

(NBAA)
THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
TANZANIA



UPDATEs ON TECHNICAL ISSUES – THIRD QUARTER 2024

INTRODUCTION

These updates on Technical Issues – Third Quarter 2024 cover a summary of updates/issues including International Standards on Auditing (ISAs), International Financial Reporting Standards (IFRSs), International Ethics Standards for Professional Accountants, International Public Sector Accounting Standards (IPSAS) and International Ethics for Professional Accountants.

These technical updates are classified into two broad categories;

Part one: Invitation to comment

This part analyses a number of new raised issues i.e., Exposure Drafts and Consultation Papers that request constructive comments from our members and a broad range of stakeholders within Tanzania. For each new issue raised, a respective commenting deadline is specified as prescribed by comments seeking authority i.e. IASB, IAASB, IPSAB, IIRC, ISSB and tax issues etc.

Extra related deadline at which NBAA would like to receive stakeholders' comments is as well specified therein. Please use emails mohamed.msimu@nbaa.go.tz or saimon.kiondo@nbaa.go.tz to send your comments before the specified NBAA due dates.

Part two: New Issued Standards, amendments and Guidelines

This part gives updates on the new standards which have been currently issued and those standards which are expected to be applicable in the next coming years.

Note: This document includes issues published in June, July, August and Sptember (Inclusive) 2024.

PART ONE: INVITATION TO COMMENT

NBAA invites comments on the following updates on or before the due dates as specified by NBAA.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Current updates on IFRSs

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p>Exposure Draft: Translation to a Hyperinflationary Presentation Currency Proposed amendments to IAS 21</p>	<p>The International Accounting Standard Board (IASB) has issued an Exposure Draft for the proposed amendments to IAS 21 on the translation to a hyperinflationary presentation currency.</p> <p>IASB proposes that when an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, the entity translates those amounts, including comparative amounts, using the closing rate at the date of the most recent statement of financial position.</p> <p>The IASB expects this translation method, which is already used in other situations (see paragraph 42 of IAS 21), would result in an entity presenting amounts subject to translation in terms of a current measuring unit.</p> <p>For more information go to: https://www.ifrs.org/content/dam/ifrs/project/transl-hyperinflationary-currency/iasb-ed-2024-4-thpc.pdf</p>	<p>IASB Deadline: The deadline for stakeholders' comments is on or before 22nd November 2024.</p> <p>NBAA Deadline: Send your comments on or before 15th November 2024.</p>
<p>Exposure Draft Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures</p>	<p>The International Accounting Standard Board (IASB) has issued an Exposure Draft for the proposed amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures.</p> <p>The IASB is proposing amendments to IFRS 19 relating to:</p> <ul style="list-style-type: none"> (a) IFRS 18 Presentation and Disclosure in Financial Statements, including amendments introduced by Non-current Liabilities with Covenants; (b) IAS 7 Statement of Cash Flows, as amended by Supplier Finance Arrangements; (c) IAS 12 Income Taxes, as amended by International Tax Reform—Pillar Two Model Rules; and (d) IAS 21 The Effects of Changes in Foreign Exchange Rates, as amended by Lack of Exchangeability. 	<p>IASB Deadline: The deadline for stakeholders' comments is on or before 27th November 2024.</p> <p>NBAA Deadline: Send your comments on or before 20th November 2024.</p>

	<p>For more information go to: https://www.ifrs.org/content/dam/ifrs/project/updating-ifrs-19/iasb-ed-2024-5-ifrs19-dr.pdf</p>	
<p>Exposure Draft Climate-related and Other Uncertainties in the Financial Statements Proposed illustrative examples</p>	<p>The International Accounting Standard Board (IASB) has issued an Exposure Draft for proposed illustrative examples on climate-related and other uncertainties in the financial statements.</p> <p>This Exposure Draft proposes eight examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The examples mostly focus on climate-related uncertainties, but the principles and requirements illustrated apply equally to other types of uncertainties.</p> <p>The IASB expects that these illustrative examples will help to improve the reporting of the effects of climate-related and other uncertainties in the financial statements, including by helping to strengthen connections between an entity’s general purpose financial reports.</p> <p>For more information go to: https://www.ifrs.org/content/dam/ifrs/project/climate-related-other-uncertainties-fs/iasb-ed-2024-6-climate-uncertainties-fs.pdf</p>	<p>IASB Deadline: The deadline for stakeholders’ comments is on or before 28th November 2024.</p> <p>NBAA Deadline: Send your comments on or before 20th November 2024.</p>
<p>Proposed IFRS® Taxonomy Update</p> <p>IFRS 18 Presentation and Disclosure in Financial Statements</p>	<p>The International Accounting Standard Board (IASB) has issued an Exposure Draft for Contracts for Renewable Electricity Proposed amendments to IFRS 9 and IFRS 7.</p> <p>IFRS 18 is intended to improve how information is communicated in financial statements by:</p> <ul style="list-style-type: none"> (a) requiring an entity to present defined totals and subtotals and to classify income and expenses into the categories of operating, investing, financing, income taxes and discontinued operations in the statement of profit or loss; (b) requiring an entity to disclose information about management-defined performance measures (MPMs); and (c) strengthening the requirements for aggregating and disaggregating information by introducing principles on aggregation and disaggregation and disclosure requirements for specified expenses by nature. <p>For more information go to: https://www.ifrs.org/content/dam/ifrs/project/ifrs-accounting-taxonomy-update-primary-financial-statements/iasb-ptu-2024-1-ifrs18.pdf</p>	<p>IASB Deadline: The deadline for stakeholders’ comments is on or before 3rd September 2024.</p> <p>NBAA Deadline: Send your comments on or before 29th September 2024.</p>

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSASs)

Current updates on IPSASs

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p>Exposure Draft 90: Amendments to IPSAS as a Result of the Application of IPSAS 46, <i>Measurement</i></p>	<p>The International Public Sector Accounting Standard Board (IPSASB) has issued an Exposure Draft for the proposed amendments to IPSAS as a result of the application of IPSAS 46, <i>Measurement</i>.</p> <p>The objective of ED 90 is to propose amendments to specific IPSAS to:</p> <ul style="list-style-type: none"> (a) Add current operational value as an applicable current value measurement basis at initial and subsequent measurement for IPSAS 12, <i>Inventories</i>, and IPSAS 31, <i>Intangible Assets</i>; (b) Update the definition of recoverable service amount in IPSAS 21, <i>Impairment of Non-Cash Generating Assets</i>; (c) Add a definition of accounting estimate to IPSAS 3, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> consistent with IPSAS 46 terminology; and (d) Enhance the consistency of current value measurement disclosures in IPSAS. <p>The Final Pronouncement is expected to include amendments to specific IPSAS, as discussed in this ED.</p> <p>For more information go to: https://ifacweb.blob.core.windows.net/publicfiles/2024-08/ED-90-Amendments-IPSAS-Application-IPSAS%2046-Measurement.pdf</p>	<p>IASB Deadline: The deadline for stakeholders' comments is on or before 29th November 2024.</p> <p>NBAA Deadline: Send your comments on or before 22nd November 2024.</p>
<p>Exposure Draft 91: Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) (<i>Amendments to IPSAS 33</i>)</p>	<p>The International Public Sector Accounting Standard Board (IPSASB) has issued an Exposure Draft and tables of concordance for Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) (<i>Amendments to IPSAS 33</i>).</p> <p>The tables of concordance provide a detailed summary of changes made to IPSAS 33. Specifically, these Tables of Concordance provide information on whether the original IPSAS 33 paragraph was amended, relocated, deleted, or unchanged, and the new paragraph number in the ED and the marked-up version of IPSAS 33.</p> <p>For more information go to: https://ifacweb.blob.core.windows.net/publicfiles/2024-08/IPSASB-ED91-IPSAS-33.pdf</p>	<p>IASB Deadline: The deadline for stakeholders' comments is on or before 13th December 2024.</p> <p>NBAA Deadline: Send your comments on or before 9th December 2024.</p>

