

4A(1) A non-resident taxable person who carries on economic activities in Zanzibar without having a fixed place in Zanzibar, and makes a taxable supply for which the non-resident is liable to pay value added tax shall:

(a) appoint a value added tax representative in Zanzibar in accordance with the requirements set out in the regulations; and

(b) if required by the Commissioner, lodge a security.

(2) The value added tax representative shall be a resident and responsible for all provisions required to be done under this Act, which shall include:

(a) applying for registration or cancellation of registration and fulfilling other obligations in relation to registration; and

(b) paying any value added tax or any fine, penalty or interest imposed on the non-resident under this Act.

(3) The registration of a value added tax representative shall be in the name of the non-resident taxable person.

(4) The value added tax representative may represent more than one non-resident taxable person and such representative shall register for value added tax in respect of each represented non-resident taxable person.

(5) Where it is not practicable to appoint a tax representative due to his business circumstances, a nonresident 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 Suppliers of Electronic Services and Foreign Tour Operators) Regulation, 2022.

4B(1) Where a taxable person carries on economic activities at a fixed place in Zanzibar and at one or more fixed places outside Zanzibar :

(a) the person shall be treated as two separate persons corresponding respectively to the economic activities carried on inside and outside Zanzibar;

(b) the person who is outside Zanzibar shall be deemed to have made a supply of imported services to the person inside Zanzibar consisting of any benefit in the nature of services that is received by

the person in Zanzibar through or as a result of the activities carried on by the person outside Zanzibar; and

(c) the time of supply shall be determined on the assumption that a supply has been made.

(2) Where, within twelve months from the time of making a supply referred to in subsection (1) of this section, the person outside Zanzibar makes an allocation of costs to the person inside Zanzibar in respect of the supply, the allocation of costs shall be treated as consideration for the supply.

(3) Where a supply referred to in subsection (1) is a taxable supply, the value of the supply:-

(a) where the provision of subsection (2) of this section applies, shall be equal to the amount of the costs allocated, reduced by that part, if any, of the amount allocated that represents:

(i) salary or wages paid to an employee of the person outside Zanzibar; and

(ii) interest incurred by the person outside Zanzibar; and

(b) in any other case, shall be assumed to have been made by a non-resident outside Zanzibar to a connected person in Zanzibar.