



**THE FINANCE (PUBLIC REVENUE MANAGEMENT)
ACT NO. 10 OF 2013**

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ACT NO. 10 OF 2013

I ASSENT


(DR. ALI MOHAMED SHEIN)
PRESIDENT OF ZANZIBAR
AND

CHAIRMAN OF THE REVOLUTIONARY COUNCIL

5th July, 2013

**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**

ENACTED by the House of Representatives Zanzibar

**PART - I
PRELIMINARY PROVISIONS**

Short title
and
commencement

1. This Act may be cited as the Finance (Public Revenue Management) Act, 2013 and shall come into operation immediately after being assented to by the President.

**PART II
AMENDMENT OF THE PORT SERVICE CHARGE
ACT, NO. 2 OF 1999**

Construction.

2. 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 10.

3. Section 10 of the Principal Act is hereby amended .

(a) by deleting subsection (3) and replacing for it the following subsection:-

(3) Notwithstanding any other law to the Contrary, the Commissioner may, by order in writing, require any person who manages, control, regulates or has any authorities for clearance, handling of goods or passenger of any ship or aircraft from departing from any port in Zanzibar, to withhold such clearance and departure or take any action which facilitate the payment of tax until such charges, fees, penalty or interest are paid accordingly.



(b) by adding a new subsection 5 as follows:-

(5) any person who wilfully fails to comply with any order of the Commissioner under subsection (3) shall, without affecting the liability of taxable person, pay 10 percent of the tax which is required to be paid by such taxable person.

**PART III
AMENDMENT OF THE HOTEL LEVY
ACT, NO. 1 OF 1995.**

Construction. **4.** 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 3. **5.** The Principal Act is hereby amended by deleting section 3 thereof and substitute for it by the following:-

“Imposition of Hotel Levy. 3.(1) Subject to this Act, there shall be charged, levied and collected a levy to be known as Hotel Levy by an operator of hotel, restaurant, other tourism services at the rate of 18% of the total value of chargeable services.

(2) For the purpose of this section, the chargeable services include hotel, guest house, restaurant, tour operating services or any other establishment providing to a guest accommodation, whether with or without beverages, food or other tourist services.

(3) The Minister may, after consultation with the Commissioner, under the schedule to this Act determine specific rates for hotel Levy in lieu of the rate provided for under subsection (1) of this section.

(4) The Minister may after consultation with the Commissioner by order published in the gazette, amend, vary, add to or replace the Schedule to this Act”.

Addition of a new section 14. **6.** The Principal Act is hereby amended by inserting a new section 14 as follow:-

“Regulations. 14. The Minister shall make regulations for carrying out or giving effect to the provisions of this Act”.



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

Construction.	<p>7. 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.</p>
Amendment of section 3.	<p>8. The Principal Act is hereby amended by deleting section 3 thereof and replacing for it a new section 3 as follows:-</p> <p>“Imposition of Petroleum levy. 3.(1) There shall be a charged, levied and collected a levy to be known as petroleum levy imposed in respect of petroleum products imported in Zanzibar at the rates respectively specified in the schedule to this Act to be paid to the Commissioner.</p> <p>(2) The provisions of Customs Laws on assessment, payment and collection of taxes on imports shall apply mutatis mutandis to assessment, payment and collection of the Petroleum Levy. Provided that rates of petroleum levy shall be determined at the time of importation or at the time by the release by the customs in Zanzibar.</p> <p>(3) Subject to the provisions of this Act, importation of petroleum product shall be supported with landing certificate for each consignment.</p> <p>(4) The Minister may from time to time by the order published in the Gazette amend, add, vary or replace the schedule”.</p>
Replacement of section 8A.	<p>9. Section 8A of the Principal Act is hereby deleted and replaced by the following section 8A:-</p> <p>“Inspection and checking 8A.(1) For the purposes of exercising any powers conferred under the Act, the Commissioner or any authorized officer may, at any time, enter, check and inspect any premises, oil installation, filling station, or any vessel which he has reason to believe are being used for storing petroleum products or in connection with the carrying of petroleum products.</p> <p>(2) Subject to the provisions of subsection (1), the Commissioner shall have the power to seize and forfeit any petroleum products, which he has reason to believe that the tax has not been paid or has been imported contrary to the provisions of the tax law, at the time of such entrance, checking or inspection as the case may be”.</p>



Amendment of section 10 A.

10. The Principal Act is hereby amended by deleting subsection (1) of section 10A and substituting for it the following new subsection:-

"(1) For the purposes of ascertaining the amount of levy to be charged on gain or loss for importation of petroleum products, there shall be computed by reference to the gain or loss of petroleum products as mentioned in the Regulations made under this Act as a percentage of the quantity imported in Zanzibar and the quantity bought from the source of origin."

**PART V
AMENDMENT OF THE STAMP DUTY ACT,
NO. 6 OF 1996**

Construction.

11. 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 3.

12. Section 3 of the Principal Act is hereby amended by:-

(a) replacing sub sections (1) to (4) with the following new subsections:-

"Imposition of duty.

