



**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**

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ACT NO. 12 OF 2020

I ASSENT

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

29th June
....., 2020

**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 of Zanzibar.

**PART ONE
PRELIMINARY PROVISIONS**

Short title
and
commen-
cement.

1. This Act may be cited as the Finance (Public Revenue Management) Act, 2020 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. The Principal Act is hereby amended in section 3, by inserting a new interpretation of the words “objection decision” in its alphabetical order as follows:

“objection decision” means a final decision made by the Commissioner in the determination of an objection in accordance with the provisions of this Act”.



Amendment
of section 5.

4. The Principal Act is hereby amended in section 5, by adding a new subsection (7) as follow:

“(7) For the purpose of proper administration of tax, the Minister may make regulations for the identification of the business premises in relation to the taxable persons”.

Amendment
of
section 18.

5. The Principal Act is hereby amended in section 18:

(a) by adding a new subsection (4) immediately after subsection (3) as follows:

“(4) Notwithstanding the provisions of subsection (2), the Minister may, by order published in the Gazette, extend the due date for filing a tax return either generally or to sector or a group of taxpayers to such other date as he may determine where he considers that there exists a reasonable ground for such extension and upon prior approval of the Revolutionary Council”.

(b) by re-numbering subsection (4) to be subsection (5) and subsection (5) to be subsection (6).

Amendment
of section 21.

6. The Principal Act is hereby amended in section 21 by deleting the words “Zanzibar Tax Appeals Act, No. 1 of 2006” and substituting for them with the words “provisions of this Act”.

Addition of
a new
section 21A.

7. The Principal Act is hereby amended by adding a new section 21A immediately after section 21 as follows:

“Objection”. **21A.** (1) A person who is aggrieved by a decision made by the Commissioner including assessment in the exercise of his powers under this Act or any other tax law, may object the decision by filing an objection to the Commissioner within thirty days from the date of service of the decision.

(2) Notwithstanding the provisions of subsection (1) of this section, a person shall not object to the Commissioner against the following:

- (a) a decision to audit, investigate, or assess a taxable person;
- (b) a Practice Note or decision or omission to issue, refuse or revoke a Practice Note;



- (c) a decision or omission that affects a person as a tax officer or employee or tax agent of the Board; and
- (d) the compounding of offence with the consent of applicant.

(3) Subject to conditions provided in this section, the Commissioner may:

- (a) admit the notice of objection; or
- (b) refuse to admit the notice of objection.

(4) A person who is aggrieved by the refusal of the Commissioner to admit a notice of objection issued, may appeal to the Zanzibar Tax Appeals Board against that refusal.

(5) A person who has reasonable grounds to warrant extension of time to file an objection against a decision made by the Commissioner, may apply for the extension of time to the Commissioner.

(6) Where the Commissioner is satisfied by the reasons stated in the application made under subsection (5) of this section, he shall grant the extension of time not exceeding thirty days and serve the notice of his decision on such extension.

(7) An objection to any decision shall be in the form prescribed in the Regulations and shall state the grounds upon which it is made.

(8) An objection to any decision shall not be admitted unless the taxable person has, on or before the due date for lodging the objection, paid the amount of tax which is not in dispute or one third of the tax assessed whichever amount is greater, provided that the whole of the tax or duty assessed on imports shall be deemed to be not in dispute.

(9) Where a person has lodged a notice of objection without paying the tax referred to under subsection (8), the Commissioner shall not admit the notice of objection and the notice of objection shall be deemed to have not been filed, provided that, this subsection shall not apply to an objection which does not relate to assessment.



(10) Where the Commissioner is satisfied that there exist reasonable grounds warranting reduction or waiver, he may reduce or waive the amount to be paid under subsection (8).

(11) Where a taxable person files an objection and makes payment under subsection (8), the payment of the remaining assessed tax shall be deferred until the objection is finally determined.

Addition
of a new
section 21B.

8. The Principal Act is hereby amended by adding a new section 21B immediately after section 21A as follows:

“Determination
of objection”.

