THE VALUE ADDED TAX ACT,
(CAP. 148)

REGULATIONS
(Made under section 6(5))

THE VALUE ADDED TAX (EXEMPTION MANAGEMENT PROCEDURES) REGULATIONS, 2021

PART I
PRELIMINARY PROVISIONS

Citation
1. These Regulations may be cited as the Value Added Tax (Exemption Management Procedures) Regulations, 2021.

Application
2. These Regulations shall apply to value added tax exemptions granted under section 6(2) of the Act.

Interpretation
3. In these Regulations, unless the context requires otherwise:
   “Act” means the Value Added Tax Act;
   “applicant” has the meaning ascribed to it under the Act;
   “Commissioner General” has the meaning ascribed to it under the Tanzania Revenue Authority Act;
   “tax” means value added tax; and
   “Minister” means the Minister responsible for finance.
PART II
APPLICATION FOR TAX EXEMPTION

4.- (1) An application for tax exemption shall be made to the Commissioner General in Form No. ITX264.01.E set out in the Schedule to these Regulations.

(2) Subject to subregulation (1), the application shall be made within a period of not less than sixty days before the commencement of the project and accompanied with the following:

(a) an agreement with the Government which was approved by the Minister which binds the Government to grant such tax exemption;

(b) a contract between Government entity and contractor or level one sub-contractor with respect to project funded in relation to a Government funded project approved by the Minister;

(c) quotations, bill of quantities and list of goods and services to be exempted for the entire project;

(d) tentative description of the place of procurement of goods or services:

(i) in the case of import specify the country from which goods are acquired;

(ii) in the case of local supply the name, Tax Identification Number and Value Added Tax Registration Number of the supplier;

(e) proforma invoices, tentative analysis showing exact quantities, value of goods and services to be exempted with the corresponding amount of tax sought to be exempted;

(f) list of contractors and level one sub-contractors who shall execute the project;

(g) physical location and address of where the
(h) in the case of a contract which is required to be vetted by the Attorney General, a written confirmation from the Attorney General to signify that the contract was properly vetted and verified;

(i) written confirmation from the Ministry or Government entity executing the project that the project exists and the quoted values are tax exclusive;

(j) any other necessary information as may be required by the Commissioner.

(3) The information referred to in subregulation (2) shall be submitted to the Permanent Secretary of the Ministry responsible with the project executed by the applicant.

(4) Upon receipt of the application, under subregulation (3), the Permanent Secretary shall verify the application to the effect that the application complies with the requirement of subregulation (2), approve and forward it to the Commissioner General.

(5) The application forwarded to the Commissioner General under subregulation (4) shall be accompanied with the declaration that the goods or services applied for exemption are solely for use in the project.

PART III
PROCESSING AND GRANTING OF EXEMPTION

5.- (1) An application made under this regulation shall not be granted until verified by the Commissioner General.

(2) Pursuant to subregulation (1), the Commissioner General may, in conducting verification, request any additional information from the applicant or respective ministry or Government entity for review purposes.

(3) The Commissioner General shall, upon review and verification of the application made under this regulation, either approve or reject the application.
(4) In the case where the Commissioner General rejects an application, he shall give reasons thereof to the respective Permanent Secretary.

(5) Where an application made under this regulation is approved, the Commissioner General shall proceed to issue an Exemption Certificate in Form No. ITX 281.01.E set out in the Schedule to these Regulations.

(6) The Commissioner General shall issue the exemption certificate within thirty days from the date of receipt of the application.

(7) The Exemption Certificate shall contain the following details:

(a) name of the beneficiary;
(b) name of the Contractor or sub-contractors level one;
(c) list of services or goods exempted along with their corresponding quantity;
(d) place of procurement of goods;
   (i) importation; or
   (ii) local supplies;
(e) name and place of implementation of the Project;
(f) validity period of exemption;
(g) date issued;
(h) name and signature of the Commissioner General; and
(i) seal of the Authority.

6.- (1) The applicant, who has been issued with an Exemption Certificate under regulation 5(5), shall process utilization of the granted tax exemption by filling Form No. ITX265.01.E set out in the Schedule and submit the form to the respective Tanzania Revenue Authority's Department or Regional office.

