

General

This alert is an update of our August 2022 newsletter¹ on the Income Tax and Value Added Tax Regulations for digital services. We have prepared this alert following the Public Notice² issued by the Tanzania Revenue Authority (TRA) in relation to the registration of non-resident electronic service providers/suppliers.

In brief

- The registration application portal for non-residents supplying electronic services is now operational
- Certain prescribed information is required for registration
- Filing and payment timelines and requirements

Registration

On 30 December 2022, the TRA issued a public notice in relation to the registration of non-resident electronic service providers. The notice explains the online registration process using a simplified registration framework including details of the portal³ that will be used.

A phone number and email address is required to initiate the registration process. Once the application is completed and submitted, a reference number will be issued and this number can also be used to track the status of the registration.

Eligible non-residents will be issued with a Taxpayer Identification Number (TIN) and VAT Registration Number (VRN) via email notification from e-filing@tra.go.tz. A user manual⁴ is provided with a step-by-step guide for the registration process.

Information Required for Registration

The information required for registration purposes is as stipulated in the Value Added Tax (Registration of non-resident electronic service suppliers) Regulations⁵ and the Income Tax (Registration of non-resident electronic service suppliers) Regulations⁶ which includes the following:

- a. name of the business including the business trading name;
- b. certificate of incorporation;
- c. name of the contact person for tax matters;
- d. registered address of the business;
- e. telephone number of the contact person;
- f. email address of the contact person;
- g. website or uniform resource locator of the supplier through which the business is conducted; and
- h. any other information as the Commissioner General may require.

In addition to the above, the following information is needed during the application process:

- Business certificate(s);
- URL link(s) to social media accounts through which the business is conducted; and
- Passport number of the contact person for tax matters.

Tax return and tax payment

Once registered, the manual indicates that the non-resident will be provided with a link to file income tax and VAT returns, and the username and password. The returns will follow a standard template as provided in the Schedules of the respective Regulations (as Form No. 3 - see Appendix). The returns together with the related tax payments are due on or before the seventh day of the month following the month to which the returns relate.

Payment is to be made in Tanzanian Shillings or its equivalent convertible currency (at the Bank of Tanzania's prevailing exchange rate on the date of payment) to a designated bank account.

¹ <https://www.pwc.co.tz/assets/pdf/tax-alert-digital-services-income-tax-vat-regulations.pdf>

² https://www.tra.go.tz/images/PUBLIC_NOTICE_30122022_.pdf

³ <https://nonresident.tra.go.tz/#/self-service/non-resident-taxpayer-identity-number-registration>

⁴ https://www.tra.go.tz/images/USER_MANUAL_FOR_REGISTRATION_OF_NON-RESIDENT_ELECTRONIC_SERVICE_PROVIDERS.pdf

⁵ Government Notice No 478Q of 2022, published on 1 July 2022

⁶ Government Notice No 478U of 2022, published on 1 July 2022

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Tax (Registration of Non-Resident Electronic Service Providers)
GN NO. 478U (Contd)

FORM NO. 3

(Made under regulation 6(1))

INCOME TAX ELECTRONIC
SERVICES RETURN

Note: Furnishing false or misleading information is punishable by law

Please read the instructions carefully before filling.

INSTRUCTIONS FOR FILING ELECTRONIC SERVICES RETURN

1. Please fill the below information correctly.
2. All parts of the return are Mandatory.

I. GENERAL INFORMATION

Taxpayer Identification Number (TIN):	
Name of Taxpayer:	
Month of return :	
Year of return:	
Electronic Services GFS code description:	
Electronic Services GFS code:	

II. RETURN PARTICULARS

PART ONE (1) - SUPPLIES OF ELECTRONIC SERVICES

SN	Payments	Amount
1	Gross value	

PART TWO (2) - COMPUTATION OF TAX

2	Tax Payable - (Rate-2% multiply by Gross value)	
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DECLARATION

I hereby declare that the information given on this return and any accompanying documents is complete and accurate to the best of my knowledge and belief. I understand that giving false information in the return or concealing any part of the profits or tax payable can lead myself and/or the entity be prosecuted.

Name of declarant	Position			
Signature	Date Submitted	Day	Month	Year

Value Added Tax (Registration of Non-Resident Electronic Service Suppliers)
GN NO 478Q (Contd)

FORM NO. 3

(Made under regulation 6(1))

VAT ELECTRONIC SERVICES
RETURN

Note: Furnishing false or misleading information is punishable by law

Please read the instructions carefully before filling.

INSTRUCTIONS FOR FILING VAT ELECTRONIC SERVICES RETURN

1. Please fill the below information correctly.
2. All parts of the return are Mandatory.

I. GENERAL INFORMATION

Taxpayer Identification Number (TIN):	
VAT Registration Number (VRN):	
Name of Taxpayer:	
Month of return :	
Year of return:	
VAT on Electronic Services GFS code description:	
VAT on Electronic Services GFS code:	

II. RETURN PARTICULARS

PART ONE (1) - SUPPLIES OF ELECTRONIC SERVICES

S/ N	Nature of Supplies	a) Amount (Exclusive of VAT)	b) VAT Charged
1	Standard Rated Services		

PART TWO (2) - ADJUSTMENTS

Increasing Adjustments			
2	Minor Errors		
3	Other adjustments		
4	Total Output Tax for the period (Sum row 1 to 3)		
Decreasing Adjustments			
5	Minor Errors		
6	Other adjustments		
7	Total amount (Sum of row 5 to 6)		

PART THREE (3) - COMPUTATION OF TAX

8	Output Tax for the Period (Transfer from row 4)		
9	Decreasing Adjustment (Transfer from row 7)		
10	Total VAT Payable - (Row 8 minus 9)		

III. DISCLOSURE OF ADJUSTMENTS

SN	DECREASING/INCREASIN G	AMOUNT (VAT EXCL)	VAT AMOUNT	DESCRIPTION (REMARKS)
1				
2				
3				
4				
5				

IV. DECLARATION

I hereby declare that the information given on this return and any accompanying documents is complete and accurate to the best of my knowledge and belief. I understand that giving false information in the return or concealing any part of the profits or tax payable can lead myself and/or the entity be prosecuted.

Name of declarant	Position			
Signature	Date Submitted	Day	Month	Year