21B. (1) The Commissioner shall, upon admission of an objection pursuant to section 21A, make a decision by determining the objection.

(2) Subject to subsection (1) of this section, the Commissioner may call for any evidence or any other information as may be necessary for the determination of the objection and may, in respect of the objection against assessment:

- (a) amend the assessment in accordance with the objection;
- (b) amend the assessment in light of the objection and any further evidence which has been adduced; or
- (c) refuse to amend the assessment.

(3) Where the Commissioner:

- (a) agrees to amend the assessment in accordance with the objection; or
- (b) proposes to amend the assessment in light of the objection and any further evidence or information adduced, and the person objecting agrees with Commissioner as to such proposed amendment,

the assessment shall be amended accordingly and the Commissioner shall cause a notice setting out such amendment and the amount of the tax payable to be served on such person.

(4) Where a notice of objection has been given and the Commissioner has not determined the objection within ninety days, he



shall be deemed to have agreed to amend the assessment in accordance with the objection.

(5) Where the Commissioner:

- (a) proposes to amend the assessment in light of the objection and any further evidence which has been adduced and the person objecting does not agree with the Commissioner as to such proposed amendment, the assessment shall be amended as proposed and the Commissioner shall cause a notice setting out such amendment and the amount of the tax payable to be served on such person; or
- (b) refuses to amend the assessment, shall cause a notice confirming the assessment to be served on such person.

Addition of a
new section
21C.

9. The Principal Act is hereby amended by adding a new section 21C immediately after section 21B as follow:

“Finality of
assessment”.

21C. (1) Where, in relation to any assessment:

- (a) no notice of objection has been given; or
- (b) a notice of objection has been given and:
 - (i) the assessment has been amended under subsection (2) of section 21B of this Act; or
 - (ii) a notice has been served under subsection (5) of section 21B of this Act but no appeal has been referred; or
 - (iii) the assessment has been finally determined on an appeal,

the assessment as made, or as amended, or determined on appeal, as the case may be, shall be final and conclusive.

(2) Nothing in this section shall prevent the Commissioner from making any assessment, which does not involve re-opening of any matter that has been determined on an appeal or an assessment.



(3) When any fraud or any gross or wilful neglect has been committed by or on behalf of any person in connection with or in relation to any tax, duty or levy and affects his tax liability, the Commissioner may make an additional assessment on that person notwithstanding that it involves re-opening a matter which has been determined on such appeal.

Amendment
of section
26.

10. The Principal Act is hereby amended in section 26(1) by:

(a) inserting the word “investigate” between the words “audit” and “examine” appearing in paragraph (a);

(b) inserting the word “investigation” between the words “audit” and “examination” appearing in paragraph (b);

Amendment
of section
31.

11. The Principal Act is hereby amended in section 31, by inserting a new subsection (5) immediately after subsection (4) as follow:

“(5) Notwithstanding the provisions of this section, the Minister may, by order published in the Gazette, extend the due date for payment of tax either generally or to sector or a group of taxpayers to such other date as he may determine where he considers that there exists a reasonable ground for such extension and upon prior approval of the Revolutionary Council”.

Addition of a
new section
49A.

12. The Principal Act is hereby amended by adding a new section 49A immediately after section 49 as follows:

“Personal data protection. **49A.** Without prejudice to the provisions of sections 48 and 49 of this Act, exchange and collection of tax information shall be in accordance with personal data protection standards.

Amendment
of section
61.

13. The Principal Act is hereby amended in section 61 by deleting the word “any” appearing between the words “by” and “decision” and substituting for it with the words “an objection”.



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

Construction. **14.** 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 3. **15.** The Principal Act is hereby amended in section 3 by inserting a new interpretation of the words “Objection decision” in its alphabetical order as follows:

“objection decision” means a final decision made by the Commissioner in the determination of an objection in accordance with the provisions of the Tax Administration and Procedures Act.

Repealing
of sections
16, 17, 18
and 19. **16.** The Principal Act is hereby amended by repealing sections 16, 17, 18 and 19 thereof.

