

## **VAT on Digital Service in Zanzibar**

### **Introduction of VAT on Non-resident Suppliers of Electronic Service and Foreign Tour Operators**

The **Finance Act No. 4 of 2024** amended the Value Added Tax Act No. 4 of 1998 by introducing Section 4A and 4B, which require non-resident persons who carries on economic activities in Zanzibar without having a fixed place in Zanzibar to register and liable to pay for VAT.

To support the implementation of these provisions, **The Tax Administration Procedures (Procedures of simplified Registration for Non-resident Suppliers of Electronic Service and Foreign Tour Operators) Regulations, 2022** were introduced to provide detailed guidance.

### **Implementation of the Non-resident Suppliers of Electronic Service and Foreign Tour Operators Regime**

#### **a. Registration**

The obligation in registration and charging VAT is for all Non-resident Suppliers of Electronic Service and Foreign Tour Operators services provider of B2B as well as B2C and there is no threshold.

Registration may be processed online by access the **online registration portal**: <https://portalzidras.zanrevenue.org> and submit all necessary documentation, including business registration details and service agreements.

The VAT rate is 18% on Non-resident Suppliers of Electronic Service and Foreign Tour Operators.

Input tax credit is not allowed.

#### **b. Filing and Payment**

**VAT Filing and Payment:** Once registered, ensure timely e-filing of VAT returns and payment of applicable VAT amounts on or before the 20th day of each month following the end of the accounting period.

Non-resident Suppliers of Electronic Service and Foreign Tour Operators are exempt from using Virtual Fiscal Devices (VFD) when issuing receipts or invoices.

Contact our support team via e-mail **[dst.zra@zanrevenue.org](mailto:dst.zra@zanrevenue.org)** for guidance on the registration process.