PART TWO: NEW ISSUED STANDARDS, AMENDMENTS AND GUIDELINES

This part includes all newly issued standards amendments, guidelines and technical pronouncements of which NBAA would like to urge members and other stakeholders to get prepared for their application.

IFRS SUSTAINABILITY DISCLOSURE STANDARDS

IFRS Ss expected to be applicable soon

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p>IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information</p>	<p>The International Sustainability Standard Board (ISSB) has issued the IFRS S1 on the requirements for disclosure of sustainability-related financial information.</p> <p>The standard requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity, whereby these risks and opportunities are collectively referred to as ‘sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects’.</p> <p>The standard requires an entity to provide disclosures about:</p> <ul style="list-style-type: none"> (a) governance—the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related risks and opportunities (see paragraphs 26–27); (b) strategy—the approach the entity uses to manage sustainability related risks and opportunities (see paragraphs 28–42); (c) risk management—the processes the entity uses to identify, assess, priorities and monitor sustainability-related risks and opportunities (see paragraphs 43–44); and (d) metrics and targets—the entity’s performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation (see paragraphs 45–53) <p>For more information go to: https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf</p>	<p>An entity shall apply this Standard for annual reporting periods beginning on or after 1st January 2024.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact and apply IFRS S2.</p>

<p>IFRS S2: Climate related disclosures</p>	<p>The International Sustainability Standard Board (ISSB) has issued the IFRS S2 on climate related disclosures.</p> <p>IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance or cost of capital over the short, medium or long term, whereby these risks and opportunities are collectively referred to as ‘climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects’.</p> <p>IFRS S2 requires an entity to disclose information that enables users of general-purpose financial reports to understand:</p> <ul style="list-style-type: none"> (a) the governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities; (b) the entity’s strategy for managing climate-related risks and opportunities; (c) the processes the entity uses to identify, assess, priorities and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity’s overall risk management process; and (d) the metrics and targets used to understand the entity’s performance in relation to its climate-related risks and opportunities <p>For more information go to: https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-c/issb-2023-c-basis-for-conclusions-on-ifrs-s2-climate-related-disclosures-part-c.pdf</p>	<p>An entity shall apply this Standard for annual reporting periods beginning on or after 1st January 2024.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact and apply IFRS S1.</p>
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INTERNATIONAL STANDARDS ON AUDITING (ISAs)

ISAs expected to be applicable soon

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p>Final Pronouncement: Conforming and Consequential Amendments to the IAASB's Other Standards as a Result of the New and Revised Quality Management Standards</p>	<p>The International Assurance and Auditing Standard Board has issued a Conforming and Consequential Amendments to the IAASB's Other Standards.</p> <p>This is a compilation of limited amendments to the IAASB's suite of standards in response to the quality management standards.</p> <p>The amendments address any actual or perceived inconsistencies between the quality management standards and the full suite of IAASB standards to ensure that all the standards operate in conjunction with each other without conflict.</p> <p>For more information go to: https://www.ifac.org/system/files/publications/files/IAASBFinal-Pronouncement-Conforming-Amendments.pdf</p>	<p>Effective dates are as per the final pronouncements of each individual amended standards</p>
<p>Final Pronouncement: The International Standard on Auditing for Audits of Financial Statements of Less Complex Entities and Conforming Amendments to Other International Standards</p>	<p>The International Assurance and Auditing Standard Board has issued The International Standard on Auditing for Audits of Financial Statements of Less Complex Entities and Conforming Amendments to Other International Standards.</p> <p>The standard (i.e., the ISA for LCE) has been designed to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, for audits of financial statements of less complex entities (LCEs) in the private and public sectors.</p> <p>The standard has been developed to reflect the nature and circumstances of an audit of the financial statements of an LCE and result in the consistent performance of a quality audit engagement.</p> <p>For more information go to: IAASB-Audits-Less-Complex-Entities-LCE-Standard_0.pdf (windows.net)</p>	<p>This standard is effective for audits of financial statements of LCEs for periods beginning on or after 15th December, 2025.</p>

CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

Codes expected to be applicable soon

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p>Final Pronouncement: Revision to the definitions of listed entity and public listed entity in the code</p>	<p>The International Ethics Standards Board for Accountants (IESBA) has issued a final pronouncement on the Revision to the Revision to the definitions of listed entity and public listed entity in the code</p> <p>In approving the revisions to the definitions of listed entity and PIE, the IESBA has relied on an overall framework that includes the following key elements:</p> <ul style="list-style-type: none"> • An overarching objective that explains the need for additional independence requirements for entities that are defined as PIEs. • A top-down list of mandatory high-level PIE categories subject to local refinement. • A bottom-up list of PIE categories that could be added by the relevant local bodies to the local PIE definitions. • An encouragement for firms to determine whether to treat additional entities as PIEs with a transparency requirement. <p>For More information go to: https://www.ethicsboard.org/_flysystem/azure-private/publications/files/IESBA-Basis-for-Conclusions_Listed-Entity-and-Public-Interest-Entity.pdf</p>	<p>Effective for audits of financial statements for periods beginning on or after 15th December, 2024.</p> <p>Early adoption will be permitted</p>

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

IPSASs applicable for the next coming years

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p>IPSAS 43: Leases</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 43 which replaces IPSAS 13 on issues related to leases.</p> <p>IPSAS 43 is a final product of phase one dealing with lease accounting model (s) for both lessees and lessors on the same definition of a lease as in IFRS 16.</p> <p>Now, IPSAS 43 requires the lease to recognize: -</p> <ul style="list-style-type: none"> (a) A right-of- use asset because they control the right to use the underlying compared with IPSAS 13 where the lease recognizes the underlying asset when the lease is classified as a finance lease but not when it is classified as an operating lease. (b) A lease liability because they have a present obligation to make future lease payments in accordance with the lease contract (once the underlying asset has been made available and the lessee has the right to use it). Under IPSAS 13, a lease liability is not recognized when the lessee classifies the lease as an operating lease. <p>For More information go to: https://www.ifac.org/system/files/publications/files/IPSAS-43-Leases_0.pdf</p>	<p>Effective for annual periods beginning on or after 1st January 2025.</p> <p>Earlier application is permitted for entities that apply IPSAS 41 at or before the date of initial application of this standard.</p>
<p>IPSAS 44: Non - current Assets Held for Sale and Discontinued Operations</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 44 non-current assets held for sale and discontinued operations.</p> <p>The standard specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:</p> <ul style="list-style-type: none"> Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. 	<p>Effective for annual periods beginning on or after 1st January 2025.</p> <p>Earlier application is permitted, and it is early applied entities shall disclose that fact and apply IPSAS 43 on leases at the same time.</p>

