



**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.

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

2. Construction.
3. Amendment of section 3.
4. Amendment of section 4.
5. Amendment of section 7.
6. Amendment of section 21.
7. Amendment of section 22.
8. Addition of a new section 22A.
9. Amendment of section 23.
10. Amendment of section 24.
11. Amendment of section 31A.
12. Amendment of section 43.
13. Amendment of section 51.



14. Addition of a new section 52 A.
15. Addition of a new section 53B.

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

16. Construction.
17. Amendment of section 2.
18. Amendment of section 5.
19. Amendment of section 6.
20. Amendment of section 16.

PART FOUR
AMENDMENT OF THE PETROLEUM LEVY ACT NO. 7 OF 2001

21. Construction.
22. Amendment of section 2.
23. Amendment of section 3.

PART FIVE
AMENDMENT OF THE CLOVE DEVELOPMENT ACT, NO. 2 OF 2014

24. Construction.
25. Amendment of section 3.
26. Amendment of section 19.
27. Addition of new sections 19A, 19B and 19C .
28. Addition of new sections 26A and 26B.
29. Amendment of section 27.
30. Amendment of section 29.



PART SIX
AMENDMENT OF THE EMPLOYMENT ACT, NO. 11 OF 2005

- 31. Construction.
- 32. Amendment of section 100.

PART SEVEN
AMENDMENT OF THE VOCATIONAL TRAINING ACT NO. 8 OF 2006

- 33. Construction.
- 34. Amendment of section 27.



ACT NO. 6 OF 2017

I ASSENT

{ DR. ALI MOHAMED SHEIN }
PRESIDENT OF ZANZIBAR AND CHAIRMAN OF
THE REVOLUTIONARY COUNCIL

30th June
....., 2017

**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, Zanzibar.

**PART ONE
PRELIMINARY PROVISIONS**

Short title
and commence-
ment.

1. This Act may be cited as the Finance (Public Revenue Management) Act, 2017 and shall come into operation immediately after being assented to by the President.

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

Construction.

2. 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.

3. Section 3 of the Principal Act is amended by adding its appropriate alphabetical order, the following new definition:

“Electronic fiscal device” means machines designed for use in business for acknowledgement of receipt, sales analysis and stock control system; and includes Virtual Fiscal Devices (VFD), Fiscal Cash Register (FCR), Electronic Fuel Pump Printer (EFPP) and Standard Smart Phone”.



Amendment
of section 4.

4. Section 4(5) of the Principal Act is amended by deleting the words “common business principles” appearing after the word “with” and substituting for them the words “open market value”.

Amendment
of section 7.

5. Section 7 of The Principal Act is amended by :

(a) inserting new subsection (7) immediately after subsection (6) as follows:

“(7) The Commissioner shall have the powers to shift the registration of taxable person from one type of tax to another where such taxable person does not satisfy the conditions for registration of the type of tax he previously was registered.”

(b) by renumbering subsection (7) as subsection (8).

Amendment
of section
21.

6. Section 21 of the Principal Act is amended by deleting the words “of appeal” appearing between the word “rights” and the word “under” and substituting for them the words “to object”.

Amendment
of section 22.

7. Section 22(1) of the Principal Act is amended in:

(a) paragraph (a), by deleting the words “cash sale” and the words “tax invoices” and substituting for them the words “fiscal receipts” and “fiscal tax invoices” respectively.

(b) paragraph (b), by inserting the word “fiscal” between the words “all” and “tax” and between the words “and” and “receipt”.

Addition of a
new section
22A.

8. The Principal Act is amended by adding immediately after section 22, a new section 22A as follow:

“ Electronic
system for
filing and
servicing
documents.

22A.-(1) The Commissioner may establish and operate an electronic system for filing, furnishing and servicing documents.

(2) The Minister shall make regulations for regulating electronic system for filing, furnishing and servicing documents.

Amendment
of section 23.

9. The Principal Act is amended by deleting section 23 and substituting for it the following:

“Use of
electronic
fiscal device.

23.-(1) A person who supplies goods or renders services whether by credit or in cash or receives payment in respect of goods supplied



or services rendered shall issue fiscal receipt or fiscal invoice by using electronic fiscal device.

(2) Notwithstanding the provisions of subsection (1), the Commissioner may exempt person or class of persons from issuing fiscal receipt or fiscal invoice by using electronic fiscal device.