3.(1) Subject to the provisions of this Act, there shall be imposed a duty to be known as the Stamp Duty:-

- (a) On the supply in Zanzibar of goods or services by a taxable person in the course of or furtherance to business carried on by that taxable person; or
- (b) On the supply of goods or services exempted under the Second Schedule of the Value Added Tax Act No. 4 of 1998; or
- (c) For all instruments specified under the First schedule to the Act, unless the instrument specified are exempted from payment of duty.

(2) Stamp duty shall:-

- (a) Subject to section 3(1)(a) and (b), be at the rate of 3 per centum charged on taxable value;
- (b) In relation to instruments specified in paragraph (c) of section 3 (1), be at the rate specified in that schedule.



(3) Notwithstanding the provisions of this Act, the Minister may, after considering the public interest, by Order published in the Gazette, categorise particular types of goods or services for which a specific rate other than the rate specified under subsection (2) of this section, shall be applicable as stamp duty.

(4) The Minister may, by order published in the Gazette, amend, replace and vary the rates of stamp duty referred to in sub section (2)(b) of this section.

(b) renumbering sub section (6) and (7) to be section 3A(1) and (2) with the following marginal note: "appointment of agents"

Amendment of section 4.

13.(1) Section 4 of the Principal Act is hereby amended by:-

- (a) renumbering section 4 to be 4(1)
- (b) inserting a new subsection (2) as follows:-

(2) Notwithstanding the provisions of the relevant law relating to transfer of any property or instrument of ownership, no transfer of any property or instrument of ownership in Zanzibar shall be affected by any person until the Commissioner has issued a certificate of no objection.

Deleting of section 13B.

14. Section 13B of the Principal Act is hereby repealed.

Addition of new section 34.

15. The Principal Act is hereby amended by inserting a new section 34 as follow:-

"Regulations 34. The Minister shall make regulations for carrying out or giving effect to the provisions of this Act".

PART VI AMENDMENT OF THE VALUE ADDED TAX ACT, NO. 4 OF 1998

Construction.

16. 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 16.

17. Subsection (6) of section 16 of the principal Act is hereby amended by:-

- (a) deleting the word "months from" appearing between the words "three" and "the" and substituting for them by the words "consecutive accounting period immediately following."



- (b) Renumbering subsection (6) appearing immediately after subsection (6) thereof to be (7), (7) to be (8) and (8) to be (9).

Deleting of section 74.

18. Section 74 of the Principal Act is hereby repealed.

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

construction.

19. 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 15.

20. Subsection (1) of section 15 of the Principal Act is hereby amended by inserting the words "or closure of business whether temporary or permanently" immediately after the word "registration".

Amendment of section 18.

21. Subsection (4)(b) of section 18 of the Principal Act is hereby amended by deleting the words "section 63" appearing between the words "in" and "of" and substituting for them by the words "section 62".

Additional of section 31A.

22. The Principal Act is hereby amended by adding a new section 31A immediately after section 31 as follow:-

"Deemed
Payment

31A For the purpose of this Act, payment for supply of goods or services shall be deemed to have been made to the taxable person when:-

- (a) A tax invoice, receipt or cash sale is issued;
- (b) Payment is received for all or part of the goods or services; or
- (c) Service is rendered or performed by the taxable person, whichever act shall become the earliest".

Amendment of section 32.

23. Section 32 of the principal Act is hereby amended by inserting a new sub sections (3), (4) and (5) as follow:-

(3) Notwithstanding the provision of subsection (1) of this section, the Commissioner may require payment of tax at any time before the due date as he may specify, to any person who manufactures goods to be charged under the tax laws or imports goods under the tax laws.

(4) The goods under sub section (3) shall be charged:-



- (a) For manufactured goods, immediately after such goods are removed from the factory;
- (b) For imported goods, when such goods are imported in Zanzibar pursuant to Customs Laws.

(5) The Minister may by order published in the gazette prescribe goods required by the Commissioner to be charged under subsection (3) of this section.

Amendment of section 45.

24. Section 45 of the Principal Act is hereby amended by adding a new sub section (5) immediately after section (4) as follows:-

(5) in any proceedings, either criminal or civil, under this Act:-

- (a) other than an appeal, a certificate from the Commissioner or from the Tribunal stating that any amount is due from any person by way of tax, or other liability under this Act, shall be conclusive evidence that the amount is due and payable from that person;
- (b) the burden of proving that any tax has been paid or that any goods or services are exempt from payment of tax shall lie on the person liable to pay the tax or claiming that the tax has been paid or that the goods or services are exempt from the payment of tax;
- (c) a statement by the Commissioner that a person is registered, or is not registered under this Act, shall be conclusive evidence of the fact unless that person proves the contrary.

Addition of a new section 46A, 46B and 46C.

25. The Principal Act is hereby amended by inserting new sections 46A, 46B and 46C immediately after section 46 as follows:-

“Practice Notes

46A.(1) To achieve consistency in the administration of tax laws and to provide guidance to persons affected by them, including tax officer, the Commissioner may issue practice notes in writing setting out the Commissioner’s interpretation of the provision of any tax law.

(2) Practice notes may pertain to a single tax laws and the Commissioner may issue multiple practice notes with respect to the same tax law.