	<p>For More information go to: https://www.ifac.org/system/files/publications/files/IPSAS-44-Noncurrent-Assets.pdf</p>	
<p>IPSAS 45: Property, Plant and Equipment</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 45 Property, Plant and Equipment.</p> <p>IPSAS 45 intends at updating principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment</p> <p>This is after considering responses to the Consultation Paper (CP), Financial Reporting for Heritage in the Public Sector, and constituents' feedback on infrastructure assets the IPSASB concluded that:</p> <ul style="list-style-type: none"> (a) IPSAS 17 should fully apply to heritage assets that are property, plant, and equipment; and (b) Additional authoritative and non-authoritative guidance should be included in IPSAS 45 to clarify its application to heritage and infrastructure assets. <p>For More information go to: https://www.ifac.org/system/files/publications/files/IPSAS-44-Noncurrent-Assets.pdf</p>	<p>Effective for annual periods beginning on or after 1st January 2025.</p> <p>Earlier application is permitted for entities that apply IPSAS 43, IPSAS 44, and IPSAS 46 at or before the date of initial application of the Standard.</p>
<p>IPSAS 46: Measurement</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 46 Measurement.</p> <p>The objective of IPSAS 46 to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> (a) Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used; (b) Clarifying transaction costs guidance to enhance consistency across IPSAS; and 	<p>Effective for annual periods beginning on or after 1st January 2025.</p> <p>Earlier application is permitted.</p>

	<p>(c) Amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures</p> <p>For More information go to: https://ifacweb.blob.core.windows.net/publicfiles/2023-05/IPSAS-46-Measurement.pdf</p>	
IPSAS 47: Revenue	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 47 Revenue.</p> <p>The objective of IPSAS 47 is to:</p> <ul style="list-style-type: none"> (a) Present revenue guidance in a single standard by replacing IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers); (b) Clarify and refine the accounting principles and concepts to account for revenue transactions in the public sector; and (c) Provide non-authoritative guidance to help preparers use professional judgment in applying the accounting principles consistently. <p>For More information go to: https://ifacweb.blob.core.windows.net/publicfiles/2023-05/IPSAS-47-Revenue_0.pdf</p>	<p>Effective for annual periods beginning on or after 1st January 2026.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact.</p>
IPSAS 48: Transfer Expenses	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 48 Transfer Expenses.</p> <p>The objective of IPSAS 48 is to:</p> <ul style="list-style-type: none"> (a) Revise the accounting of transfer expenses to move away from the Public Sector Performance Obligation Approach (PSPOA) and to focus on whether the transfer transaction results in the recognition of an asset; (b) Focus on the accounting from the perspective of the transfer provider (the entity); and (c) Streamline the requirements for measurement, as well as presentation and disclosure. <p>For More information go to: https://ifacweb.blob.core.windows.net/publicfiles/2023-05/IPSAS-48-Transfer-Expenses.pdf</p>	<p>Effective for annual periods beginning on or after 1st January 2026.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact and shall apply IPSAS 47, Revenue, at the same time.</p>

<p>IPSAS 49: Retirement Benefit Plans</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 49 on Retirement Benefit Plans.</p> <p>The objective of IPSAS 49 is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants.</p> <p>IPSAS 49 establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members.</p> <p>For More information go to: https://ifacweb.blob.core.windows.net/publicfiles/2023-11/IPSAS-49-Retirement-Benefit-Plans_0.pdf</p>	<p>Effective for annual periods beginning on or after 1st January 2026.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact.</p>
<p>Conceptual Framework Updates: Chapter 7: Measurement of assets and liabilities in the financial statement</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued an updated version of chapter 7 on measurement of assets and liabilities in the financial statement.</p> <p>The objective of the updated version of chapter 7 is to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> (a) Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used; (b) Clarifying transaction costs guidance to enhance consistency across IPSAS; and (c) Amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures. <p>For More information go to: https://ifacweb.blob.core.windows.net/publicfiles/2023-05/Update-Chapter-7-Conceptual-Framework.pdf</p>	<p>Effective when published</p>
<p>Recommended Practice Guidelines: Reporting Sustainability Program Information – Amendments to RPGs 1 and 3: Additional Non-</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued Recommended Practice Guidelines on Reporting Sustainability Program Information, Amendments to RPGs 1 and 3 and Additional Non - Authoritative Guidance.</p> <p>The amendments to RPG 1 added implementation guidance to:</p>	<p>Effective when published</p>

<p>Authoritative Guidance</p>	<p>(a) Emphasize that RPG 1 applies to reporting information on the impact of sustainability programs on an entity’s overall finances;</p> <p>(b) Explain how sustainability program impacts on the three dimensions (service, revenue, and debt) of long-term fiscal sustainability should be assessed; and</p> <p>(c) Highlight the applicable principles for reporting on sustainability program information</p> <p>For More information go to: https://ifacweb.blob.core.windows.net/publicfiles/2023-05/Reporting-Sustainability-Program-Information-Amendments-RPG-1-RPG-3.pdf</p>	
<p>Final Pronouncement: Improvements to IPSAS, 2021</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a final pronouncement on Improvements to IPSAS, 2021.</p> <p>The pronouncement deals with non-substantial changes to IPSAS through a collection of amendments that are unrelated, it categorizes the improvements to IPSAS into two parts: -</p> <p>Part I: General Improvements to IPSAS Relates to amendments arise from comments received from stakeholders</p> <p>Part II: IFRS alignment improvements to IPSAS Relates to amendments arise through consideration of the annual improvements and narrow scope amendments to projects of the IASB.</p> <p>For More information go to: https://www.ifac.org/system/files/publications/files/Improvementsto-IPSAS-2021_1.pdf</p>	<p>Effective dates are as per the final pronouncements of each individual amended standard.</p>

<p>Final Pronouncement: Amendments to IPSAS 5, Borrowing Costs – Non- Authoritative Guidance</p>	<p>The International Public Sector Accounting Standards Board (IPSASB) has issued a non-authoritative guidance on amendments to IPSAS 5, Borrowing Costs.</p> <p>The objective of this pronouncement is to add non-authoritative material to IPSAS 5, Borrowing Costs, and to provide guidance for determining the extent to which borrowing costs can be capitalized.</p> <p>The amendments add implementation guidance and illustrative examples, which IPSAS 5 does not currently contain.</p> <p>For More information go to: https://www.ifac.org/system/files/publications/files/IPSASB-FinalPronouncement-Amendments-IPSAS-5-Borrowing-Costs.pdf</p>	<p>No amendment to authoritative standard.</p>
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INTERNATIONAL FINANCIAL REPORTING STANDARDS