(3) Subject to the provisions of subsection (2), the Commissioner shall publish in the newspaper with wide circulation or any other public media, a list of persons or class of persons who are excluded from the requirement of issuing fiscal receipt or fiscal invoice by using electronic fiscal device.

(4) A person who is excluded from using electronic fiscal device shall issue manual receipt, cash sale or tax invoice.

(5) A person issuing the manual receipt shall enter or cause to be entered in the receipt, cash sale or tax invoice and duplicate copy of the particulars as prescribed in the regulations.

(6) A manual receipt, cash sale or tax invoice shall be pre-printed and serially numbered provided that no serial number shall be issued or used more than once.

(7) Any person who contravenes the provisions of this section commits an offence and upon conviction is liable to a fine of not less than One Hundred Thousand Shillings or 10% of the tax avaded, whichever is greater,”

Amendment
of section
24.

10. The Principal Act is amended by deleting section 24 and substituting for it the following.

“Tax shown
on tax
invoice,
receipt or
cash sale.

24. Any amount shown on fiscal tax invoice, fiscal receipt or cash sale or any other document as tax chargeable on a supply of goods or services, shall be recoverable as tax due from the person issuing such document, regardless of whether:

- (a) the fiscal tax invoice, fiscal receipt or cash sale or any other document is in the form prescribed in the Act;
- (b) tax has been charged in respect of the supply to which such document relates;



(c) the person issuing fiscal tax invoice, fiscal receipt or cash sale or such document is a taxable person.

Amendment
of section
31A.

11. The Principal Act is amended in section 31A by:

(a) re-numbering section 31A as section 31A (1);

(b) deleting paragraph (a) and substituting for it the following;

“(a) a fiscal tax invoice, fiscal receipt or cash sale is issued;

(c) adding a new subsection (2) as follows:

“(2) The Commissioner may allow the payment of tax through a mobile phone payment system, e-payment or in any other manner as may be prescribed by the Commissioner”.

(d) adding a new subsection (3) as follows:

“(3) Where a taxable person pays tax in accordance with subsection (1), he shall notify the Commissioner for such payment”.

Amendment
of section
43.

12. Section 43 of the Principal Act is amended in subsection (1) by adding new paragraphs (e) and (f) immediately after paragraph (d) as follows:

“(e) if the taxable person attempts to obstruct or hinder the Commissioner or an authorized officer in the exercise or performance of any of his powers or duties under this Act.

(f) where the taxable person has been served with the notice of an offence in accordance with section 52A and failed to appear before the Commissioner on the date specified in such notice.”

Amendment
of section 51.

13. Section 51 (1) and (2) of the Principal Act is amended by:

(a) inserting the word “fiscal” between the words “payment” and “receipt” and between the words “or” and “tax” in subsection (1);

(b) inserting the word “fiscal” between the words “payment” and “receipt” and between the words “or” and “tax” in subsection (2).

Addition of a
new section
52A.

14. The principal Act is amended by adding a new section 52A immediately after section 52 as follows:



“Notice of
an offence

52A.-(1) Where the Commissioner reasonably believes that a person has committed an offence under this Act or any other tax law, he shall serve such a person with a notice of offence.

(2) The notice of an offence shall contain the following particulars:

- (a) name and address of the offender;
- (b) Taxpayer Identification Number;
- (c) Registration Number;
- (d) particulars of the offence committed;
- (e) date and place on which the offender is required to appear before the Commissioner;
- (f) signature of the person issuing the Notice; and
- (g) any other information the Commissioner may deem fit.

(3) A person to whom the notice of an offence was served and fails to appear before the Commissioner on the date and place specified in the notice, commits an offence and upon conviction is liable to the fine of not less than Five Million Shillings or to imprisonment for term of not less than one year.”

Addition of a
new section
53B.

15. The Principal Act is amended by adding a new section 53B immediately after section 53A as follow:

“Schemes
for
obtaining
undue tax
benefit.

53B.-(1) Notwithstanding any provisions of this Act, the Commissioner may determine the liability for any tax imposed and its amount, as if the schemes had not been entered into or carried out, or in such manner as, in the circumstances of the case, he considers appropriate for the prevention or diminution of the tax benefit sought to be obtained by the scheme.

