



**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 MATTERS
CONNECTED THEREWITH**

ARRANGEMENT OF SECTIONS

SECTIONS

TITLE

**PART ONE
PRELIMINARY PROVISIONS**

1. Short title and Commencement.
2. Amendment of certain Laws.

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

3. Construction.
4. Amendment of section 3.
5. Amendment of section 23.
6. Amendment of section 40.
7. Addition of a new section 48A.
8. Addition of a new section 57A.
9. Repeal and replacement of a new section 59.
10. Amendment of section 66.



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

11. Construction.
12. Amendment of section 3.
13. Repeal of the Schedule.

**PART FOUR
AMENDMENT OF THE ZANZIBAR REVENUE BOARD
ACT, NO. 7 OF 1996**

14. Construction.
15. Amendment of section 23.

**PART FIVE
AMENDMENT OF THE ZANZIBAR TAX APPEALS
ACT, NO. 1 OF 2006**

16. Construction.
17. Amendment of section 27.

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

18. Construction.
19. Repeal and replacement of a new section 3.
20. Repeal of section 11A.
21. Amendment of section 16.

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

22. Construction.
23. Repeal and replacement of a new section 6.



**PART EIGHT
AMENDMENT OF THE PUBLIC FINANCE MANAGEMENT
ACT, NO. 12 OF 2016**

- 24. Construction.
- 25. Repeal and replacement of the Heading of Part Nine.

**“PART NINE
COLLECTION SYSTEM FOR PUBLIC MONEYS,
BANKING AND CASH MANAGEMENT”**

- 26. Addition of section 55A.

**PART NINE
AMENDMENT OF THE COMPANIES
ACT, NO. 15 OF 2013**

- 27. Construction.
- 28. Repealing and replacement of section 82.
- 29. Amendment of section 238.

**PART TEN
AMENDMENT OF THE LAND TRANSFER ACT, NO. 8 OF 1994**

- 30. Construction.
- 31. Amendment of section 6.

**PART ELEVEN
AMENDMENT OF THE STAMP DUTY ACT, NO. 7 OF 2017**

- 32. Construction.
- 33. Amendment of section 60.

**PART TWELVE
AMENDMENT OF THE KIKOSI MAALUM CHA KUZUIA MAGENDO
ACT, NO. 1 OF 2003**

- 34. Construction.
- 35. Amendment of section 4A.



ACT NO. 3 OF 2021

I ASSENT


{DR. HUSSEIN ALI MWINYI}
PRESIDENT OF ZANZIBAR AND CHAIRMAN OF
THE REVOLUTIONARY COUNCIL

.....*24 June*....., 2021

**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 MATTERS
CONNECTED THEREWITH**

ENACTED by the House of Representatives of Zanzibar.

**PART ONE
PRELIMINARY PROVISIONS**

Short title
and
Commencement.

1. This Act may be cited as the Finance (Public Revenue Management) Act, 2021 and shall come into operation immediately after being assented to by the President.

Amendment
of certain
Laws.

2. The Written Laws specified in various parts of this Act are amended in the manner specified in their respective parts.

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

Construction.

3. 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 3.

4. Section 3 of the Principal Act is amended by inserting new words “foreign tax authority” in the interpretation in their alphabetical order as follows:

“foreign tax authority” means an Institution of tax authority of a state or country which has an agreement with Zanzibar or the United Republic of Tanzania for sharing of tax information in accordance with the provisions of this Act;

Amendment
of section
23.

5. Section 23 of the Principal Act is amended by repealing and replacing by a new subsection (6) as follows:

“(6) A person who fails to issue a fiscal receipt or fiscal invoice as required under this section, commits an offence and shall upon conviction, be liable to pay the tax which would have been paid in addition to a fine of Two Million Tanzania Shillings or Fifty percent of the value of the tax which would have been paid for each transaction for which the fiscal receipt or fiscal invoice was not issued whichever is greater or imprisonment for the term of one year.”

Amendment
of section
40.

6. Section 40 of the Principal Act is amended by:

- (a) repealing subsection (2) thereof; and
- (b) renumbering subsection (3) to be subsection (2).

Addition of a
new section
48A.

7. The Principal Act is amended by adding a new section 48A immediately after section 48 as follows:

Exchange of information. **“48A.** The Commissioner may request from or exchange with a foreign tax authority any information relating to the tax affairs of any taxable person.”

Addition
of a new
section
57A.