(2) Notwithstanding subregulation (1), in the case of importation of goods, the processing of the utilization of the granted exemption shall be made through the Commissioner for Customs and Excise in Form No. ITX ITX265.01.E set out in the Schedule.

(3) The application made under this regulation,
shall be accompanied with the following:
   (a) a copy of Exemption Certificate issued by the
       Commissioner General under regulation 5(5);  
   (b) in case of goods or services to be procured
       locally, proforma invoice from the supplier of
       goods or services; or
   (c) in case of importation of goods, final invoice,
       packing list, bill of lading and any other
       relevant importation document.

   (4) The Commissioner General shall, within a
       period of seven days from the date of receipt of the
       application, verify the application and communicate
       his decision to the applicant.

   (5) Subject to subregulation (4), upon approval of
       the application, the Commissioner shall allow the tax
       exemption, in the event the Commissioner General reject
       the application, he shall give reasons for his refusal to the
       applicant within seven days from the date of receipt of the
       application.

PART IV
MONITORING OF GRANTED TAX EXEMPTIONS

7.- (1) For purposes of effective monitoring of tax
exemption granted, the applicant shall, subject to
subregulation (2), submit to the Commissioner General a
utilisation report of the granted tax exemption in Form No.
ITX ITX282.01.E set out in the Schedule.

   (2) The report referred to in subregulation (1) shall
       be submitted to the Commissioner General within a period
       of thirty days after a lapse of every-
       (a) six months for a twelve months projects;
           and
       (b) twelve months for projects with a
           maximum period of more than one year,
           from the date of approval of the tax exemption by the
           Commissioner General.

   (3) In the event the applicant fails to submit the
       report referred to in subregulation (1), the Commissioner
       General shall immediately stop approving any further tax
exemption until the applicant properly account for all of its previous utilised tax exemption.

(4) The Commissioner General shall-
(a) maintain a register for the tax exemptions granted;
(b) verify the report for the utilised tax exemption; or
(c) conduct on-site inspection, control verification and tentative surveillance to ensure effective monitoring of utilization of granted tax exemption and to-
   (i) report the outcome of the verification to the applicant;
   (ii) in case of any misuse, proceed to charge and demand the respective taxes against the applicant; and
   (iii) in case of failure to submit a utilisation report, proceed to charge and demand the taxes unaccounted for by the applicant

PART V
GENERAL PROVISIONS

8.- (1) An applicant who is aggrieved by any decision or demand issued by the Commissioner General may lodge an objection to the Commissioner General in a manner provided for under the Tax Administration Act.

9. The Commissioner General shall maintain a register for all taxes collected on account of default by the applicants discovered through the monitoring exercise.

10. Any person or applicant who contravenes these Regulations commits an offence and shall be liable to a penalty provided under section 88B of the Tax Administration Act.

11. The Value Added Tax (Exemption Monitoring Procedures) Regulations, 2018 are hereby revoked.
SCHEDULE

FORMS

Form No.
ITX
264.01.E

(Made under regulation 4(1))

TANZANIA REVENUE AUTHORITY
APPLICATION FOR VALUE ADDED TAX EXEMPTION

Complete in duplicate

To: Commissioner General, Date:

Tanzania Revenue Authority,
Sokoine Drive,
P. O. Box 11491,
DAR ES SALAAM

APPLICATION FOR VAT EXEMPTION TO PROJECTS FUNDED BY GOVERNMENT, FOREIGN GOVERNMENT, DONOR, LENDER OR NON-GOVERNMENTAL ORGANISATION HAVING AGREEMENT WITH THE GOVERNMENT OF THE UNITED REPUBLIC

M/S

(Name of the Organisation)

hereby apply for value added tax exemption on supply of goods/services pursuant to the provision of section 6 of the Value Added Tax Act, 2014 as detailed below:

Type of financing

(Government fund/Donor/Concessional loan/Non-Concessional loan/Other Government)

Name of the Financier

Brief details of the project

Project cost excluding value added tax (in foreign exchange and Tshs.)