(3) A practice note shall bind the Commissioner from the time the practise note is issued until it is revoked”.



“Issue of
Practice
Notes

46B.(1) The Commissioner may issue practice note through a circular published in an official Gazette.

“For the purpose of this section the word “circular” means expression issue for interpretation by the Commissioner for any provision of any tax law”.

(2) A practice note shall state that it is practice note and must have a number and subject heading by which it can be identified.

(3) A practice note applies from the date specified in the note and if no date is specified, from the date of the issuance of the circular.

(4) The Commissioner shall make practice notes publicly available.

“Revocation
of
Practice notes

46C.(1) The Commissioner may revoke practice note in whole or part, by issuing a notice of revocation through a circular.

(2) The Commissioner must revoke a practice note if:-

- (a) to the extent it is inconsistency with the court decision.
- (b) the subsequent passage of legislation or issue of practice note that is inconsistent with the existing practice note revoke the extent of the inconsistency.

(3) The revocation of Practice note in whole or in part, has effect:-

- (a) if subsection (1) and (2) applies, from the date specified in the notice of the revocation; or
- (b) if subsection (3) applies, from the date the inconsistent legislation or practice note applies

(4) The revoked part of the practice note:-

- (a) continue to apply to arrangements commenced after the revocation; and
- (b) does not apply to arrangements commenced after the revocation.



Amendment of section 52.

26. The Principal Act is hereby amended by deleting section 52 thereof and substitute for it by the following:-

"Assistance of other Authority.

52.(1) For the purpose of this Act, the Commissioner or authorized officer may request assistance from the Police, Institution, Ministry, Department, or any Authority if he has reason to believe that such assistance is necessary for proper and safe performance of his duties.

(2) Notwithstanding the provision of subsection (1), if the authorized officer believes the taxable person may abscond before he is charged or stands trial or may destroy or temper with evidence of any offence may request the assistance from police or any person with authority to arrest any taxable person who contravenes section 27 and 53 of the Act.

Amendment of section 53.

27. Section 53 of the Principal Act is hereby amended in subsection (1) by adding the words "or any person who by any design or means, colludes or conspires with the taxable person to evade tax" immediately after the words "evade tax"

**PART VIII
AMENDMENTS OF THE TAX APPEALS
ACT, NO. 1 OF 2006**

Construction.

28. This part shall be read as one with the Tax Appeals Act, No. 1 of 2006 in this part referred to as the Principal Act.

Amendment of section 3.

29. Section 3 of the Principal Act is hereby amended by inserting new items of interpretation as follow:-

"Disputed tax" means a tax whereby the parties involved after regarding the truth or validity of that tax are in serious disagreement.

"Undisputed tax" means a tax whereby the parties involved agreed after regarding the truth or validity of that tax.

Amendment of section 16.

30. Section 16 of the principal Act is hereby amended by:-

- (a) deleting the words "fifty percent" appearing between the word "pay" and "of" in subsection (2) and substituting for them by the word "one third"
- (b) deleting the words "fourteen days" appearing between the words "within" and "from" in subsection (4) and substituting for them by the words "twenty one days"



**PART IX
AMENDMENTS OF THE LAND TENURE
ACT, NO. 12 OF 1992**

- Construction. **31.** This part shall be read as one with the Land Tenure Act, No. 12 of 1992 in this part referred to as the Principal Act.
- Amendment of section 47. **32.** Subsection (5) of section 47 of the Principal Act is hereby amended by inserting the words "after consultation in writing with the Minister responsible for Finance" between the words "may" and "on".

**PART X
AMENDMENT OF THE ROAD TRANSPORT
ACT, NO. 7 OF 2003**

- Construction. **33.** This part shall be read as one with the Road Transport Act, No. 7 of 2003 in this part referred to as the Principal Act.
- Amendment of section 27. **34.** Section 27 of the Principal Act is hereby amended in sub section (2) by deleting paragraph (f) thereof.
- Amendment of section 29. **35.** Section 29 of the Principal Act is hereby amended by inserting the words "before completion of the Custom clearance process" between the words "made" and "in".

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

- Construction. **36.** This part shall be read as one with the Zanzibar Investment Promotion and Protection Act, No. 11 of 2004 in this Part referred to as the Principal Act.
- Amendment of section 19. **37.** The Principal Act is hereby amended in section 19 by deleting subsection (2) thereof and replacing for it the following sub section:-

"(2) The Minister responsible for land may, after consultation with the Minister responsible for finance, exempt the land lease during the construction period for strategic investment, as may be specified and published in the Official Gazette by the Minister.



Provided that such exemption shall not exceeding eighteen months from the date the lease agreement has been granted"

Amendment of section 20.

38. The Principal Act is hereby amended in section 20 by adding sub section (3) immediately after sub section (2) as follows:-

"(3) The Minister may, after consultation with the Commissioner of the Zanzibar Revenue Board and by Order published in the Gazette amend, vary, add to or replace the schedule to this Act."

PASSED in the House of Representative on the 20 day of June 2013.

YAHYA KHAMIS HAMAD
CLERK OF THE HOUSE OF REPRESENTATIVES
ZANZIBAR,