IFRS Ss expected to be applicable soon

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p>IFRS 18: General Presentation and Disclosure in Financial Statements</p>	<p>The International Accounting Standard Board (IASB) has issued the IFRS 18 on the General Presentation and Disclosure in Financial Statements.</p> <p>The main changes introduced by IFRS 18 relate to three areas:</p> <ol style="list-style-type: none"> 1. Presentation of new defined subtotals in the statement of profit or loss—operating profit and profit before financing and income taxes—and consistent classification of income and expenses in categories to provide useful information and improve comparability 2. Disclosure of information about management-defined performance measures (MPMs) to promote transparency and discipline 3. Enhanced requirements for grouping (aggregation and disaggregation) of information to help a company provide useful information <p>For more information go to: https://www.ifrs.org/content/dam/ifrs/publications/amendments/english/2024/effect-analysis-ifrs18-april2024.pdf</p>	<p>An entity shall apply this Standard for annual reporting periods beginning on or after 1st January 2024.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact and apply IFRS S2.</p> <p>.</p>

UPDATES ON TAX AND NON-TAX ISSUES FOR FINANCIAL YEAR 2024/2025

PROJECTS/APPROVED TAX ISSUES	CHANGES	EFFECTIVE DATE
The Banking and Financial Institutions Act, (CAP. 342)	<p>Amendment of the principal Act in section 24 (1) to substitute the word “and interest-rate” with “interest, profit or return”</p> <p>Reason for the amendment: The amendment intends to enhance banks that do not charge interest to operate with their accounts or their customers’ accounts to access Government Bonds.</p> <p>The principal Act has been amended to show distribution of the amount realized from disposing off abandoned properties surrendered to the Bank of Tanzania as follows: -</p> <ul style="list-style-type: none"> (a) ninety percent of the abandoned properties to be submitted to the Consolidated Fund; and (b) ten percent of the remaining abandoned properties to be deposited in the General Reserve Fund maintained by the Bank. 	Applicable from 1st July 2024
The Bank of Tanzania Act, (CAP. 197)	<p>The principal Act is amended in sections 32(2)(b); 35(1); 41 and 42(2) of the Bank of Tanzania Act CAP.197, by adding the words ‘return’ or ‘profit’ in the said sections.</p> <p>Reason for the amendment: The amendment intends to enhance banks and financial institutions that do not charge interest to access opportunity the same way as other conventional banks and financial institutions.</p>	
The Budget Act, (CAP. 439)	<p>The principal Act is amended in sections 35 by putting in place established clear criteria for the creation of a specialized fund dedicated to financing emergency repairs of deteriorating road infrastructure. The fund shall draw its resources from various streams: -</p> <ul style="list-style-type: none"> (a) funds appropriated from the Consolidated Fund in any financial year; (b) windfall fuel toll charged pursuant to the Road and Fuel Tolls Act; and (c) fifty percent of the railway development levy charged pursuant to the Railways Act. <p>Reason for the amendment: The amendment intends to deal with the considerable damage inflicted by climate change, necessitating immediate action.</p>	
The Cashew nut Industry Act, (CAP. 203)	<p>The principal Act is amended in sections 17A to require effective from 1st July, 2024, the whole amount of export levy collected under subsection (1) to be remitted to the Cashew nut Board for a period of five years.</p>	

	<p>Reason for the amendment: The amendment intends to stimulate development of cashew nut subsector and facilitate the availability of fund for subsidy and research as well as increasing the contribution of cashew nut to the economic growth</p>	
<p>The Excise (Management and Tariff) Act, (CAP. 147)</p>	<p>The principal Act is amended in sections 124 (6A) to introduce 10 percent excise duty rate to be paid by a service provider for commercial advertisement in respect of advertisement fee in Television, print media and radio stations for betting, gaming and lotteries advertisement.</p>	
	<p>Reason for the amendment: The amendment intends to expand tax base.</p>	
	<p>The principal Act is amended in sections 130, the fourth schedule and adding subsection 146 to introduce excise duty at the rate of Shilling 7,000 per litre on Imported Un-denatured Ethyl Alcohol and Shilling 5000 on locally produced Un-denatured Ethyl Alcohol of an alcoholic strength by volume of 80% vol or higher (Ethanol) with HS Code 2207.10.00 except Undenatured Ethyl Alcohol used for purposes other than manufacturing scheduled article upon recommendations of the responsible Minister in the respective use.</p>	
	<p>Reason for the amendment: The amendment intends to protect domestic industries.</p>	
	<p>The principal Act is amended on the fourth schedule to reduce excise duty on locally produced bottled water with HS Code 2201.10.00 and 2201.90.00 from Shilling 63.80 to Shilling 56 per litre.</p>	
	<p>Reason for the amendment: The amendment intends to support the growth of small-scale factories producing water in the country, provide relief to consumers, and promote the use of clean and safe water.</p>	
	<p>The principal Act is amended on the fourth schedule to introduce excise duty at the rate of Shilling 300 per Kilogram on imported and locally manufactured Tomato Sauce and Tomato Ketchup (Other than Tomato Paste) with HS Code 2103.20.00 and Chilli Sause and Chilli Ketchup (other than chili paste) and Mango pickle with HS Code 2103.90.00.</p>	
	<p>Reason for the amendment: The amendment intends to broaden tax base and increase Government revenue to finance public spending including cushion the effects caused by consumption of sugar and salt contained in those goods.</p>	
	<p>The principal Act is amended on the fourth schedule to introduce excise duty at the rate of Shilling 500 per Kilogram of locally manufactured and imported solvent based paints and vanishes (paint or varnish that</p>	

