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**AN ACT TO IMPOSE AND ALTER CERTAIN TAXES AND
DUTIES AND TO AMEND CERTAIN LAWS RELATING TO
COLLECTION AND MANAGEMENT OF PUBLIC REVENUES
AND OTHER MATTERS CONNECTED THEREWITH**

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ACT NO. 5 OF 2025**I ASSENT**

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

30th June, 2025

**AN ACT TO IMPOSE AND ALTER CERTAIN TAXES AND
DUTIES AND TO AMEND CERTAIN LAWS RELATING TO
COLLECTION AND MANAGEMENT OF PUBLIC REVENUES
AND OTHER MATTERS CONNECTED THEREWITH**

ENACTED by the House of the Representatives of Zanzibar.

**PART ONE
PRELIMINARY PROVISIONS**

*Short title
and
commencement.*

1. This Act may be cited as the Finance (Public Revenue Management) Act, 2025 and shall come into operation immediately after being assented to by the President.

*Amendment
of certain
laws.*

2. The 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

3. This part shall be read as one with the Tax Administration and Procedures Act, No. 7 of 2009 where in this part referred to as “the Principal Act”. Construction.

4. Section 18 of the Principal Act is amended by repealing subsection (4) and replacing it with new subsection (4) as follows: Amendment of section 18.

“(4) Notwithstanding the provisions of subsection (2) of this section, the Commissioner General may, after consultation with the Minister, extend the due date for filing a tax return either generally, to a sector or a group of taxpayers where there are reasonable grounds for such extension”.

5. Section 23 of the Principal Act is amended by:

Amendment of section 23.

(a) adding new subsection (2) immediately after subsection (1) as follow:

“(2) Any person operating an electronic system shall integrate such system with the system of the Authority for tax purposes.”

(b) renumbering subsections (2), (3), (4), (5), (6) and (7) to be subsections (3), (4), (5), (6), (7) and (8).

(c) adding new subsection (9) immediately after subsection (8) as follows:

“(9) A person who fails to integrate his system with the system of the Authority in accordance with this section, commits an offence and shall upon conviction, be liable to a fine of not less than Ten Million Tanzania Shillings or imprisonment for the term of not less than two years.”

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

Construction. **6.** This part shall be read as one with the Value Added Tax Act, No. 4 of 1998 where in this part referred to as “the Principal Act”.

Amendment of section 2. **7.** Section 2 of the Principal Act is amended by deleting the interpretation of the word “resident” and substituting for it with a new interpretation as follows:

“resident” means individual, company, trust, association, partnership, government entity or other legal entity whose residence or establishment is in Zanzibar.

Amendment of section 4A. **8.** Section 4A of the Principal Act is amended by adding a new subsection (5) immediately after subsection (4) as follows:

“(5) Where it is not practicable to appoint a tax representative due to his business circumstances, a non-resident person shall apply to the Commissioner General to be registered in accordance with the procedures prescribed in the Tax Administration and Procedures (Procedures of Simplified Registration for Non Resident Supplier of Electronic Services and Foreign Tour Operators) Regulations, 2022.”

Amendment of section 9. **9.** Section 9 of the Principal Act is amended by adding new subsection (3) immediately after subsection (2) as follows:

“(3) Notwithstanding the provisions of subsection (1) and (2) of this section, a supply of services is not zero-rated if:

- (a) the supply is of a right or option to receive a subsequent supply of something else in Zanzibar; or
- (b) the services are supplied under an agreement with a non-

resident but are rendered to a person in Zanzibar who is not registered.”

PART FOUR

AMENDMENT OF THE EXCISE DUTY ACT, NO. 8 OF 2017

10. This part shall be read as one with the Excise Duty Act, No. 8 of 2017 where in this part referred to as “the Principal Act”. Construction.

11. Section 3 of the Principal Act is amended by adding a new paragraph (f) in the interpretation of the word “dutiable value” as follows: Amendment of section 3.

“(f) other imported services except financial services, amount of money, charges or total value of services acquired from foreign providers.”

12. Section 15 of the Principal Act is amended by:

Amendment of section 15.

(a) adding new subsection (3) immediately after subsection (2) as follows:

“(3) The exemption from payment of duty under this section shall not apply to vehicles aged over five years from their manufacturing.”

(b) renumbering subsection (3) to be subsection (4).

PART FIVE

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

13. This part shall be read as one with the Hotel Levy Act, No. 1 of 1995 where in this part referred to as “the Principal Act”. Construction.

14. Section 3 of the Principal Act is amended by:

Amendment of section 3.

(a) adding a new subsection (3) immediately after subsection (2) as follows:

“(3) There shall be a deductible amount from hotel levy due in respect of the amount of tax payable by a person outside Zanzibar.”

- (b) renumbering subsections (3) and (4) to be subsections (4) and (5).

PART SIX AMENDMENT OF THE ZANZIBAR MARITIME TRANSPORT ACT, NO. 5 OF 2006

Construction. 15. This part shall be read as one with the Zanzibar Maritime Transport Act, No. 5 of 2006 where in this part referred to as “the Principal Act”.

Addition of new section 13A. 16. The Principal Act is amended by adding a new section 13A immediately after section 13 as follows:

“Production
of Certificate
of Customs
Clearance.

13A. Subject to the provisions section 13 of this Act, the owner or agent of the vessel intended to be registered in Zanzibar shall produce to the Authority a Certificate of Customs Clearance issued by relevant customs authority.”

PART SEVEN AMENDMENT OF THE ZANZIBAR REVENUE AUTHORITY ACT, NO. 11 OF 2022

Construction. 17. This part shall be read as one with the Zanzibar Revenue Authority Act, No. 11 of 2022 where in this part referred to as “the Principal Act”.

Addition of section 18A. 18. The Principal Act is amended by adding a new section 18A immediately after section 18 as follows:

“Appointment
of the Deputy
Commissioner
General.

18A.-(1) There shall be a Deputy Commissioner General of the Authority who shall be appointed by the President.

(2) A person shall qualify to be appointed as the Deputy Commissioner General if he has the same qualifications to be appointed as the Commissioner General.

(3) The Deputy Commissioner General shall be the Principal Assistant of the Commissioner General for the day-to-day execution of the functions of the Authority”.

PART EIGHT
AMENDMENT OF THE MOTOR VEHICLE
(THIRD PARTY RISKS) DECREE, CAP. 136 OF 1953

19. This part shall be read as one with the Motor Vehicle (Third Party Risks), Cap. 136 of 1953 where in this part referred to as “the Principal Act”. Construction.

20. Section 3 of the Principal Act is amended by deleting the words “not exceeding Two Thousand Shillings” appearing in subsection (2) and substituting for them with the words “not less than Fifty Thousand and not exceeding One Hundred Thousand Shillings.” Amendment of section 3.

PASSED by the House of Representatives of Zanzibar on 18th June, 2025.

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