LEGAL UPDATE

FB ATTORNEYS

15 August 2026

Zero Tax for New Traders

- **New traders eligible for 12-month income tax relief**
- **Eligibility and application requirements stipulated**
- **'Chaining arrangements' to exploit tax relief prohibited**
- **Commissioner empowered to revoke tax relief**

The Minister for Finance has issued the Income Tax (Presumptive Tax Relief for New Traders) Regulations, 2026 (the Regulations) vide Government Notice No. 158B published on 30 June 2026. The Regulations came into operation on 1 July 2026 and introduce a 12-month income tax relief for qualifying new traders operating under the presumptive tax regime.

The Regulations provide that an individual may qualify for the tax relief where they are obtaining a TIN for the purpose of commencing a business for the first time, if the projected annual turnover of the business falls within the limits applicable to the presumptive tax regime and the business operates exclusively under the presumptive tax regime throughout the period of the relief.

An individual intending to claim the relief may apply electronically to the Commissioner. The application should be accompanied by, among other things, a statutory declaration confirming that the business is new and will operate exclusively under the presumptive tax regime; a description of the business activity; and a statement of the projected annual turnover. The Commissioner is required to determine the application within 7 working days and, where the applicant qualifies, issue a tax relief certificate.

It is noteworthy that the Regulations specifically seek to prevent existing businesses from taking advantage of the relief by registering or operating the business under another person's name. This is what is referred to by the Regulations as chaining arrangements. A 'chaining arrangement' includes establishing a business in the name of a spouse, dependent, child or nominee of a person who has previously enjoyed the relief, or operating an identical or substantially similar business at the same location within 180 days after cessation of the previous business. Where such an arrangement is established, the Commissioner may refuse the application.

Moreover, the relief is not transferable, and where the business is transferred, sold, leased or assigned to another person, the relief ceases and the taxes due become payable as if the relief had not been granted. An individual enjoying the relief is also required to submit a turnover declaration to the Commissioner within 30 days before expiry of the 12-month relief period.

Lastly, the Commissioner may revoke the relief where it was obtained through fraud or misrepresentation; where the individual engages in a chaining arrangement; fails to operate exclusively under the presumptive tax regime; or willfully fails to maintain primary sales records. However, before revocation, the individual must be given an opportunity to show cause within 14 days as to why the relief should not be revoked.

To read the Income Tax (Presumptive Tax Relief for New Traders) Regulations, 2026 click click here

For further information on legal updates please contact:

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