	<p>dissolves in a non-aqueous medium) of heading 32.08.</p> <p>Reason for the amendment: The amendment intends to broaden tax base and increase Government revenue to finance public spending including cushion the effects caused by consumption of solvent based paints.</p> <p>The principal Act is amended on the fourth schedule to introduce excise duty at the rate of shilling 963.90 per litre on imported opaque beer with HS Code 2206.00.20 and shilling 2,959.74 on other imported beer made of mixed fruits with HS Code 2206.20.90.</p> <p>Reason for the amendment: The amendment intends to enhance equity principle of taxation.</p>																									
<p>The Export Tax Act, (CAP. 196)</p>	<p>The principal Act is amended to the introduce export levy at the rate of 10 percent on the FOB value of the Crude Sunflower Oil, Sunflower Cake and Sunflower seeds.</p>																									
<p>The Gaming Act, (CAP. 41)</p>	<p>The principal Act is amended in sections 26(1) by amending paragraph d and include paragraph r to include additional licences issued under the Gaming Act for:-</p> <p>(a) a seller or distributor licence for supplying, selling or servicing tokens used in slot machines and</p> <p>(b) a dealer's certificate on gaming activities.</p> <p>The principal Act is amended in sections 73 by removing lawful coins of Tanzania as part of the coins to be used in gaming activities.</p>																									
<p>The Imports Control Act, (CAP. 276)</p>	<p>The principal Act is amended by adding section 18A by introducing Industrial Development Levy on selected imported goods as follows: -</p> <table border="1" data-bbox="600 922 1803 1361"> <thead> <tr> <th>No.</th> <th>HS Code</th> <th>Description</th> <th>Industrial Development Levy Rate</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>7213.91.10 7213.91.90</td> <td>Wire rod</td> <td>10%</td> </tr> <tr> <td>2.</td> <td>2203.00.10 2203.00.90</td> <td>Beer</td> <td>5%</td> </tr> <tr> <td>3.</td> <td>2204.10.00 2204.21.00 2204.22.00 2204.29.00 2204.30.00 2205.10.00 2205.90.00</td> <td>wine</td> <td>10%</td> </tr> <tr> <td>4.</td> <td>2202.99.00</td> <td>Energy drink</td> <td>5%</td> </tr> <tr> <td>5.</td> <td>2202.91.00</td> <td>Non-alcoholic beer</td> <td>5%</td> </tr> </tbody> </table>	No.	HS Code	Description	Industrial Development Levy Rate	1.	7213.91.10 7213.91.90	Wire rod	10%	2.	2203.00.10 2203.00.90	Beer	5%	3.	2204.10.00 2204.21.00 2204.22.00 2204.29.00 2204.30.00 2205.10.00 2205.90.00	wine	10%	4.	2202.99.00	Energy drink	5%	5.	2202.91.00	Non-alcoholic beer	5%	
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6.	3402.50.00 3402.90.00	Other organic surface-active agents, whether or not put up for retail sale	10%
7.	2523.10.00	Cement Clinkers	10%
8.	2523.29.00	Portland Cement	10%

The Industrial Development Levy will not apply on goods originating from East African Community Partner States that meet the East African Community Rules of Origin.

Reason for the amendment:

The amendment intends to support local manufacturing, spur investments and increase exports.

The Income Tax Act, (CAP. 332)

The principal Act is amended in sections 3 to include the following definitions: -

- (1) artisanal miner
- (2) digital content
- (3) digital content creator

The principal Act is amended in sections 4(8) to include to exempt tea processing companies which persistently make losses from paying Alternative Minimum Tax requirements for three years. For the case of a corporation conducting tea processing, application of this requirement shall effectively start from 1st July, 2024 and ends on 30th June, 2027.

Reason for the amendment:

The amendment intends to relieve the tea industry which is currently facing losses due to falling of market prices

The principal Act is amended in sections 11 by adding subsection 4 to require the use electronic receipts to authenticate purchases made in a particular year of income. The amendment excludes sellers of goods or suppliers of services who are foreign citizens and are outside the Mainland Tanzania (a non-resident person with no permanent establishment in the United Republic) or any person who is not required to issue electronic receipts (has been excluded from a requirement to issue fiscal receipt in accordance with section 36(2) of the Tax Administration Act).

Reason for the amendment:

The amendment intends to emphasize the issuing of electronic receipts and protect government revenue

The principal Act is amended in sections 56(5)(a) to exclude applicability of Sectionv56 on allotment of shares in a resident entity.

Reason for the amendment:

	<p>The amendment intends to resolve the existing challenges in implementation and administration</p>	
	<p>The principal Act is amended in sections 19(2) to enhance profit base subject to tax chargeability from the fourth year of the loss-making business entities made in consecutive years; from 30 to 40 per cent.</p>	
	<p>Reason for the amendment: The amendment intends to make the government collect taxes earlier without affecting previous business losses incurred by the business entity which shall be allowed deductions in the subsequent years of income</p>	
	<p>The principal Act is amended in sections 64(8)(a) to include institutions which deal with advancement of health services and environmental conservation/protection under charitable institutions so as to relieve them of income tax obligations.</p>	
	<p>Reason for the amendment: The amendment intends encourage charitable services particularly in the health and environment maintenance sectors to support the global fight against climate changes.</p>	
	<p>The principal Act is amended in sections 82 to exempt withholding from investment returns construction equipment or machinery and withholding tax chargeable on interest when Resident Financial Institutions make payments to foreign Non-residents Financial Institutions and Funds which has agreement with the Government of the United Republic of Tanzania to dispense concessionary loans to resident banks and Financial Institutions. The amendment requires the exemption to be granted when the signed agreement meets conditions and national legal requirements and has article(s) which specifically stipulates for tax exemption.</p>	
	<p>Reason for the amendment: The amendment intends to encourage prompt economic growth through availability of affordable credit financing facility to citizens and enable domestic banks to get concessionary loans from foreign banks abroad.</p>	
	<p>The principal Act is amended in sections 64(8)(a) to introduce the Withholding Tax at the rate of 2 percent for payments received in purchase of industrial minerals except salt, metallic minerals or other precious minerals as stipulated in the Mining Act, Cap 123 when sold by Primary Mining Licensee or Artisanal miner.</p>	
	<p>Reason for the amendment: The amendment intends enhance the tax base and ensure adherence to tax equity principles.</p>	
	<p>The principal Act is amended to include sections 83B, 83C and 83D to define the meaning of digital assets and to introduce the Withholding Tax on income derived from transfer of digital assets. In this case owner of the digital platform, or any person who facilitates digital asset transfers or exchange, will become a</p>	

withholding agent and shall remit the withheld tax to the Commissioner General of the Tanzania Revenue Authority.

Reason for the amendment:

The amendment intends to broaden tax base.

The principal Act is amended in section 91 to extend period of due date for filing a return of income by a person whose financial statements are audited by the Controller and Auditor General (CAG) for nine months after the year-end.

Reason for the amendment:

The amendment intends to provide more time to the CAG to audit financial statements of government entities on account of formalities and procedures in the government.

The principal Act is amended in sections section 92 to exempt nonresident individuals whose income for the year of income consists exclusively of income from employment from the obligation of filing a tax return.

Reason for the amendment:

The amendment intends to align the law with the current framework in which resident individuals who only receive employment income are exempted from filing income tax returns.

The principal Act is amended in the first schedule to change applicable taxes on passenger transportation business with gross income not exceeding one hundred million shillings and which are not legally bound to prepare accounts.

“Class A: Passenger Service Vehicles		
S/N	Number of Passengers	Tax Payable
1.	Up to 15	250,000
2.	16 to 30	650,000
3.	31 to 45	1,100,000
4.	46 to 65	1,600,000
5.	Above 65	2,200,000

Reason for the amendment:

The amendment intends to relieve the tax burden on the business entities of category A in order to conform with passenger transportation norms especially the city commuters (daladala).

The principal Act is amended in the first schedule to introduce a 5% withholding tax on payments of royalties made by a resident person to a resident sports entity or the Tanzania Football Federation.