...
**Value Added Tax (Exemption Management Procedures)**

*GN. No. 715 (Contd.)*

Implementing Ministry/ Government entity

Name of contractor

Name of sub-contractor (level-one) and type of contract

1) 

2) 

3) 

Tenure of the contract

Contract Start Date: ............................................ Contract End Date: .................................

<table>
<thead>
<tr>
<th>Description of goods/services</th>
<th>Unit</th>
<th>Quantity</th>
<th>Value exclusive of VAT (in shillings)</th>
<th>VAT Amount</th>
<th>Supplier</th>
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**Total**

**NB:** In case the space provided above is not sufficient please attach the list of additional items in the same format.

Declaration

**A. By the Applicant**

**WE DO CERTIFY** that the above information/data is correct. We undertake not to sell, transfer or dispose of in any way the said goods unless and until value added tax is fully paid.

Name of Authorised Officer: ____________________________ Signature: ____________________________ Date and Official Stamp: ____________________________

**B. By Permanent Secretary of the Parent Ministry**

We do confirm that the above goods/services are project materials/services and we request that they be supplied free of VAT.

Full name of endorsing Executive: ____________________________ Date: ____________________________

Signature and stamp: ____________________________

Permanent Secretary/Chief Executive Officer
THE VALUE ADDED TAX (EXEMPTION) (SUPPLY OF .................. (GOODS OR SERVICES) AT................ (NAME OF THE PROJECT)............................. (IMPLEMENTING ORGANISATION ........) CERTIFICATE, ........YEAR.........

Reference and commencement 1. This Certificate may be cited as the Value Added Tax (Exemption) (Supply of .................. (goods or services) at................(project Name).............. (implementing organisation)) Certificate,........(year) and shall be deemed to have come into operation on the ........(date) day of ........(month)............(year).

Exemption 2.- (1) Subject to the conditions specified in paragraph 3 of this Certificate, and any other conditions as may be specified by the Commissioner, the whole of the Value Added Tax payable on the goods or services specified in the Schedule to this Certificate imported or purchased prior to clearance through customs or locally by ..............(M/s Contractor name /sub-contractor level one) on behalf of ..............(implementing organisation) to be used solely in the project for Supply ..............(goods or services) at ..............(name of the project) is hereby exempt.

(2) For avoidance of doubt, the goods imported or locally purchased, whether directly by the Government entity or through a contractor shall remain the property of the Government of Tanzania.

Conditions 3. The exemption granted under this Certificate shall cease to have effect and the Value Added Tax shall become due and be payable as if this exemption had not been granted where the said goods or services are used for other purposes or sold or disposed of in any way to a person who is not entitled to enjoy similar privileges conferred under this Certificate.

Expiry Date 4. This Certificate shall expire on ........(date) day of ........(month)............(year).
## SCHEDULE

(Made under paragraph 2)

**PART A: GOODS**

<table>
<thead>
<tr>
<th>S/N.</th>
<th>DESCRIPTION OF GOODS</th>
<th>QUANTITY (QTY)</th>
<th>UNIT OF MEASURE</th>
<th>PLACE OF PURCHASE OF ITEMS (Local or Imported)</th>
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**PART B: SERVICES**

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<tr>
<th>S/N.</th>
<th>DESCRIPTION OF SERVICES</th>
<th>SUPPLIER OF SERVICE</th>
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DAR ES SALAAM

COMMISSIONER GENERAL

...............(year)
APPLICATION FOR UTILISATION OF VAT EXEMPTION

TANZANIA REVENUE AUTHORITY
VALUE ADDED TAX FORM

Complete in quadruplicate
Serial Number...........................................

Certificate Number..........

To: ...........................................

TIN: ...........................................

VRN: ...........................................

PB: APPLICATION FOR UTILISATION OF VAT EXEMPTION GRANTED TO
PROJECTS FUNDED BY GOVERNMENT, FOREIGN GOVERNMENT, DONOR, LENDER
OR NON-GOVERNMENTAL ORGANISATION HAVING AGREEMENT WITH THE
GOVERNMENT OF THE UNITED REPUBLIC

PART A: (To be completed by applicant)
The (name of the Organisation)...............................................................................................

is applying for utilisation of VAT exemption on supplies of goods/services as detailed below:

<table>
<thead>
<tr>
<th>Details of the goods/services</th>
<th>Value exclusive of VAT (in shs.)</th>
<th>VAT Amount</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Quantity</td>
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NB: In case the space provided above is not sufficient please attach the list of additional items in the same format.

