

NEW VAT REGISTRATION THRESHOLD

Zanzibar, 7th August, 2023

1. INTRODUCTION:

Zanzibar Revenue Authority (ZRA), wishes to notify the general public that with effect from 1st July, 2023, the amount of taxable turnover required for registration of Value Added Tax (VAT), has changed from Fifty millions shillings (TZS. 50,000,000) to One hundred Millions Shillings (TZS.100,000,000) in a period of twelve consecutive months. The change has been made in the amendment of **Regulation 4 of the Value Added Tax Regulation 2012, made under section 4, 15, and 69 of the Tax Administration and Procedure Act, No. 7, of 2009**, that any person supplying taxable supplies with the said taxable supplies amount is eligible to be registered for Value Added Tax registered trader.

2. PROCEDURAL REQUIREMENT FOR TRADERS:

All person supplying taxable supplies are obliged to do the following on the basis of amended Regulation 4 of the Value Added Tax Regulation 2012:

- 2.1 For any person whose annual turnover exceeds or is likely to exceed One hundred Millions Shillings (TZS. 100,000,000), is required to apply for VAT registration within thirty days upon attainment of such amount, as provided under Regulation 3 and 4 of the Value Added Tax Regulations 2012.
- 2.2 The VAT registration applications shall immediately be processed and respective Value Added Tax Certificate issued forthwith to the applicants.
- 2.3 For any VAT registered taxable person whose annual turnover is less than One hundred Millions shillings (TZS. 100,000,000), may apply for VAT deregistration by submitting the last VAT return in any of the nearest ZRA office as provided under **section 12 of the Tax Administration and Procedures Act, No. 7 of 2009**

The application for VAT deregistration will be processed including verification of trading stocks in the registered person premises. Upon satisfaction and approval of the said VAT deregistration, the approval letter may be issued to notify the person in writing of the dates on which the deregistration shall take effect. Thereafter, VAT deregistered trader shall be required to return the earlier issued VAT certificate to the nearest ZRA office.

3. CONSEQUENCES FOR NON COMPLIANCE:

Any person who has attained the annual turnover for VAT threshold of One Hundred Millions Shillings (TZS. 100,000,000), and failed to apply for VAT registration, such a person **shall be deemed to be registered from a date he became liable to be VAT registered**, as provided under section 11 of the Tax Administration and Procedures Act, No. 7 of 2009.

4. CONCLUSION:

ZRA is committed in facilitating applications for the new VAT registration and VAT deregistration based on the amended Value Added Tax Regulation with effect from 1st July, 2023. ZRA, shall regularly enforce compliance of this lawful requirement through periodic tax auditing to respective taxpayers.

"Tulipe Kodi kwa Maendeleo ya Zanzibar"



Yusuph Juma Mwenda
Commissioner General