LEGAL NOTICE NO. 11

THE TAX ADMINISTRATION AND PROCEDURES ACT No. 7 OF 2009

Withholding VAT on Construction Regulations
Made under Section 50(3)

IN EXERCISE of the powers conferred upon me under Section 50(3) of the Tax Administration and Procedures Act No. 7 OF 2009 **I, AMB. MOHAMMED RAMIA ABDIWAWA,** Minister for Finance and Planning, do hereby make the following Regulations:

	PART ONE **PRELIMINARY PROVISIONS**
Citation and Commencement.	1. These Regulations may be cited as the Withholding VAT on Construction Regulations, 2020 and shall come into operation after being signed by the Minister and published in the Gazette.
Application.	2. These Regulations shall apply to a withholding agent who makes payment to a taxable person registered by Zanzibar Contractors Registration Board as a civil or building contractor.
Interpretation.	3. In these Regulations, unless the context otherwise requires: "Act" means the Tax Administration and Procedures Act No. 7 OF 2009; "Commissioner" has the meaning ascribed to it under the Act; "Minister" has the meaning ascribed to it under the Act; "payment certificate" means a document issued by the contractor to the client demanding the payment for the work or part of the completed; "VAT" means Value Added Tax; "Withholding agent" means a person appointed by the Commissioner to be a withholding agent under the provisions of section 50 of the Act.

	PART TWO WITHHOLDING VAT
Withholding VAT for a registered civil or building contractor.	4. A withholding agent who makes payment to a taxable person registered by Zanzibar Contractors Registration Board as a civil or building contractor shall withhold a fifty percent (50%) of the total VAT payable under the payment certificate or advance payment.

SIGNED on this 5th day of February, 2020.

(AMB. MOHAMMED RAMIA ABDIWAWA)
MINISTER FOR FINANCE AND PLANING
ZANZIBAR