Amendment
of section 20. **17.** The Principal Act is hereby amended in section 20 by:

(a) deleting subsection (1) and substituting for it with a new subsection (1) as follows:

“20(1) A person who is aggrieved by the objection decision made by the Commissioner or refusal of the Commissioner to admit a notice of objection may appeal to the Board against such objection decision or refusal, provided that the person shall not appeal against the objection decision relating to assessment where the Commissioner decides to amend the assessment in accordance with the objection”.

(b) inserting new subsection (2) immediately after subsection (1) as follows:

(2) Notwithstanding the provisions of subsection (1) of this section, an appeal against the refusal of the Commissioner to admit a notice of objection, relating to assessment shall not be entertained unless the taxable person has paid the amount of tax which is not in dispute or one third of the tax assessed ,whichever amount is greater.

(c) re-numbering subsection (2) to be subsection (3) and rewriting as follows:



(3) The Board shall not entertain an appeal pursuant to this section unless:

- (a) the appellant had previously given notice of appeal in writing to the Commissioner and the Board within fourteen days after the date of service upon him of the objection decision; and
- (b) the appeal is lodged with the Board within thirty days from the date of service upon the appellant of the objection decision.
- (d) re-numbering subsection (3) to be subsection (4) and subsection (4) to be subsection (5) respectively.

**PART FOUR
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”.

Amendment of section 8. **19.** The Principal Act is hereby amended in subsection (1) of section 8 by deleting the word “eighteen” appearing between the words “of” and “percent” and substituting for it with the word “fifteen”.

**PART FIVE
AMENDMENT OF THE PROPERTY TAX ACT, NO. 14 OF 2008**

Construction. **20.** This Part shall be read as one with the Property Tax Act No. 14 of 2008, in this part referred to as “the Principal Act”.

Addition of a new section 7A. **21.** The Principal Act is hereby amended by adding a new section 7A immediately after section 7 as follows:

Minister to specify property or category of properties. **7A.** (1) Notwithstanding the provisions of sections 6 and 7 of this Act, the Minister may, upon prior approval of the Revolutionary Council and by order published in the Gazette, specify the property or categories of properties that will be subject to specific amount of property tax and the specific amount payable.

(2) Subject to the provisions of subsection (1) of this section, the Commissioner shall collect specific amount of property tax as determined by the Minister”.



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

Construction. **22.** 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. **23.** The Principal Act is hereby amended in section 3 by deleting subsection (1) and substituting for it with a new subsection (1) as follows:

“3(1) Subject to this Act, there shall be imposed and collected a levy to be known as hotel levy to an operator of hotel, restaurant and other tourism services at the rate of twelve percent of the taxable value of chargeable services”.

PART SEVEN
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.”

Amendment of section 29. **25.** The Principal Act is hereby amended in section 29, by adding a new subsection (4) immediately after subsection (3) as follows:

“29(4) Notwithstanding the provisions of this section, the Accounting Officer shall be responsible for effective management of all contracts entered by his Public Institution as the case may be as prescribed in the Regulations”.

Amendment of section 30. **26.** The Principal Act is hereby amended in section 30, by adding new subsection (5) and subsection (6) immediately after subsection (4) as follows:

“(5) For the purpose of subsection (2) of this section, the Accounting Officer is responsible to ensure that receipts are issued to all revenue collected and that revenue are received, deposited and accounted for in gross.

(6) For the purpose of subsection (2) of this section, any charges against revenue shall require approval of the Paymaster General as expenditure incurred by the Government”.

Amendment of section 80. **27.** The Principal Act is hereby amended in section 80, by adding new subsections (6) and (7) immediately after subsection (5) as follows:



“(6) For the purpose of subsection (2) of this section, the Accounting Officer is responsible to ensure that receipts are issued to all revenues collected and that revenues are received, deposited and accounted for in gross.

(7) For the purpose of subsection (2) of this section, any charges against revenues shall require approval of the Paymaster General as expenditure incurred by the Government”.

Amendment of Section 111.

28. The Principal Act is hereby amended in section 111, by deleting paragraph (d) and renumbering paragraphs (e), (f) and (g) as paragraphs (d), (e) and (f) respectively.