8. The Principal Act is amended by adding a new section 57A immediately after section 57 as follows:

Misuse of tax exemption. **“57A.-(1)** A person who has been granted tax exemption under any tax law and misuses the exemption, commits an offence and shall, upon conviction, be liable to:

- (a) pay the tax which would have been paid if the tax exemption was not granted; and
- (b) pay a penalty of fifty percent of the tax which would have been paid if the tax exemption was not granted.



(2) Subject to subsection (1) of this section, no other tax exemption shall be granted to that person.”

Repeal and replacement of a new section 59.

9. Section 59 of the Principal Act is repealed and replaced by a new section 59 as follows:

Powers of the Commissioner to delegate.

“59.-(1) The Commissioner may, subject to any conditions or restrictions which he thinks fit, delegate to any officer or other person employed in the administration of the powers, functions and duties vested in him under this Act.

(2) Notwithstanding the provisions of subsection (1) of this section, the Commissioner shall not delegate the powers to:

- (a) compound an offence;
- (b) lock up or seal off the business premises of the taxable person; and
- (c) waive penalty, fine or interest.

Amendment of section 66.

10. Section 66 of the Principal Act is amended by:

- (a) inserting the words “electronic mail” between the words “post” and “or” in subsection (1);
- (b) adding a new subsection (3) immediately after subsection (2) as follows:

“(3) Delivery by electronic mail shall be deemed to have been made when the electronic data message is transmitted to the person known or registered electronic mail account.”

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

Construction.

11. 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.

12. Section 3 of the Principal Act is amended by repealing subsection (1) and replacing it with a new subsection (1) as follows:



“(1) Subject to the provisions of this Act, there shall be imposed and collected a levy to be known as hotel levy to:

- (a) an operator of hotel, restaurant and other tourism services at the rate of twelve percent of the taxable value of chargeable service;
- (b) an owner of residential house rented for hotel arrangements through online platforms business or otherwise at the rate of fifteen percent of the rental value.”

Repeal of
the Schedule.

13. The Schedule of the Principal Act is hereby repealed.

**PART FOUR
AMENDMENT OF THE ZANZIBAR REVENUE BOARD
ACT, NO. 7 OF 1996**

Construction.

14. 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
23.

15. Section 23 of the Principal Act is amended by repealing subsection (3) and replacing it with a new subsection (3) as follows:

“(3). The annual accounts of the Board shall be audited by the Controller and Auditor General”.

**PART FIVE
AMENDMENT OF THE ZANZIBAR TAX APPEALS
ACT, NO. 1 OF 2006**

Construction.

16. This part shall be read as one with the Zanzibar Tax Appeals Act, No. 1 of 2006, in this Part referred to as the “Principal Act”.

Amendment
of section
27.

17. Section 27 of the Principal Act is amended by repealing subsection (1) and replacing with a new subsection (1) as follows:

“(1) The Board or Tribunal shall, as the case may be after the conclusion of hearing the tax dispute, deliver its decision in writing within sixty (60) days.”



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

Construction. **18.** 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”.

Repeal and replacement of a new section 3. **19.** Section 3 of the Principal Act is repealed and replaced with a new section 3 as follows:

“3.-(1) There shall be charged in accordance with the provisions of this Act, a tax to be known as “the Value Added Tax” on the supply of goods or services in Zanzibar and on the importation of goods or services into Zanzibar from any place outside Zanzibar.

(2) Where, in respect of any taxable supply, the tax has been paid in Mainland Tanzania pursuant to the Value Added Tax law applicable in Mainland Tanzania at the same rate as the rate applicable in Zanzibar, the tax shall be deemed to have been paid on the taxable supply in accordance



“(e) subject to the requirements of this section, paid tax to a taxable person in Mainland Tanzania in respect of any taxable supply pursuant to the law for the time being in force in Mainland Tanzania and then imports the taxable supply into Zanzibar”.

- (b) deleting the word “three” appearing between the words “of” and “consecutive” and substitute for it with the word “six” in subsection (6).

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

Construction. **22.** 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”.

Repeal and replacement of a new section 6. **23.** Section 6 of the Principal Act is repealed and replaced with a new section 6 as follows:

Appointment of Agents. **“6.-(1)** For the purpose of collection of the charge, the Commissioner may appoint the following persons to be the Agents for the collection of the charge and stipulate terms and conditions for such collection:

- (a) a person who owns, operates or manages a port for that port;
- (b) a person who owns, operates or manages an air transport or sea transport undertaking for that undertaking.

(2) For the purpose of safeguarding the collection of the charge, the Commissioner may require the appointed Agent to pay such security as the Commissioner may determine which shall be forfeited in case the Agent has failed to fulfil the terms and conditions stipulated in subsection (1) of this section.