The goods/services are to be used by the (Name of the project or undertaking)

........................................................................................................................................................................
........................................................................................................................................................................
Which is a project/undertaking pursuant to (Government project/binding agreement/grant/concessional loan)
Value Added Tax (Exemption Management Procedures)

GN. No. 715 (Contd.)

Declaration
WE DO CERTIFY that the above information/data are correct. We undertake not to sell, transfer or dispose of in any way the said goods unless and until VAT is fully paid.

Name of Authorized Officer ........................................... Name of Endorsing Officer ...........................................
Signature ............................................................................ Signature ...........................................................................
Date and Official Stamp .................................................... Date and Official Stamp ....................................................

PART B: (To be completed by the recommending Organisation/Ministry).

This is to certify that (Name of project/undertaking) is project/ undertaking which is under our Ministry/Organisation (name) under the agreement/licence/Grant/concessional loan.

We do confirm that the above goods/services are project materials/services and we request that they be supplied free of VAT.

Full name of endorsing Executive ........................................... Date ........................................... Signature and stamp ............................................
Permanent Secretary/Chief Executive Officer ...........................................

PRECAUTION NOTE:
(i) This Authority is only valid when tendered in its original form.
(ii) Payment for goods and services should be made strictly by recipient’s cheque(s).

FOR OFFICIAL USE

(a) Recommendation(s) by the Verifying Officer:

Name and Signature of the Verifying Officer ........................................... Date ........................................... Signature of Verifying Officer ...........................................

(b) Commissioner General’s Decision

Approval has been/not been granted for VAT exemption to:

Name and Signature of the Verifying Officer ........................................... Date ........................................... Signature of Verifying Officer ...........................................
**Value Added Tax (Exemption Management Procedures)**

**Gn. No. 715 (Contd.)**

<table>
<thead>
<tr>
<th>Name of Approving officer</th>
<th>Date</th>
<th>Signature and stamp</th>
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**NOTE:** This authority is valid for 30 days from the date of approval

**Distribution:**
- Original – Supplier of goods/services -To be retained for your record/ by TRA
- Duplicate – Applicant
- Triplicate – TRA Office
- Quadruplicate – recommending Ministry/ Organisation.
Value Added Tax (Exemption Management Procedures)

 GN. No. 715 (Contd.)

 Form No.
 ITX
 282.01.E

 (Made under regulation 7(1))

 EXEMPTION UTILIZATION REPORT

 TANZANIA REVENUE AUTHORITY

 REPORT OF UTILIZATION OF VALUE ADDED TAX EXEMPTION

 TO……………………
 ………………………
 ………………………

 Part A: Details

 TITLE OF THE PROJECT: ………………………………………………………………………
 …………………………………………………………………………………………………………
 PROJECT FINANCIER …………………………………………………………………………..
 …………………………………………………………………………………………………………
 EXEMPTION CERTIFICATE NUMBER…………..DATE OF ISSUANCE …………………
 DATE OF COMMENCEMENT………………………………………………………………
 TENURE OF THE PROJECT: ………………………………………………………………
 REPORTING PERIOD:
 FROM………………………………….. TO: ……………………………………

 Part B: Description of goods or services granted under the Exemption Certificate Number:

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Description</th>
<th>Unit</th>
<th>Supplier</th>
<th>Quantity</th>
<th>Value excluding VAT</th>
<th>VAT</th>
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14
Part C: Description of goods or services utilized for the period commencing """" to """

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Description</th>
<th>Unit</th>
<th>Supplier</th>
<th>Quantity exempted</th>
<th>Quantity utilised to date</th>
<th>Value of goods or services, excluding VAT, utilised to date</th>
<th>VAT goods or services utilized to date</th>
<th>Balance of goods or services exempted</th>
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Name of endorsing executive: [Name]
Signature and official stamp of the Ministry Exempted from Tax: [Signature]
Date: [Date]

Dodoma, 23rd September, 2021
MWIGULU LAMECK NCHEMBA MADELU
Minister of Finance and Planning