(2) A determination under subsection (1) shall be deemed to be an assessment of tax, and the provisions of this Act in relation to assessments shall apply accordingly.



(3) In this section “bona fide business purposes” does not include the obtaining of a benefit and “tax benefit” includes:

- (a) any avoidance or reduction in the liability of any person to pay tax;
- (b) any increase in the entitlement of any taxable person to a refund of tax;
- (c) any reduction in the consideration payable by any person in respect of any supply of goods or services or the importation of any goods; or
- (d) any other avoidance or postponement of liability for the payment of any tax.

PART THREE
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 2. **17.** Section 2 of the Principal Act is amended by adding in its appropriate alphabetical order, the following new definition as follows:

“financial service” means-

- (a) granting, negotiating, and dealing with loans, credit guarantees and security for money including management of loans, credits or credit guarantees by the guarantor;
- (b) transaction concerning money deposit, current accounts, payments, transfers, debts, cheques or negotiable instruments other than debt collection or debt factoring;
- (c) transaction relating to financial derivatives, forward contracts, options to acquire financial instrument and similar arrangements;
- (d) transactions relating to shares, stocks, bonds, and other securities but does not include custody services;



- (e) transactions involving granting or transferring ownership of an interest in a scheme whereby provision is made for the payment or granting of benefits by a benefit Fund, provident Fund, pension Fund, retirement annuity fund, preservation fund or similar Fund;
- (f) transaction involving the provision of or transfer of ownership of insurance contract or the provision of reinsurance in respect of such contracts;
- (g) making payment or collection of amount of interest, principal, dividend, or other amount in respect of any share, debt, security, equity security, participatory security, credit contract, contract of life insurance or future contract; and
- (h) foreign exchange transaction including the supply of foreign drafts and international money orders but does not include supply of services of arranging or facilitating any of the service specified under paragraphs (a) to (g).

Amendment
of section 5.

18. Section 5 of the Principal Act is amended by adding a new subsection (7) immediately after subsection (6) as follows:

“(7) The Minister may make regulations for collection and calculation of Value Added Tax in the supply of financial services.”

Amendment
of section 6.

19. The Principal Act is amended in section 6 as follows:

- (a) in subsection (2), by inserting the word “fiscal” between the alphabet “a” and the words “tax invoice”;
- (b) in subsection (3) by inserting the word “fiscal” between the alphabet “a” and the words “tax invoice”.

Amendment
of section 16.

20. Section 16(4) (a) of the Principal Act is amended by inserting a word “fiscal” between the alphabet “a” and the words “tax invoice”.



PART FOUR
AMENDMENT OF THE PETROLEUM LEVY
ACT NO. 7 OF 2001

Construction. **21.** 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 2. **22.** Section 2 of the Principal Act is amended by adding in its appropriate alphabetical order, the following new definition as follows:

“Refined petroleum products” means the petroleum products as specified in the First Schedule of this Act which are refined from crude oil processed in Zanzibar”;

Amendment
of section 3. **23.** Section 3(1) of the Principal Act is amended by inserting the words “ and refined petroleum products” between the words “Zanzibar” and “at the rates”:

PART FIVE
AMENDMENT OF THE CLOVE DEVELOPMENT
ACT, NO. 2 OF 2014

Construction. **24.** This part shall be read as one with the Clove Development Act, No. 2 of 2014, in this Part referred to as “the Principal Act”.

Amendment
of section 3. **25.** Section 3 of The Principal Act is amended by adding in their appropriate alphabetical order as follows:

“institution” includes a corporate body, society, cooperative, partnership or any other body of similar nature;

“smuggling” means unlawful exportation or carriage in marine vessels, aircrafts or vehicles, or any other means of transportation or unlawful transfer or removal of clove seedlings, cloves, clove stems or allied products with intent to remove from one area to another within or outside Zanzibar;

Amendment
of section
19. **26.** Section 19 of the Principal Act is amended as follows:

(a) in subsection (1), by inserting the word “or” between the words “cloves” and “stem”;

(b) by deleting subsections (5) and (6) and substituting new subsections (5) and (6) as follows:



“(5) A person who contravenes the provisions of subsection (1) or subsection (4) of this section commits an offence”.

“(6) The Minister may provide the procedures for the better implementation of this section”.

Addition
of new
sections
19A, 19B
and 19C .

