

5 July 2021



Finance Act 2021 60 second overview

A quick executive snapshot of what the Finance Act 2021 amends:

Companies Act

- Share warrants not to be issued
- All share warrants issued to be cancelled within 12 months

Electronic and Postal Communications Act

- Introduces development levy on airtime
- Levy between TZS 5 to 222.70
- Regulations on how to collect and account for levy to be in place

Higher Education Student's Loan Board Act

- Relief for students
- No retention fee, or any other fee, charges, penalty to be imposed without Ministerial approval

Income Tax Act

- Permanent Establishment definition widened
- Filing of withholding tax returns now monthly
- Withholding tax exempted on interest on Government bonds of 3+ years

National Payment Systems Act

- Money transfer levy introduced
- Between TZS 10 to 10,000
- Regulations to be issued

Non-Citizen's (Employment Regulation) Act

- Introduces a fine of TZS 500,000 per month, if expatriate return not filed timely twice a year

Public Audit Act

- Specific and wider definition of a public authority or body that can be audited by CAG
- May include corporate bodies under Companies Act

For further information on legal updates please contact:

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About FB Attorneys

FB Attorneys is an all service law firm based out of Dar es Salaam, Tanzania.

We cover all aspects of the law and specialise in all corporate and commercial matters including Mining, Oil & Gas, Tax, Litigation, Competition, Banking & Intellectual Property law.

FB Attorneys has been ranked as a tier 1 law firm by the IFLR 1000 in the Energy & Infrastructure and Financial & Corporate sectors, tier 1 by Legal 500 and band 1 by Chambers and Partners General Business Law.

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LEGAL UPDATE

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Stamp Duty Act

- Stamp Duty on instruments schedule amended

Tax Administration Act

- Tax Ombudsperson, office not established since 2015, now likely to be in place soon
- Taxpayer primary data server required to be within Tanzania before July 2022
- Notice to obtain information in writing expanded to include taxpayer in addition to any other person not liable to pay taxes
- Tax deposit requirement of 1/3 of tax to object assessments remains intact
- More powers given to CG to reduce interest or penalty
- Introduces 100% penalty of the tax shortfall in controlled transactions if inconsistent with arms length principle
- Impeding administration of a tax law now includes not maintaining a primary data server and not providing official translations of documents

Tax Revenue Appeals Act

- Allows party to an appeal at any stage to mediate and resolve a tax dispute

VAT Act

- Reciprocal arrangement on VAT between Zanzibar and Mainland Tanzania
- Exemptions on VAT for mosquito nets, relief goods, NGOs amongst others

To read a copy of the Finance Act, [click here](#).

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