<p>The Land Act, (CAP. 113)</p>	<p>The principal Act is amended in sections 33(a) to require 20 percent of the collected revenue from property tax and land rent to be direct remitted to the Local Government Authorities (Councils) accounts, instead of current status whereby such revenues are remitted to the Consolidated Fund and later Local Government apply for a 20 percent refund.</p> <p>Reason for the amendment: The amendment intends to enhance the efficiency of Local Government Authority on monitoring and collection of property tax and land rent.</p>	
<p>The Local Government Authorities (Rating) Act, (CAP. 289)</p>	<p>The principal Act is amended in sections 16 to require 20 percent of the collected revenue from property tax and land rent to be direct remitted to the Local Government Authorities (Councils) accounts, instead of current status whereby such revenues are remitted to the Consolidated Fund and later Local Government apply for a 20 percent refund.</p> <p>Reason for the amendment: The amendment intends to enhance the efficiency of Local Government Authority on monitoring and collection of property tax and land rent.</p>	
<p>The Local Government Finance Act, (CAP. 290)</p>	<p>The principal Act is amended in sections 37A to give power to local government authorities, if no loan applications are received from the specified groups under this section, to issue loans to any of these groups using the percentage allocated to the group from which no applications were received.</p>	
<p>The Microfinance Act, (CAP. 407)</p>	<p>The principal Act is amended in sections 4(3) by adding the words “return or profits” between the words “interest” and “on”.</p> <p>Reason for the amendment: The amendment intends to enhance institutions or companies that gives microfinance services to issue the said services without charging interest.</p>	
<p>The Mining Act, (CAP. 123)</p>	<p>The principal Act is amended in sections 90A to exempt the supply of gold to the Bank of Tanzania (BOT) from paying inspection fee of 1 percent.</p> <p>Reason for the amendment: The amendment intends to incentivize the supply of Gold to BOT as well as reducing associated cost to enhance growth of National gold and foreign currency reserve and addressing the shortage of US Dollars for various international transactions</p>	
	<p>The principal Act is amended by repealing sections 59 to require mining license holders and mineral traders to allocate amount of minerals for processing, smelting, refining and selling domestically. The allocated amount will be determined by the Minister responsible for mining in accordance with the Mineral Markets Regulations of 2019, with an initial provision of 20 percent of the domestically produced gold.</p>	

	<p>Moreover, by respecting agreements, this requirement will not be applicable to Mining Companies that have entered agreements with the Government for gold mining projects within the country. Further, the Government will renegotiate with mining companies for the purpose of considering the possibility of implementing the requirements of at least 20 percent provision without affecting the terms to the agreement.</p> <p>Reason for the amendment: The amendment intends to enhance foreign currency reserve and address the shortage of US Dollar for different international transactions as well as enhancing growth of local refineries by ensuring of availability of gold stock for accreditation purpose.</p>	
	<p>The principal Act is amended by adding sections 72A immediately after the heading to Part V to recognize The Bank of Tanzania (BOT) as the Statutory Gold Dealer.</p> <p>Reason for the amendment: The amendment intends to harmonize the Bank of Tanzania Act and the Mining Act by addressing the existing ambiguity as well as enhancing smooth purchases of Gold by the BOT for the purpose of growth of National gold and foreign currency reserve in the country.</p>	
	<p>The principal Act is amended in sections 87 for charging royalty rate of four (4) percent on the supply of gold to be sold to the Bank of Tanzania.</p> <p>Reason for the amendment: The amendment intends to incentivize the supply of Gold to BOT and also reduce associated cost to enhance growth of National gold and foreign currency reserve and address the shortage of United State Dollar for different international transactions.</p>	
<p>The Motor Vehicle (Tax on Registration and Transfer) Act, (CAP. 124)</p>	<p>The principal Act is amended in the first schedule to include electrical motor vehicle in the scope of vehicle registration as follows.</p> <ul style="list-style-type: none"> (i) micro hybrid with capacity 5< Kw, ninety- five thousand shillings (95,000/=); (ii) mild or semi-hybrid with capacity 6-30 Kw, two hundred and fifty thousand shillings (250,000/=); (iii) full hybrid with capacity 31-40 Kw, two hundred and fifty thousand shillings (250,000/=); and (iv) plug-in hybrid with capacity 41-90 Kw, two hundred and fifty thousand shillings (250,000/=); <p>Reason for the amendment: The amendment intends to adhere to the principle of equity in taxation and to accommodate technological advancement.</p>	

<p>The National Industries (Licensing and Registration) Act, (CAP. 46)</p>	<p>The principal Act is amended in section 17 by adding section 17A to requires industries that are registered or licensed under the National Industries (Licensing and Registration) Act and have been granted a certificate under the Tanzania Investment Act, to comply with specific performance conditions if they receive any of the following benefits:</p> <ul style="list-style-type: none"> (a) An exemption or zero-rate under the Value Added Tax Act; (b) Duty remission under the East African Community Customs Management Act; or (c) a stay of application of the East African Community Common External Tariff. <p>These industries must agree to the performance conditions with the Minister responsible for Finance. The ministry has the authority to regulate how these conditions are applied and monitored.</p>	
<p>The National Parks Act, (CAP. 282)</p>	<p>The principal Act is amended in section 9 to require all fees, monies and charges payable to the Board of Trustee to be collected by the Tanzania Revenue Authority and distributed as follows:</p> <ul style="list-style-type: none"> (a) 9% to be deposited in the special account opened at the BOT where: - <ul style="list-style-type: none"> (i) 3% will be allocated to the Tanzania Wildlife Protection Fund and; (ii) 6% allocated to Tourism Development Levy; and (b) 91% to be deposited in the Consolidated Fund. 	
<p>The Ngorongoro Conservation Area Act, (CAP. 284)</p>	<p>The principal Act is amended in section 12 to require all fees, monies and charges payable to the Authority to be collected by the Tanzania Revenue Authority and distributed as follows:</p> <ul style="list-style-type: none"> (a) 9% to be deposited in the special account opened at the BOT where: - <ul style="list-style-type: none"> (iii) 3% will be allocated to the Tanzania Wildlife Protection Fund and; (iv) 6% allocated to Tourism Development Levy; and any expenditure requires the approval of the Paymaster General; and (b) 91% to be deposited in the Consolidated Fund. 	
<p>The Plant Health Act, (CAP. 133)</p>	<p>The principal Act is amended by adding section 35A to require all fees and charges in respect of inspection services on imported or exported plant, plant products or regulated articles payable to the Tanzania Plant Health and Pesticides Authority (TPHPA) to be distributed as follows:</p> <ul style="list-style-type: none"> (a) 70% to be remitted to the Agricultural Development Fund; and (b) 30% to be deposited in the Consolidated Fund. <p>Reason for the amendment: The amendment intends to stimulate the development of the agricultural sector and support the availability of fund for the various responsibilities of the Government.</p>	
<p>The Ports Act, (CAP. 166)</p>	<p>The principal Act is amended in section 67 to reinstated the mandate of the Tanzania Ports Authority (TPA) to collect wharfage. Currently, this charge is collected by Tanzania Revenue Authority (TRA) through the customs declaration system (TANCIS). The revenue collected will be deposited in the TPA's</p>	

