# LEGAL DIGEST



May 2018



### CTI seeks Bunge help on TZS 35B Tax refund saga

The Confederation of Tanzania Industries (CTI) is now seeking help from members of Parliament as it steps up efforts to recover TZS 35B in unpaid tax refunds held by TRA for its members. They will use their presence in Dodoma to also try and convince MPs to pile pressure on TRA to pay back the money that was charged as extra tax on sugar imports by soft drink producers.

The right tax from the East African Community's Common External Tariff is 10 per cent. But in the 2015/16 financial year, the Tanzanian government added 15 per cent, making it 25 per cent.

President Magufuli said the money would be paid back once the verification exercise was complete. The President went further and said that some soft drinks producers were not honest as they imported industrial sugar that was far beyond their needs.

### Government advised to get tougher on hard liquor tax evaders

The government has been urged to start a purposeful campaign against haphazardly issued excise duty stickers that provide loopholes for massive tax evasion on hard liquor sold in the country. The Parliamentary committee says TRA officials are well aware of the problem. Such a move is long overdue given the abundance of illicit liquor with genuine Tanzania Tanzanian market posing health threats to the public as well as causing loss of revenue to the government. Currently there are about 11 companies associated with illegal manufacture of liquor that is dominating the market. Records show that many of these companies don't pay excise duty consistently as required by law.

### Tanzania Mining Commission approves 7,000 licences

The Tanzania Mining Commission has approved 7,000 mining licences out of 8,000 new applicants, which is 87.5 per cent of the applications. The approved mining licences include primary mining, prospecting, special mining and dealers licences. Over 70 per cent of the approved licences are owned by local artisanal miners.

Under the new mining regulations described as Mining (Mineral rights) of January 2018, licence applicants of all categories are required to keep documents related to demarcation of their mining areas, approved licences, payment of related fees and development of their mining areas, and failure to do so will lead to a fine of not less than TZS 12M.

Under the new mining law, foreigners are ineligible for the small-scale mining licences. However, the chairman said the foreigners can benefit from the artisanal licences if they have special agreements with local mining companies for using their modern technologies.

### Around the World

Supreme Court sides with baker who refused to make gay wedding cake The US Supreme Court ruled in favor of a Colorado baker who refused to make a wedding cake for a gay couple for religious reasons, although the justices avoided a wider ruling on religious exemptions for businesses. The case went all the way to the Supreme Court and it ruled 7-2 that the commission violated under the first amendment, which quarantees freedom of expression. The Court did not address the wider principle of whether a business can refuse to serve gay people, saying this "must await further elaboration."

Denmark passes burga ban into law In a 75-30 vote with 74 absentees, lawmakers in Denmark approved a bill adding a provision to the Danish criminal code that forbids a person from wearing face-concealing clothing in public mainly to include those wearing burgas. The prohibition does not apply to the covering of the face which, the law defines, as serving a "qualifying purpose." Lawmakers explained the purpose of the law was for safety, explicitly calling out a goal of "placing a significant distance from political Islam" in committee

## Web privacy activist files combined USD 8.8B complaints against Facebook and Google

Austrian lawyer and privacy activist Max Schrems filed several multibillion euro complaints in Courts around Europe against Google (Android), Facebook, and two Facebook subsidiaries WhatsApp and Instagram the same day as EU data protection laws, the General Data Protection Regulation (GDPR), went into effect.

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### Magufuli orders amendment of laws to impose higher crude oil taxes

President John Magufuli has directed the Minister for Trade, Industries and Investment to table a schedule of amendment in the ongoing Parliamentary sessions so as to impose higher taxes on imported crude cooking oil. The President issued the directive during an impromptu visit to the Dar Port. He issued the statement after a committee, which was formed to investigate a cargo of cooking oil, which was held at the port, revealed that some owners of the cargo lied to Tanzania Revenues Authority that their tanks contained crude cooking oil, while in fact they contained refined and semi-refined oil.

### Kenya warns Tanzania in sweets tax row

Kenya has warned it will block the entry of Tanzanian goods into the country after Dar es Salaam's refusal to allow dutyfree entry of Kenyan-made confectionery, juice, ice cream and chewing gum.

Tanzanian authorities have been given up to the end of the month to visit the Kenyan firms to find out if imported industrial sugar is being used in the products at the centre of the trade spat which remains unresolved since March.

### New Law in the offing to manage real estate industry

The Minister of Lands, Housing and Human Settlements Development, told the Parliament that his ministry was going to table a Real Estate Bill later this year to check unscrupulous estate agents and land brokers in the country.

According to the Bill, an oversight body known as the Estate Agency Board is going to be established. It will have powers to register and regulate the activities and conduct of estate agents and land brokers. It will also take legal action, including suing unregistered estate agents and land brokers. It will also have powers to scale fees for estate agents.

Currently, middlemen demand some money equivalent to one month's rent from the tenants they help look for a house or room for rent. The Bill provides that for anyone to be licensed as a registered agent by the board, he or she should be a holder of an advanced diploma or a degree in estate management.

They must also have experience of not less than three years or holders of any other advanced diploma or degree, who have practised as provisionally registered agents for not less than three years and successfully passed relevant examinations of the board.

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