this purpose, to assess, collect and account for all revenues to which those laws apply;
- (b) to monitor, oversee, and coordinate the revenue collection work to ensure the fair, efficient and effective administration of revenue laws by concerned departments of the Government;
- (c) to advise the Minister and other relevant organs of the Government on matters pertaining to fiscal policy and tax administration;
- (d) to take necessary measures to improve the effectiveness of tax administration in Zanzibar including proper training of tax officials at different levels;
- (e) to take effective steps to counteract fiscal frauds and various devices of tax evasion and leakage of revenue;
- (f) to promote voluntary tax compliance and maximise revenue collection by widening the tax base;
- (g) to maintain and periodically publish statistical data on revenue collection and trends of business and industries;
- (h) subject to the laws specified in paragraph (a), to perform such other functions as the Minister may determine.

Functions and responsibility of the Board.

7. (1) The Board shall have powers to do all such act and things as may appear to it to be necessary, advantageous, or convenient for the efficient and effective discharge of its responsibilities and functions.

Specific powers.

(2) It shall act in accordance with all such directions of a general or specific nature as the Minister may by writing under his hand give to the Board.

8. (1) Without prejudice to the generality of the provisions of section 6, The Board shall, in discharge of its functions, have power to:-

Powers and authority of the Board.

- (a) suggest amendments in laws and regulations concerning revenue collection in Zanzibar for improving the administration and compliance relating to those enactments;



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- (b) collect from any source and process the statistics needed to provide proper revenue forecast and yield estimates of proposed changes in revenue laws.
- (c) participate in preparation of annual revenue budget for the Government and negotiate realistic revenue collection targets;
- (d) undertake work measurement exercise in order to determine the manpower needs of different revenue departments;
- (e) set action plan objectives and appropriate work targets for each revenue department and monitor its progress in achieving them on continuous basis;
- (f) take corrective measures including punishment to erring personnel of revenue department who fail to respond to training and management efforts for improving their performance;
- (g) give lawful instructions and orders to the Commissioner relating to management, performance and operational policies of revenue collecting departments;
- (h) formulate and devise a system of internal audit and to ensure through it the correct processing of cases by the revenue collecting departments of the Government in accordance with law and relevant directions of the Board and the Minister;
- (i) direct the Commissioner to furnish it with any information reports or other documents which the Board considers necessary for performance of its functions;
- (j) establish such organisational structure and work procedures as may be considered necessary for smooth discharge of the functions and responsibilities of the Board.

(2) Except as is otherwise provided in this Act or any other law for the time being in force, the Board shall have no power to intervene in determination of tax liability of particular taxpayers.

(3) The Board may however, issue general instructions for the guidance of the tax officials and may also detect mistakes through internal audit system and issue corrective guidelines which shall be binding on all concerned.



9. The Board may delegate to any member the power and authority to carry out on behalf of the Board such functions as the Board may determine, except powers given under section 8(1) (f) and (i) of this Act.

Delegation.

10. The Board may co-opt any person to participate in its deliberations, but the person so coopted shall have no right to vote.

Co-option

11.(1) A member of the Board other than an ex-officio member shall hold office on such terms and conditions as are specified in his instrument of appointment for a period not exceeding three years in the first instance and shall be eligible for reappointment only for a subsequent period not exceeding three years.

Tenure of members.

(2) The Minister may terminate or suspend the appointment of a member other than an ex-officio member:-

- (a) for the member's inability to perform the functions of his office;
- (b) for misbehaviour;
- (c) if the member is convicted of a criminal offence involving moral turpitude by a court of law;
- (d) if the member fails to comply with the regulation relating to disclosure of interest in a particular case; or
- (e) for any other sufficient reason to be recorded in writing.

12. The Board shall strive for the establishment, maintenance and application of a convenient and effective system for identification of taxpayers for the purpose of coordinated administration of the revenue laws in Zanzibar and shall have powers to take necessary steps in that direction.

Identification of taxpayers

13. (1) A member of the Board, the Commissioner or any other person employed in carrying out of the provisions of this Act, shall regard and deal with all documents and information relating to the income, expenditure or other financial dealings or status of any taxpayer or other person involved in any proceedings in furtherance of the purposes of this Act, and all confidential instructions in respect of the administration of this act which may come into his possession or to his knowledge in the course of his duties as secret to any unauthorised person.

