



**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 5.
5. Adding a new section 53C.
6. Amendment of section 54A.
7. Adding a new section 68A.

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

8. Construction.
9. Amendment of section 4.





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

10. Construction.
11. Amendment of section 133C.

**PART FIVE  
AMENDMENT OF THE ZANZIBAR INVESTMENT PROMOTION  
AND PROTECTION ACT, NO. 14 OF 2018**

12. Construction.
13. Amendment of section 31.
14. Adding a new section 31A.
15. Amendment of section 47.

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

16. Construction.
17. Amendment of section 2
18. Amendment of section 5.





ACT NO. 4 OF 2022

I ASSENT

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

25.06.  
....., 2022

**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, 2022 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 5.

4. Section 5 of the Principal Act is amended by:

- (a) adding new subsections (6) and (7) immediately after subsection (5) as follows:

“(6) Notwithstanding the provisions of subsection (5) of this section, a person shall be required to be registered for Value Added Tax, if the person supplies professional services whether those professional services are provided by that person, a member or employee of that person.

(7) For the purpose of this section, the words “professional services” mean service rendered by a person either licensed as a practitioner by any recognized professional body or not, and shall include other services or activities of an independent business character including consultancy, legal, architectural, engineering, supervisory, accounting, auditing, medical, artistic, survey, theatrical performance, sports, exhibition, private security services, private investigation and consultancies in various disciplines or any entertainment held or given other than those for remuneration under contract of employment”.

- (b) renumbering subsection (6) to be subsection (8) and subsection (7) to be subsection (9).

Adding a new  
section 53C.

5. The Principal Act is hereby amended by adding a new section 53C immediately after section 53B as follows:

“Advance  
Price  
Agreement.

**53C.**-(1) The Commissioner may, upon request by a taxable person or on his own initiatives and after the approval of the Minister, enter into Advance Price Agreement with a taxable person for establishing criteria for determining the price for certain future transactions undertaken by a taxable person over a fixed period of time.

(2) Where the Commissioner entered into Advance Price Agreement with a taxable person, the price of transactions as determined in the agreement shall be the basis for determining taxable value of the transaction during the period which the Advance Price Agreement is valid.

(3) The Advance Price Agreement entered under subsection (1) of this section, shall apply to the transactions specified in the agreement.





(4) The Advance Price Agreement entered under subsection (1) of this section, shall be valid for a period not exceeding two years from the date it was entered provided that the agreement may be reviewed at any time on the circumstances specified by the Commissioner in the Guidelines.

(5) The Commissioner may, by notice in writing and after the approval of the Minister, cancel the Advance Price Agreement with a taxable person, if:

- (a) the taxable person has failed to comply with any material term of the agreement;
- (b) there has been a material breach of one or more of the critical assumptions underlying in the agreement;
- (c) there is a change of tax law that is materially relevant to the agreement,
- (d) the agreement was entered into based on a misrepresentation, mistake or omission by the taxable person.

(6) Cancellation of Advance Price Agreement under subsection (5) of this section shall take effect:

- (a) in the case of subsection (5) (a) and (c) from the date specified by the Commissioner in the notice of cancellation;
- (b) in the case of subsection (5) (b) from the date the material breach occurred;
- (c) in the case of subsection (5) (d) from the date the agreement was entered”.

Amendment  
of section  
54A.

6-(a). Section 54A of the Principal Act is hereby amended by repealing subsection (2) thereof.

(b) Renumbering the remaining subsections accordingly.





Adding a new section 68A.

7. The Principal Act is amended by adding a new section 68A immediately after section 68 as follows:

“Reward for information

**68A.**-(1) The Commissioner may reward any person for information leading to the identification or recovery of unassessed taxes or duties provided that this section shall not apply to any officer or person works for the Board.

(2) The reward payable under subsection (1) of this section, shall be made in accordance with guidelines approved by the Board of Directors”.

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

Construction.

8. 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 4.

9. Section 4 of the Principal Act is amended in subsection (1) by repealing paragraph (a) and replacing it with a new paragraph (a) as follows:

“(a) any child who is not required to have ticket as may be prescribed by the Regulatory Authority”.

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

Construction.

10. 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”.

Amendment of section 133C.

11. Section 133C 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 relevant laws or any other laws, the Minister may, by Order published in the Official Gazette in case of project and by notification in case of non-project, exempt the whole or part of the tax, duty, levy, fee or any other charge”.





**PART FIVE**  
**AMENDMENT OF THE ZANZIBAR INVESTMENT PROMOTION**  
**AND PROTECTION ACT, NO. 14 OF 2018**

Construction.           **12.** This part shall be read as one with the Zanzibar Investment Promotion and Protection, Act No. 14 of 2018 in this Part referred to as “the Principal Act”.