	<p>account at the Bank of Tanzania (BOT) and such revenue will be utilized upon authorization by the Paymaster General.</p> <p>Reason for the amendment: The amendment intends to facilitate Tanzania Ports Authority (TPA) to promptly acquire funds for improving port infrastructure, thereby bolstering its operation efficiency.</p>	
The Railways Act, (CAP. 170)	<p>The principal Act is amended in section 68 by increasing railway development levy from 1.5 percent of CIF value to 2 percent of CIF value. Furthermore, the revenue to be collected by the TRA shall be remitted in the following manner, 50% to the Railway Infrastructure Fund and 50% to the Contingency Fund to be used for road infrastructure maintenance.</p> <p>Reason for the amendment: The amendment intends to raise the funds for the development and maintenance of the railway and road infrastructure.</p>	
The Road and Fuel Tolls Act, (CAP. 220)	<p>The principal Act is amended in section 4A and section 7 to introduce road and fuel toll on windfall profits on owners or persons in possession of windfall fuel. Windfall fuel has been defined as ‘fuel whose market price has dropped without a reduction in the market price’. Again, windfall profit is defined as ‘the surplus profit earned or to be earned by the owner or possessor of windfall fuel’. The amendment comes with requirements for owners or possessors of fuel storage facilities to keep and file records with the Tanzania Revenue Authority (TRA) by the 20th day of the following month.</p> <p>The amount derived from the collection of windfall fuel toll to be remitted to the account of the Contingency Fund established under the Budget Act to be used solely for road infrastructure maintenance.</p> <p>Reason for the amendment: The amendment intends to increase government revenue for roads construction, repair and maintenance.</p>	
The Universal Health Insurance Fund Act, (CAP 161)	<p>The principal Act is amended in section 25 to expand coverage to include medical treatment for pregnant women, and children under five years old. It also introduces new funding sources for the programme including a percentage of excise duties on certain consumer goods and gambling activities, and a new insurance fee for motor vehicles.</p> <p>Reason for the amendment: The amendment intends to increase Government revenue for financing Universal Health Coverage for vulnerable people and special groups, especially pregnant women and children under five.</p>	
The Sugar Industry Act, (CAP. 251)	<p>The principal Act is amended in section 4(2) and section 14, addition of section 11C, 11D and 14A and repealing section 13 to:</p>	

	<p>(1) Give authority to the Sugar Board to impose and collect levies, expanding its financial capabilities and is required to assess and declare average sugar production costs at the start of each season, promoting industry transparency.</p> <p>(2) Give authority to the Sugar Board to issue provisional licenses to various sugar industry players, facilitating market entry and monitoring.</p> <p>(3) Require sugar manufacturers to publicly declare their distributors for each region, enhancing supply chain visibility.</p> <p>(4) To give exclusive mandate to the National Food Reserve Agency to import, store and distribute sugar to cover gaps or maintain buffer stock.</p> <p>Reason for the amendment: The amendment intends to increase revenue that will enhance the Sugar Board to perform its duties including training and capacity building in the sugar industry as well as monitor sugar production through expansion of existing industries and fostering new investments and ensure constant availability of sugar in the country and manage hoardings of sugar by manufacturers without compromising protection of local industries</p>	
<p>The Tax Administration Act, (CAP. 438)</p>	<p>The principal Act is amended in the second schedule to increase the currency points from Shilling 15,000 to Shilling 20,000.</p> <p>Reason for the amendment: The amendment intends to increase revenue to restore the parity of relative prices and safeguard real value of Government revenue. Specific rates tend to lose value if remain unchanged over time and thus has been adjusted to adjust the rate in order to restore the value of money.</p> <p>The principal Act is amended by adding section 24A and section 84A to require a cargo consolidator to comply with customs and other laws and procedures governing deconsolidation of cargo to its owners at the time of the importation of goods in the country. Failure to comply with such laws is an offence and upon conviction, attracts a fine equal to 30% of the customs value of the imported cargo. A 'cargo consolidator' has been defined as 'a person licensed by a competent authority to operate cargo consolidation and deconsolidation businesses.</p> <p>The principal Act is amended by adding section 37(2) to require income tax returns by parastatals or entities wholly or substantially owned by the Government to be signed by a manager and head of finance or certified public accountant appointed or employed in the public service by the parastatal or such entity for that purpose. This person is required to declare that the tax return is complete and accurate.</p> <p>The principal Act is amended by adding section 51 to indicate that an objection is regarded as accepted once the taxpayer has paid the required tax deposit to validate the objection, in accordance with section 51(7) of the Taxa Administration Act. Previously, there was ambiguity about when an objection was</p>	

	<p>officially considered accepted for determining the timeframe in which the Commissioner must make a decision on it.</p> <p>The principal Act is amended in section 3 to introduce a definition of the term 'tax audit' as an 'examination of taxpayer's tax affairs to check compliance with tax laws, and includes desk audit, issue-oriented audit or comprehensive audit'. In this case, the tax audit provisions of the Tax Administration Act will also extend to Tanzania Revenue Authority (TRA) reviews that involve desk audits or issue-specific verifications.</p> <p>The principal Act is amended in section 34 to recognize that documents as duly served when they are sent to the Commissioner General or a person via email, fax, or any other electronic method as specified by written laws on electronic transactions. This amendment seems to apply to documents served by both the Commissioner General and taxpayers.</p> <p>The principal Act is amended in section 86(1) by setting a maximum fine for the offense of failure to issue fiscal receipt at the amount of 200 currency points (equivalent to TZS 4 million).</p> <p>Reason for the amendment: The amendment intends to provide relief to taxpayers and enhance voluntary tax compliance</p>	
<p>The Tax Revenue Appeals Act, (CAP. 408)</p>	<p>The principal Act is amended in section 22 for Tanzania Revenue Appeals Board (TRAB) or Tanzania Revenue Appeals Tribunal (TRAT) to now mandate that appeals be resolved within 60 days from when the TRAB or TRAT issues an order for the parties to reach an amicable settlement. A 10-day extension may be granted upon request from the parties. If the appeal is not settled within this time frame, the TRAB or TRAT will consider the settlement attempt unsuccessful and move forward with the hearing. The amendment does not offer additional guidance on appeals that are already in settlement discussions as of the effective date.</p> <p>The principal Act is amended in section 4(3) to stipulate that the chairman or vice chairman of the Board must be a judicial officer or law officer with a minimum of seven years of experience and a thorough understanding of taxation. Previously, the chairman could be a principal legal officer or any individual with sufficient knowledge of taxation.</p> <p>The principal Act is amended in section 4(4) to grant the Minister of Finance to issue an extended jurisdiction certificate allowing a Board member to hear and resolve an appeal from a region where they were not originally appointed.</p>	
<p>The Value Added Tax Act, (CAP. 148)</p>	<p>The principal Act is amended in part I of the schedule to incorporate Value Added Tax exemption on supply and importation of motor vehicles, equipment, machinery and other goods for official use of Tanzania People's Defense Force. The exemption will be granted upon approval of the goods by the Minister responsible for defense and security.</p>	