Amendment of section 119.

29. The Principal Act is hereby amended in section 119, by deleting the number “3” that appears in subsection (2) between words “period of” and “months” and substituting for it with the word “six”.

Amendment of section 121.

30. The Principal Act is hereby amended in section 121, by deleting the number “118” that appears in subsection (4) and substituting for it with the number “18”.

Addition of sections 133A and 133B.

31. The Principal Act is hereby amended, by adding new sections 133A and 133B immediately after section 133 as follows:

“Guidelines on the tax treatment of ODA projects”.

133A. (1) Without prejudice to the provisions of tax laws, the Minister may, by order published in the Government, Gazette issue a set of Guidelines based on the international tax principles seek to facilitate the consideration whether or not tax exemptions should be granted with respect to Official Development Assistance (ODA) projects.

(2) For the purpose of this section, the guidelines shall deal exclusively with the tax treatment of projects involving development assistance provided by foreign governments and their aid agencies and multilateral organizations.

“Regulations to be approved by the Minister”.

133B. Without prejudice to the impositions and exemptions provided to the respective minister in the provisions of respected laws in imposition of any levy, fees or duty or their exemptions as the case may be, shall require prior approval by the Minister.



**PART EIGHT
AMENDMENT OF THE EMPLOYMENT
ACT, NO. 11 OF 2005**

Construction. **32.** This Part shall be read as one with the Employment Act, No.11 of 2005 in this Part referred to as “the Principal Act”.

Addition of a new section 38A. **33.** The Principal Act is hereby amended by adding a new section 38A immediately after section 38 as follows:

“Failure to renew work permit”. **38A.** The employer who fails to renew work permit or submit the cancellation of contract within fourteen days from the date of expiry of such permit or contract, as the case may be, shall be liable to pay Five Hundred Thousand Shillings per each period of up to thirty days of delay”.

Repealing and replacing section 39. **34.** The Principal Act is hereby amended by repealing section 39 and replacing it with a new section 39 as follows:

“Exemption or reduction for Work Permit fees”. **39.** (1) An individual shareholder whose investments are qualified as strategic investment or who owns more than twenty percent of the investment approved under the provisions of the Zanzibar Investment Promotion and Protection Authority Act, shall be exempted from payment of work permit fees.

(2) A foreign employee who is employed in the Public Institution shall be exempted from payment of work permit fees, if there is an agreement that provides such exemption.

(3) Notwithstanding the provisions of subsections (1) and (2), the Minister may, after consultation in writing with the Minister responsible for Finance grant an exemption or a reduction in payment of work permit fees as the case may be, if it will serve the public interest”.



PART NINE
AMENDMENT OF THE ZANZIBAR INVESTMENT
PROMOTION AND PROTECTION AUTHORITY
ACT, NO. 14 OF 2018

Construction. **35.** 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”.

Addition of a new section 31A. **36.** The Principal Act is hereby amended by adding a new section 31A immediately after section 31 as follows:

“Monthly compliance report to the Minister”. **31A.** Strategic Investors shall, during every importation, comply with the Approved List as jointly approved by ZIPA and Customs Department and furnish monthly compliance report to the Minister.

PART TEN
AMENDMENTS OF THE PUBLIC PROCUREMENT
AND DISPOSAL OF ASSETS ACT, NO. 11 OF 2016

Construction. **37.** This Part shall be read as one with the Public Procurement and Disposal Assets Act, No. 11 of 2016, in this Part referred to as “the Principal Act”.

Addition of a new section 73A. **38.** The principal Act is hereby amended by adding a new section 73A immediately after section 73 as follows:

“Award to the competent Public Institutions”. **73A.** Notwithstanding the provisions of this Act, the Revolutionary Council may determine the projects with public interest, national security or strategic directly funded by the Government to be awarded as single source procurement to the competent Government institutions.

PASSED by the House of Representatives of Zanzibar on 18th June, 2020

(RAYA ISSA MSELLEM)

Clerk of the House of Representatives of Zanzibar.