(3) Notwithstanding the provisions of subsection (1) of this section, the Commissioner may, at any time, cancel the appointment of an Agent where he deems fit”.



**PART EIGHT
AMENDMENT OF THE PUBLIC FINANCE MANAGEMENT
ACT, NO. 12 OF 2016**

Construction. **24.** This part shall be read as one with the Public Finance Management Act, No. 12 of 2016, in this Part referred to as the “Principal Act”.

Repeal and Replacement of the Heading of Part Nine. **25.** The Heading of Part Nine of the Principal Act is hereby repealed and replaced with a new heading as follows:

**“PART NINE
COLLECTION SYSTEM FOR PUBLIC MONEYS,
BANKING AND CASH MANAGEMENT”**

Addition of section 55A. **26.** The Principal Act is hereby amended by adding a new section 55A immediately after section 55 as follows:

Collection system for public moneys. **55A.**-(1) All public moneys shall be collected through electronic payment system designated by the Pay Master General.

(2) The Accounting Officer shall ensure that all public moneys are collected through such electronic payment system in accordance with a manner prescribed in the regulations made under this Act.

**PART NINE
AMENDMENT OF THE COMPANIES ACT, NO. 15 OF 2013**

Construction. **27.** This part shall be read as one with the Companies Act No. 15 of 2013, in this Part referred to as the “Principal Act”.

Repealing and replacement of a new section 82. **28.** Section 82 of the Principal Act is repealed and replaced by a new section 82 as follows:

Production of instrument of transfer and tax clearance certificate. **“82.**-(1) Notwithstanding anything in the articles of a company, it shall not be lawful for the company to register a transfer of shares in or debentures of the company unless a proper instrument of transfer has been delivered on to the company.

(2) Nothing in this section shall prejudice any power of transfer the company to register as shareholder or debenture holder, or any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.



(3) Particulars of the shareholder or debenture holder resulted from transfer of shares or debenture shall not be changed without the production of a certificate of tax clearance from the Tax Authority certifying that the capital gain tax has been paid or that no capital gain tax is payable.”

Amendment
of section
238.

29. Section 238 of the Principal Act is amended by adding a new subsection (3) immediately after subsection (2) as follows:

“(3) Notwithstanding the provisions of subsections (1) and (2) of this section, a company incorporated under the law applicable in Mainland Tanzania shall register a foreign subsidiary company under the law applicable in Zanzibar if it establishes a place of business in Zanzibar”.

**PART TEN
AMENDMENT OF THE LAND TRANSFER ACT,
NO. 8 OF 1994**

Construction.

30. This part shall be read as one with the Land Transfer Act, No. 8 of 1994, in this Part referred to as the “Principal Act”.

Amendment
of section 6.

31. Section 6 of the Principal Act is amended by:

(a) adding a new paragraph (j) immediately after paragraph (i) as follows:

“(j) valid tax clearance certificate from relevant tax authorities certifying that the capital gain tax has been paid or that no capital gain tax is payable”.

(b) renumbering paragraph (j) to be paragraph (k)

**PART ELEVEN
AMENDMENT OF THE STAMP DUTY ACT, NO. 7 OF 2017**

Construction.

32. This part shall be read as one with the Stamp Duty Act, No. 7 of 2017, in this Part referred to as the “Principal Act”.

Amendment
of section 60

33. Section 60 of the Principal Act is amended by repealing the paragraph (b) and replacing it with a new paragraph (b) in subsection (1) as follows:



“(b) turnover scheme which shall consist of all taxable persons charged with ad valorem as specified in the Fourth Schedule of this Act based on two percent on value of taxable supply of goods and services.”

**PART TWELVE
AMENDMENT OF THE KIKOSI MAALUM CHA KUZUIA
MAGENDO ACT, NO. 1 OF 2003**

Construction. **34.** This part shall be read as one with the Kikosi Maalum cha Kuzuia Magendo Act, No. 1 of 2003, in this Part referred to as the Principal Act.

Amendment
of section
4A. **35.** Section 4A of the Principal Act is amended by adding a new subsection (4) immediately after subsection (3) as follows:

(4) When exercising the powers conferred under this section in relation to exportation or importation of goods, KMKM shall observe prohibited, restricted and controlled goods as per the Zanzibar Trading Act.

PASSED by the House of Representatives of Zanzibar on 16th June, 2021.

.....
(RAYA ISSA MSELLEM)

Clerk of the House of Representatives of Zanzibar.