	<p>Reason for the amendment: The amendment intends to enable the Military to carry out its duties of defending the Country</p> <hr/> <p>The principal Act is amended in part I item 31 of the schedule to incorporate Value Added Tax exemption on supply of: - (a) aircraft and aircraft maintenance to a local operator of air transportation; or (b) aircraft engine and aircraft parts to a local manufacturer or assembler of aircraft or to a local operator of air transportation.</p> <p>Reason for the amendment: The amendment intends to enhance competitiveness of domestic aircraft producers and assemblers in the market, attract investment into the Country, stimulate the growth of the Aviation industry, and support efforts to boost Tourism Sector.</p> <hr/> <p>The principal Act is amended in part I item 34 of the schedule to incorporate Value Added Tax exemption on supply of sewerage services by a water supply and sanitation authority.</p> <p>Reason for the amendment: The amendment intends to facilitate provision of sustainable and clean water services in the country</p> <hr/> <p>The principal Act is amended in part I item 33 of the schedule to incorporate Value Added Tax exemption on supply of video assistant referee (VAR) technology equipment and accessories upon approval by the Minister responsible for sports.</p> <p>Reason for the amendment: The amendment intends to ensure that the country gets necessary sports equipment considering that Tanzania is one of the countries that have been chosen to host the Africa Cup of Nations (AFCON) tournament in 2027 and thus benefiting from an increase in foreign exchange reserves, enhance the country's international image, and provide opportunities for local companies to advertise their businesses.</p> <hr/> <p>The principal Act is amended in section 51(2) to incorporate online data services in the Value Added Tax base, whereas online data services has been defined as any form of monetization of user data including the sale or licensing of, or access to user data or information collected through user engagement with an online platform, whether sold or licensed directly or indirectly, aggregated or disaggregated, anonymized or used in any other form</p> <p>Reason for the amendment: The amendment intends to broaden the tax base and keep pace with technological changes</p>	
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	<p>The principal Act is amended in section 11(10) to abolish Value Added Tax on supply and importation of agricultural implements with HS Code 8201.10.00 (Spades and Shovels) and HS Code 8201.30.00 (Mattocks and Picks).</p> <p>Reason for the amendment: The amendment intends to align with the Government's aim to reduce exemptions in order to safeguard Government revenue and reduce tax expenditure, as the assessment conducted has revealed that the sought exemption has not achieved its intended objectives due to the equipment having multiple uses.</p>	
	<p>The principal Act is amended in part I item 33 of the schedule to incorporate Value Added Tax exemption on single axle tractors (Power Tiller) of HS Code 8701.10.00.</p> <p>Reason for the amendment: The amendment intends to reflect the scope of exempted items and to harmonize the HS Codes in the East African Community Common External Tariff book, 2017 with those contained in the current version of External Tariff book of the year 2022</p>	
	<p>The principal Act is amended by adding section 55C to zero rate supply of gold to Bank of Tanzania.</p> <p>Reason for the amendment: The amendment intends to incentivize supply of gold to the Central Bank of Tanzania, thus increasing the country's foreign currency reserves and reducing the shortage of US dollars. Furthermore, the amendment intends to stimulate the growth of gold refining industries in the country as the Bank of Tanzania purchases gold only after it has been refined by domestic refineries</p>	
	<p>The principal Act is amended by adding section 55D to zero rate Value Added Tax on gold supplied to licensed refinery in Mainland Tanzania.</p> <p>Reason for the amendment: The amendment intends to promote the growth of domestic refineries in the country by ensuring that they have enough feedstock. Furthermore, the amendment intends to fulfil the Government's intention of ensuring that raw gold minerals are refined in the country for value addition before being exported</p>	
	<p>The principal Act is amended in section 29 to require a person registered for VAT as an intending trader to notify the Tanzania Revenue Authority (TRA) where production does not commence within the period communicated to TRA. The notification needs to be made within 90 days after the end of such period. Failure to notify the TRA results in the person being deemed deregistered for VAT.</p>	
	<p>The principal Act is amended in section 6(2) to exempt: -</p>	

	<p>(a) importation or supply of water sanitation and treatment chemicals namely chlorine of HS Code 2801.10.00, aluminum sulphate of HS Code 2833.22.00, calcium hypochlorite of HS Code 2828.10.00, powdered activated carbon of HS Code 3802.10.00, potassium permanganate of HS Code 2841.61.00, carbon dioxide of HS Code 2811.21.00, poly aluminium chloride (PAC) of HS Code 2827.32.00, hydraulic lime of HS Code 2522.30.00, sodium metabisulphite of HS Code 2832.20.00, sodium hydroxide of HS Code 2815.12.00, algae floc 19s of HS Code 2827.32.00 and water meters of HS Code 9028.20.00 by a water supply and sanitation authority upon approval of the Minister responsible for water; and</p> <p>(b) importation or supply of equipment and machinery for processing and storing bee products namely honey settling tank of HS Code 8436.80.00; honey homogenizer tank of HS Code 8479.80.00; honey/wax press machine of HS Code 8436.80.00; wax sterilizer of HS Code 8419.89.00; wax melter of HS Code 8419. 89.00; honey barrel of HS Code 7310.10.00; and sack for honey barrel HS Code 3923.29.00 by bee keepers upon approval of the Minister responsible for natural resources.”.</p>	
	<p>The principal Act is amended in section 2 by adding the following definitions: -</p> <p>(a) The term ‘gaming supply’ has now been defined in line with the supply of gaming activities as per the Gaming Act.</p> <p>(b) A serviced apartment has been defined to mean ‘a furnished apartment or similar establishment available for short-term or long-term stay providing amenities for daily use, housekeeping and a range of other services all included within the rental price’.</p>	
<p>The Vocational Education and Training Act, (CAP. 82)</p>	<p>The principal Act is amended in section 19(1) by including casual laborers employed in the execution of water projects managed by Water Authorities in the scope of exemption.</p> <p>Reason for the amendment: The amendment intends to reduce project costs and enhance efficiency in water supply in the Country.</p>	
<p>The Wildlife Conservation Act, (CAP. 283)</p>	<p>The principal Act is amended in section 8 by adding subsection 2 and subsection 3 to require all fees, monies and charges payable to the Tanzania Wildlife Management Authority (TAWA) to be collected by the Tanzania Revenue Authority and distributed as follows:</p> <p>(a) 3% to be deposited in the special account opened at the BOT where 3% will be allocated to the Tanzania Wildlife Protection Fund and any expenditure requires the approval of the Paymaster General; and</p> <p>(b) 97% to be deposited in the Consolidated Fund.</p> <p>The principal Act is amended in section 8 by adding subsection 4 to include distribution of funds obtained from tourist hunting activities as follows:</p> <p>(a) under hunting blocks: 75% to be deposited in the account of the Tanzania Wildlife Management Authority (TAWA); and 25% to be deposited in the Consolidated Fund;</p>	

	<p>(b) under game fees: 65% to be deposited in the account of the TAWA; and 35% to be deposited in the Consolidated Fund;</p> <p>(c) under conservation fees: 50% to be deposited in the account of the TAWA; and 50% to be deposited in the Consolidated Fund;</p> <p>(d) under observer fees: 65% to be deposited in the account of the TAWA; and 35% to be deposited in the Consolidated Fund;</p> <p>(e) under permit fees: 35% to be deposited in the account of the TAWA; and 65% to be deposited in the Consolidated Fund. All funds deposited under subsection 4 are to be disbursed in accordance with the relevant regulations.</p>	
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For more information, contact:

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