Amendment  
of Section 31.           **13.** Section 31 of the Principal Act is amended by:

(a) adding a new subsection (5) immediately after subsection (4) as follows:

“(5) For the purpose of promoting investments, the Minister, in consultation with the respective Minister, may negotiate and determine non tax incentives packages; provided that any agreement on tax incentives shall be made in consultation with the Minister responsible for Finance”.

(b) renumbering subsection (5) to be subsection (6).

Adding a  
new section  
31A.                   **14.** The Principal Act is amended by adding a new section 31A immediately after section 31 as follows:

“Misuse  
of Tax  
Exemptions.           **31A.**-(1) An investor who has been granted tax exemption under this Act 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 the provisions of subsection (1) of this section, no other tax exemption shall be granted to that investor”.

Amendment  
of section 47.           **15.** Section 47 of the Principal Act is amended by repealing paragraph (e) and replacing with a new paragraph (e) as follows:

“(e) misuse of any of the non-tax incentives or benefits provided under this Act”.





**PART SIX**  
**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 the interpretation of the following words in the alphabetical order:

“digital market place” means a platform that enables direct interaction between buyer and seller of goods or services through electronic means;

“electronic service” includes a supply or transaction made through internet, telecommunication network or through digital market place, provision of downloadable content, e - book, subscription based media, over-top services including streaming television shows, films, music, podcast, software programmes including software, drivers, website filters, and firewalls; electronic data management including website hosting, online data warehousing, file-sharing and cloud storage services; music and games; search engine, automated helpdesk services, tickets for live events, e- learning, digital media; services that link the supplier to the recipient including transport hailing services or platforms; and any other service provided through digital marketplace and any other digital platform or services;

“goods” means any kind of tangible moveable or immovable property, excluding shares, stocks, securities or money;

“service” includes telecommunication service, electronic service or anything that is not goods or money including but not limited to:

- (a) a provision of information or advice;
- (b) a grant, assignment, termination or surrender of a right;
- (c) making availability of a facility, opportunity or advantage;
- (d) an entry into an agreement to refrain from or tolerate an activity, a situation or the doing of an act; and
- (e) an issue, transfer, or surrender of a license, permit, certificate, concession, authorization or similar right;





“Telecommunication service” means a service of any description provided by a person or a company by means of any transmission, emission or reception of signs, signals, writing, images and sounds or intelligible information of any nature, by wire, optical, visual or other electromagnetic means or systems, including:

- (a) voice, voice mail, data services, audio text services, video text services, radio paging and other emerging electronic communication services;
- (b) fixed telephone services including provision of access to and use of the public switched or non-switched telephone network for the transmission and switching of voice, data and video, inbound and out bound telephone service to and from national and international destinations;
- (c) cellular mobile telephone services including provision of access to and use of switched or non-switched networks for the transmission of voice, data, video and value added services inbound and outbound roaming service to and from national and international destinations;
- (d) carrier services including provision of wired, optical fiber or wireless facilities and any other technology to originate, terminate or transit calls, charging for inter connection, settlement or termination of domestic or international calls, charging for jointly used facilities including pole attachments, charging for the exclusive use of circuits, a leased circuit or a dedicated link including a speech circuit, data circuit or a telegraph circuit;
- (e) provision of call management services for a fee including call waiting, call forwarding, caller identification, multicalling; call display, call return, calls screen, call blocking, automatic callback, call answer, voice mail, voice menus and video conferencing;
- (f) private network services including provision of wired, optical fiber, wireless or any other technologies of electronic communication link between specified points for the exclusive use of the client;
- (g) data transmission services including provision of access to wired or wireless facilities and services specifically designed for efficient transmission of data;





- (h) communication through facsimile, pager, telegraph, telex and other electronic communication services; and
- (i) any service which may be added from time to time by telecommunication service provider”.

Amendment  
of section 5.

**18.** Section 5 of the Principal Act is amended by:

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

“(7) In financing arrangement, a financial institution provides a cost plus mark up financing facility allowed by the Bank of Tanzania that enables a person to acquire goods or assets from a vendor through a financial institution:

- (a) the financial institution shall be deemed not to have acquired or supplied goods under this financing arrangement;
- (b) the customer shall be deemed to have acquired goods from the seller for consideration equal to the amount paid by the financial institution direct to the seller;
- (c) any profit paid or payable to the financial institution by the customer shall be deemed to be consideration in respect of an exempt financial service supplied by the financial institution”.

- (b) renumbering subsection (7) to be subsection (8).

**PASSED** by the House of Representatives of Zanzibar on 22 June, 2022.

(RAYA ISSA MSELLEM)

*Clerk of the House of Representatives of Zanzibar.*