Confidentiality

(2) Without prejudice to the provisions of subsection (1), it shall be lawful for officers in the revenue departments to exchange or furnish each other with information or documents concerning any taxpayer and for effective discharge of functions under this Act.

(3) The Board may in public interest decide to publish such information relating to a taxpayers or a class of taxpayers which it considers necessary in furtherance of its functions under this Act.



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PART III COMMISSIONER, OFFICERS AND STAFF

Appoint-
ment of
Commissioner

14. The President shall appoint a Commissioner of Revenue of the Board on the recommendation of the Minister.

Tenure of
office

15. (1) The Commissioner shall hold office for the period of three years and shall be eligible for reappointment unless he sooner expires or resigns or vacates or is removed.

(2) The Commissioner shall be the chief executive of the Board and subject to the general supervision and control of the Board, shall be responsible for the day to day operations of the Board, the management of funds, property and business of the Board and for administration, organisation and control of all officers concerned with collection of revenue in different departments of the Government.

(3) The Commissioner may, subject to any law or to any direction of the Minister or the Board, delegate any of his functions in relation to administration of revenue laws to any officer subordinate to him.

(4) The President may, on the recommendation of the Minister terminate the appointment of the Commissioner for inability to perform the functions of his office, or misbehaviour, or for any other sufficient cause.

Appointment
of Revenue
officers
necessary

16. The Board shall appoint such number and grades of revenue officers to administer revenue laws as it may think necessary for proper management of public revenues and efficient tax administration.

Secretary
to the
Board

17. The Board shall appoint a secretary to the Board who shall be responsible for arranging the business proceedings of the Board and for such other functions as the Board may direct.

Officers of
the Board

18. (1) The Board shall appoint other officers and staff as may be required for efficient performance of the functions of the Board on such terms and conditions as it may determine.

(2) The Board shall be responsible for discipline and control of the secretary, officers and staff appointed by it and can evolve suitable procedures for this purpose.

Immunity
from
personal
liability.

19. An employee of the Board including any officer appointed to administer any revenue laws, shall not be liable in his personal capacity, in civil or criminal proceedings in respect of any act or omission done in good faith in performance



**PART IV
FINANCIAL PROVISIONS AND REPORTS**

20. All revenue collected by or payable to the Board under any revenue law shall be credited to the Government accounts in accordance with the financial procedures of the Government.

Revenue
to go to
Government
account.

21. (1) The funds of the Board for management of its own affairs shall consist of:-

Funds of
Board

(a) the amount as may accrue by retention of a certain percentage of the revenue collected by the Board as shall be determined by the Minister from time to time;

(b) the amount as may be received by or made available to the Board by way of grants, loans or other sum for the purpose of performing its functions subject to the approval of the Minister.

(2) The Board may charge and collect fees in respect of training programmes, publications, seminars, consultancy and other services provided by it.

(3) All expenditure of the Board shall be a charge on the consolidated fund of Zanzibar and the Government shall make adequate provision in its annual budget to make necessary funds available to the Board.

22. The Commissioner shall, not later than three months before the end of each financial year, prepare and submit to the Board for its approval, estimates of its income and expenditure for the next ensuing year which, on approval, shall be forwarded to the Minister for inclusion in the annual budget of the Government.

Budget
estimates

23.(1) The Board shall keep accounts and records of its transactions and affairs and shall ensure that all moneys received and paid on its behalf are properly accounted for, authorised and adequate control is maintained over its property and incurring of liability.

Accounts and
audit

(2) For the purpose of subsection (1) of this section, the Board shall prescribe adequate financial procedures and internal audit systems and the Commissioner shall be responsible to ensure that these procedures are strictly adhered to by all concerned.

(3) The annual accounts of the Board shall be audited by a competent and qualified auditor appointed by the Minister.

24. (1) The Commissioner shall submit to the Board periodical reports in respect of the revenue collected by different departments at such intervals and in such manner as the Board may determine.

Reports by
the
commissioner



(2) The Commissioner shall within three months after the end of each financial year submit a report to the Board, and the Board shall submit to the Minister in respect of that year, containing:-

- (a) summary of financial statements indicating collection of revenue under different heads and by different departments;
- (b) a report on performance of various sections of the Board and revenue departments;
- (c) analysis and reasons for variation in actual revenue collections as compared to the budget estimates; and
- (d) such other matters as the Board may direct him to include.