27. The Principal Act is amended by adding immediately after section 19, the following new sections:

“prohibition
of smuggling
of cloves.

19A.- (1) It is an offence for a person to do any of the following acts:

- (a) smuggling cloves, clove seedlings, clove stems and allied products from one area to another within or outside Zanzibar;
- (b) attempting to smuggle cloves, clove seedlings, clove stems and allied products from one area to another within or outside Zanzibar;
- (c) conspiring to smuggle cloves, clove seedlings, clove stems and allied products from one area to another within or outside Zanzibar;
- (d) participating in any activity which relates to smuggling of cloves, clove seedlings, clove stems and allied products from one area to another within or outside Zanzibar.

(2) A person who does any of the acts prohibited under subsection (1) is guilty of an offence, and upon conviction, is liable to the following punishments:

- (a) if a person is convicted under subsection (1) (a) of this section, shall be liable to imprisonment for a term of not less than seven years and not exceeding fifteen years and while serving the sentence, shall plant seventy thousand clove seedlings;
- (b) if a person is convicted under subsection (1) (b), (c) or (d) of this section, shall be liable to imprisonment for a term of not less than five years and not exceeding ten years, and while serving his punishment, shall plant fifty thousand clove seedlings.



“Order for
forfeiture.

19B. Where a person is convicted for smuggling offence under this Act, the Court shall make, in addition to imprisonment, an order for forfeiture of cloves, clove seedlings, clove stems and allied products, vehicle, vessel, aircraft or equipment used in the commission of the offence.

“prohibition
of
importation
of cloves.

19C.- (1) It is prohibited for a person to import cloves for trading in Zanzibar.

(2) A person who contravenes the provisions of subsection (1) of this section, commits an offence and upon conviction, the cloves imported shall be forfeited.

(3) Where a person is convicted for an offence under this section, the Court shall, in addition to the punishment imposed, make an order for the payment by that person to the Government, of same amount earned to the proceed received of the sale of the forfeited imported cloves.

Addition of
new sections
26A and 26B.

28. The Principal Act is amended by adding immediately after section 26, the following new sections:

“Disclosure
of anti-
smuggling
information.

26A. A person who discloses confidential information on an anti-smuggling operation to a smuggler or any other person who is not responsible for the operation, is guilty of an offence and upon conviction, is liable to a fine of not less than Five Million Shillings or imprisonment for a term of not less than five years or both.

“Fraudulent
misinformation.

26B. When a person who is involved in an anti-smuggling operation or who is responsible for law enforcement, fraudulently misinforms a relevant authority, is guilty of an offence and upon conviction is liable to a fine of not less than Seven Million Shillings or imprisonment for a term of not less than seven years or both.”

Amendment
of section 27.

29. The Principal Act is amended by deleting section 27 and substituting for it the following new section:

“Offences
by
institutions.

27. Where any offence under this Act or regulations made under this Act is committed by an institution:

- (a) a person who, at the time of committing an offence is a director or an officer responsible for the affairs



of the institution, is guilty of an offence and upon conviction, shall be punished accordingly; and

(b) the institution is guilty of an offence and upon conviction shall pay a fine of not less than Ten Million Shillings.

Amendment
of section
29.

30. Section 29 of the Principal Act is amended by deleting the word “Fund” and substituting for it the word “Corporation” wherever it appears in this section.

PART SIX

AMENDMENT OF THE EMPLOYMENT ACT, NO. 11 OF 2005

Construction.

31. This part shall be read as one with the Employment Act No. 11 of 2005 in this part referred to as “the Principal Act”.

Amendment
of section
100.

32. Section 100 of the Principal Act is amended by deleting subsection (2) and substituting for it the following:

“(2) The payment of wages shall be made by direct deposit into an employee bank account designated by the employee.”

PART SEVEN

AMENDMENT OF 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 27.

34. Section 27 of the Principal Act is amended by deleting subsection (4) and substituting for it the following new subsection:

“(4) For the purpose of this section, gross monthly emolument in relation to any employee includes basic salary, wages, commissions, bonuses, and any amount so payable in respect of an employment or services rendered by an employee in any month, excluding costs of training and costs of uniform.”

PASSED by the House of Representatives of Zanzibar on 20th June, 2017.

(RAYA ISSA MSELLEM)
Clerk of the House of Representatives of Zanzibar