

Tanzania

Value Added Tax Act

Value Added Tax (Tax Stamps) Regulations, 1998

Government Notice 157 of 1998

Legislation as at 31 July 2002

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Value Added Tax (Tax Stamps) Regulations, 1998

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Government Notice 157 of 1998

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[Note: This legislation has been thoroughly revised and consolidated under the supervision of the Attorney General's Office, in compliance with the Laws Revision Act No. 7 of 1994, the Revised Laws and Annual Revision Act (Chapter 356 (R.L.)), and the Interpretation of Laws and General Clauses Act No. 30 of 1972. This version is up-to-date as at 31st July 2002.]

[G.N. No. 157 of 1998]

1. Citation

These regulations may be cited as the Value Added Tax (Tax Stamps) Regulations.

2. Interpretation

In these regulations, unless the context otherwise requires—

"**Act**" means the Value Added Tax Act ¹;

"**Authority**" means the Tanzania Revenue Authority established by section 4 of the Tanzania Revenue Authority Act ²;

"**Authority's staff**" means any person under the contract of employment with the Authority;

"**cigarettes**" means:

- (a) rolls of cut tobacco capable of being smoked as they are and which are wrapped in cigarette paper;
- (b) rolls of cut tobacco which by simple non-industrial handling, are inserted into cigarette paper tubes; or
- (c) other rolls of tobacco which by non-industrial handling, are wrapped in cigarette paper;

"**Commissioner**" means the Commissioner General of the Tanzania Revenue Authority;

"**prescribed form**" means a form prescribed under these regulations;

"**registered cigarette importer**" means a trade duly registered by the Commissioner in relation to importation of cigarettes;

"**registered cigarette manufacturer**" means a manufacturer of cigarettes, duly licensed for the business and registered by the Commissioner in that respect;

"**tax stamp**" means a stamp approved by the Authority to be affixed to the cigarette packet.

¹

[Cap. 148](#)

²

[Cap. 399](#)

3. Types of tax stamps

- (1) The design and specification of the tax stamps shall be as may be determined by the Authority and may be changed at any time depending on the supply of stamps required for cigarette manufacture.
- (2) Subject to subregulation (1) different types of tax stamps shall be determined according to the number of cigarette tax categories that exist at any given time, and specified colours shall be used to distinguish the tax categories as follows:

Green:	Domestic cigarettes whose length is less than 70mm;
Blue:	Domestic cigarettes whose length is equal to or greater than 70mm; and
Orange:	All imported cigarettes.

4. Procurement of tax stamps

The procurement of the stamps shall be the responsibility of the Authority.

5. Supply and distribution of tax stamps

Subject to the provisions of regulation 4, the following procedure shall apply to the supply and distribution of tax stamps:

- (a) In the case of imported cigarettes to Tanzania, the importer shall indent from, and pay for the tax stamps to the Authority. Each indent shall be of a minimum of five thousand stamps and shall indicate the name and address of the foreign cigarette manufacturer as requested by the importer.
- (b) The Authority shall authorize the printer to make direct supply of tax stamps to the foreign cigarette manufacturer as requested by the importer.
- (c) In the case of locally manufactured cigarettes, the Authority shall procure and maintain sufficient stocks of tax stamps for the supply to the local cigarette manufacturers.

6. Affixation of tax stamps

All imported and locally manufactured cigarettes shall be affixed with a tax stamp on the packet. Affixation of the stamps shall be such that the stamp will be broken when the packet is opened in the normal manner, or the packet will render it unusable.

7. Time for affixation of tax stamps

In the case of imported cigarettes the supplier shall be required to affix the tax stamps on the packets before shipment. In the case of locally manufactured cigarettes, the manufacturers shall be required to affix the tax stamps on the packets before they are delivered out of the manufacturer's premises.

8. Packaging of cigarettes

Cigarettes shall only be released into the market within Tanzania in packets of twenty sticks each.

9. Record keeping

The printer shall notify the Authority of the quantities of tax stamps supplied to foreign cigarette manufacturers. Importers and local manufacturers of cigarettes shall maintain records on a monthly basis of tax stamps received, tax stamps affixed on packets and stock balance on hand. The Authority shall also maintain records of tax stamps received from the supplier.

10. Tax exemptions

The following cigarettes shall be exempt from the requirement of tax stamps:

- (a) locally manufactured cigarettes for export from Tanzania; and
- (b) cigarettes destroyed, denatured, or recycled within the manufacturing process under the supervision of the Authority's staff.

11. Authorizations of tax exemptions

Subject to the provisions of Regulation 10, the exemptions shall only apply in cases where the Authority's staff is satisfied that proper administrative procedures are in place to control the quantities being allocated for the purpose stated and that abuse of the provision will not take place. Any cigarette that cannot be properly accounted for under these exemptions or for which authorisation is not obtained, shall be subjected to tax.

12. Accounting for stamps

There shall be an accounting for tax stamp usage in the form of a monthly reconciliation statement by every registered manufacturer and importer. The monthly reconciliation statement shall show a summary of the usage of the total number of tax stamps issued during the month, plus stamps brought forward from the previous month under the following headings:

- (a) Stamps in stock at the close of the previous month and carried forward for use during the month.
- (b) Stamps applied to cigarettes manufactured within Tanzania or imported into Tanzania as the case may be.
- (c) Stamps spoiled or damaged during manufacture as certified by the Authority's staff.
- (d) Stamps unaccounted for in the reconciliation statement and therefore deemed to be lost.
- (e) Stamps in stock at the end of the month and carried for use in the following month.

13. Submission of monthly reconciliation statement

In the case of imported cigarettes, the reconciliation statement shall be submitted to the Authority along with the tax payment. In the case of locally manufactured cigarettes, the reconciliation statement shall be submitted to the Authority within fifteen days after the due date.

14. Computation of tax

Tax payment due for the stamps used shall be calculated based on the following:

- (a) Stamps applied to locally manufactured cigarettes;
- (b) Stamps applied to imported cigarettes into Tanzania;
- (c) Stamps unaccounted for in monthly reconciliation statement and therefore deemed lost.

15. Rebate of tax

Stamps damaged in the process of cigarette manufacture and destroyed under the supervision of the Authority's staff shall be subject to rebate of tax.

16. Evidence of payment of tax

The Authority shall require such evidence for the payment of taxes, as it may deem necessary, before authorizing the issue of fresh stock of tax stamps.

17. Audit

The Authority may carry out random audit of the operation of the stamp reconciliation procedure and calculation of tax payment. Authority's staff may inspect any premises for the purpose of enforcing the requirement of tax stamps.

18. Disputes

Settlement of disputes under these regulations shall be dealt with in accordance with the provisions of section [47](#) of the Act.

19. Force majeure

In the event of the circumstances arising which stop or limit the availability of tax stamps, the Authority shall have the power to suspend these regulations and impose temporary measures similar to those in force prior to the 15th April, 1998. It will be permissible in such circumstances to release cigarettes into the Tanzania market without tax stamps subject to the strict enforcement of factory controls and the due payment of the appropriate taxes.

20. Offences

A local cigarette manufacturer, importers, or any other persons who—

- (a) fails to retain tax stamp registers, records or any other documents;
- (b) fails to submit monthly tax stamp reconciliation statements within the prescribed period;
- (c) fails to affix tax stamps to a cigarette packet in a secure manner;
- (d) makes an overprint or defaces tax stamp affixed on cigarette packet; or
- (e) submits an incorrect or incomplete tax stamp reconciliation statement,

commits an offence and is liable, upon conviction, to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment.

21. Powers of the Minister

The Minister may, by notice in the *Gazette*, amend or vary these regulations.