(3) The annual report submitted under subsection (2) shall be presented before the House of Representatives by the Minister.

PART V MISCELLANEOUS PROVISIONS

Vesting of
assets etc

25. (1) All property, except any such property as the Minister may determine, which immediately before the commencement of this Act was vested in the Government for the use of the revenue departments for the purposes of giving effect to the laws relating to revenue collection, shall on the date of commencement of this Act vest in the Board subject to all interests, liabilities, charges, obligations and trust affecting the property.

(2) Except as otherwise provided in subsection (1) in relation to property, all contracts, debts, engagements, and liabilities of the Government attributable to the revenue collecting departments shall remain vested in the Board and may be enforced by or against the Board.

Powers of
special
enquiry in
tax frauds

26. (1) With a view to eliminate fraud and other forms of fiscal evasion in the revenue departments, and without prejudice to any other law for the time being in force, the Commissioner may, where it appears to him that an offence under this Act or under any revenue law has been, is being or is likely to be committed:-

- (a) enquire or request any officer subordinate to him to enquire into the matter; and
- (b) submit a report on the facts and make appropriate recommendations to the Board.

(2) Towards furtherance of the objectives of subsection (1), the Commissioner may:-



- (a) issue to any officer subordinate to him a warrant in the prescribed form for inspection of any premises, goods or documents and seizure of relevant goods or documents;
- (b) order or enquire any person to furnish any information or produce any document in his custody or control that the Commissioner may require;
- (c) order any person to appear before him;
- (d) subject to procedure prescribed by the Board, give such instructions to any officer subordinate to him, as he thinks fit for proper handling of any matter involving fraud or other forms of fiscal evasion.

(3) Where any officer engaged in the work of revenue collection has reasonable ground to believe that an offence under any law relating to revenue has been, is being or is likely to be committed he shall:-

- (a) forthwith report the matter to the Commissioner, and
- (b) if so requested by the Commissioner, enquire into the matter in accordance with such instructions as the Commissioner may give to him.

27. Any person who for the purposes of this Act;-

Offences

- (a) Without lawful excuse or justification, fails to comply with an order made under this Act;
- (b) furnishes any information or produces any document which is false or misleading in material particulars;
- (c) obstructs any officer in the performance of his functions under this Act; or
- (d) otherwise contravenes the provisions of this Act;
is guilty of an offence and shall be liable on conviction to a fine not less than one million shillings or to imprisonment for a term of five years or both such fine and imprisonment.

28. (1) Every officer appointed to administer any revenue law before the commencement of this Act, shall notwithstanding anything contained in this Act, be deemed to have been appointed under this Act until an appointment is made under this Act to fill his place.

Savings

(2) All proceedings under any law relating to revenue collection as set out in the Schedule which is pending immediately before the commencement of this Act, shall be continued or enforced in the same manner as they would have been continued or enforced if the act had not been enacted.



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Exemptions

been continued or enforced if the act had not been enacted.

Rules of
business
and
amendments.

29. Notwithstanding any provision in revenue laws set out in the Schedule to this Act, The Minister shall have power to remit, reduce or waive any revenue on the recommendation of the Board.

30. (1) The Minister may from time to time amend the Schedule to include any new statutory instrument for collection of revenue.

(2) The Board may make rules regulating its own procedure generally and in particular, in respect of holding of meetings, notices, proceedings at Board meetings, production and inspection of minutes of Board meetings and other related matters.

(3) The rules so made shall be submitted to the Minister for approval and can be similarly amended by the Board with the approval of the Minister and shall be published in the Gazette.

SCHEDULE

1. The Sales Tax Act, 1991
2. The Stamp Duty Act, 1996
3. The Hotel Levy Act, 1995
4. The Airport Service Charges Decree 1963
5. The Sea port Charges Decree.
6. The Petroleum products Levy Act 1991
7. The Business Licence Act, 1983
8. Entertainment Tax Act
9. Public Revenue Management Act, 1992/93, 1993/94, 1994/95, 1995/96 etc.
10. Any other law which is or may come into force to mobilise and collect revenue in Zanzibar.

Passed on the House of Representatives on 16th October, 1996.

KH Chamde

(KHAMIS JUMA CHANDE)

CLERK OF THE HOUSE OF REPRESENTATIVES OF
ZANZIBAR