

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# VALUE-ADDED TAX

## Regulation, 2000

In pursuance of powers bestowed upon him by article 55 of the value – added tax act, 1999, the minister of finance and national economy, hereby issues the regulation cited below:

## CHAPTER :ONE

### Preliminary Provisions

#### Title and commencement

1. This Regulation may be cited as (the value – added tax regulation, 2000 and it shall come into force as from such date it is signed.

### Interpretation

2. In this regulation:

(A) Words and phrases cited hereby and defined in the value – added Tax act, 1999 shall have the same meaning cited thereby;

(B) Unless context otherwise requires:

Act: means the value – added tax act, 1999

Committee: means the income Tax committee set up in accordance with the provisions of article 54 of the income Tax act, 1986

Forms: means forms attached to this regulation

Tax period: means the period of the month ending in the Last day of the Gregorian calender month during which the taxable person Submit his taxable income declaration.

### Enforcement

3. Without prejudice to the provisions of the act and the regulations issued hereby, the provisions of the customs act, 1986 and the regulations issued hereby shall be enforced with regard to goods and services imported and exported via ports, warehouses, and by containers, and markets when the goods exist therfrom.

# CHAPTER :TWO

## Tax payers, Incidence Of taxable Transaction, registration And relevant Invoices

4. (1) Whoever is liable for the value – added tax shall undertake to collect the tax and pay it to the chamber in accordance with rules, procedures and times provided for in this regulation as stated hereunder:

(A) Those who are liable for the collection of tax, declaration of their taxable income and paying it to the chamber in accordance with the provisions of the act are:

(First) Industrial producers

(Second) Traders.

(Third) Importers.

(Fourth) Service renderers and distribution agents subsidiary to taxpayers.

(Fifth) Federal and state government units selling goods by auction

(B) Without prejudice to the provisions of deduction provided for in article 34 of the act, tax on the sales of atax payer shallfall due in the incidence of one of the following:

(First) The sale by ataxable industrial producer of Locally – made goods

(Second) The sale in the Local market of imported goods by their importer not with standing the maturity of tax when goods are released from the customs

(Third) The sale by traders of imported or locally made goods

(Fourth) The sale of goods directly or by government auctions

(Fifth) The rendering of a service by a taxpayer.

2. It shall not be deemed as use for private or personal purpose the transfer of aproduced good from a stage of production to another in the production line inside or outside the factory.

3. The provisions of article 12, of the act shall be enforced with regard to goods subject to customs' control, procedures, conditions, guarantees and control systems enforced with regard to custom duties.

4. When exporting goods and services that are subject to tax in accordance with the provisions of article 12 of the act, the exporter shall follow customs procedures provided for in the customs act, 1986.

He shall, moreover, keep documents pertinent to the deal including the export certificate issued by the concerned customs port or any other equivalent official certificate issued by the customs authority.

5. When goods and services depart duty – free zones or markets to the Local market, they are dealt with as though imported and Whatever applies to imported goods and services shall apply to them.

## Registration

## **5. (1) Every:**

(A) Industrial producer, trader and service renderer whose business figure amount to or exceeds the limit prescribed for registration

(B) Importer or exporter regardless of his business figure

Shall submit an application to the chamber requesting his name and relevant information to be registered in form No (1) which is attached to this regulation within the period of time decreed by the secretary – general

(2) Any person whose sales of taxable goods and services amount to or exceed the limit prescribed for registration in any fiscal year or in any part of it following the act's enforcement shall contact the chamber to register his name during the month in which his service earnings amount or exceed the limit prescribed for registration .

## **Voluntary Registration**

6. A person whose total value of sales of taxable goods and services does not amount to the limit prescribed for registration, may, at his own volition apply to the chamber to register his name and relevant information in form No (1). Should he be registered, he shall be deemed as being subject to the provisions of the act. He may not request his registration to be repealed before the elapase of two years after registration. For the purposes of voluntary registration the same procedures and rules shall be followed.

## **Registration Procedures**

7. Procedures followed for the registration of atax payer shall be as provided for hereunder:

(A) Registration application in form No (1) shall be submitted to the taxation office Located within the Jurisdiction circle of the head office pertinent to the taxpayer

(B) The office shall examine the registration application. Should the examination reveal that some relevant information is missing, the applicant shall tentatively be registered and immediately notified to complete the missing information within the period of time mentioned in the notification.

(C) Registration application meeting the prescribed conditions shall be entered in the register specially meant for this purpose in the respective office.

(D) The chamber shall assign a registration number for the taxpayer.

(E) The registration certificate provided for in article 17 of the act shall be issued in accordance with form No: (2), and shall be signed by the secretary general or whoever he might authorize, and shall be stamped with the seal of the value – added tax department.

(F) The taxpayer shall display the original certificate on a visible position at the site of his main activity and certified copies thereof on visible positions at the branches of his activity so that it shall always be apparent to the public.

(G) Should the registration certificate be damaged or lost, the taxpayer should request the issue of certified copy thereof.

(H) The taxpayer who had been registered shall notify the chamber in writing within twenty – one days of any alteration that occurs to the information mentioned in the registration application with regard to his name, the address or the nature of his main taxable activity or other activities. Should these alterations be to the satisfaction of the chamber, the taxpayer shall be issued anew registration certificate bearing the same previous number as well as the new information. The previous Registration certificate shall be revoked.

### Repeal of Registration

(1) Should a registered person loses one of the registration conditions provided for in the act, he may apply in writing to the secretary – general requesting his registration to be repealed. Should the application be to the satisfaction of the secretary – general, he shall repeal the applicant’s registration as from the last day in the tax period during which registration repeal has been decreed. The chamber shall notify the applicant of the registration repeal incidence.

(2) The tax payer who ceases to perform or who liquidates all of his taxable activities should notify the chamber with in a period of time not exceeding thirty days as from the date he ceases to perform or liquidates that activity. The chamber shall, thereafter, repeal his registration as from the last day in the tax period during which the taxable activity has been ceased. Should he intend to resume his taxable activity during the year, the taxpayer whose registration had been repealed should notify the secretary – general thereby.

(3) The secretary – general may repeal the registration of any person who had been registered at his own volition, should it be evident that he has not been performing the activities mentioned in the registration application. Should it be evident that such a person had recovered the tax levied on his activity’s in – puts before performing any sales, he should reimburse it.

(4) Should a tax payer fail to make sales amounting to the limit prescribed for registration in accordance with the provisions of the act and repealed his registration, yet continues to perform his activity, tax on goods in his possession shall fall due as from the time the registration had been repealed.

### Invoices

9. (1) For the purposes of the enforcement of the provisions of article 20 of the act: -

(1st) A tax payer shall, when selling a taxable good or rendering of a taxable service for an other tax payer, issue a tax invoice showing the value of the good or service besides the tax due

(B) When selling goods to a non – tax payer, a tax payer may issue an invoice showing the total value of the good or service including the tax. The invoice shall be issued as an original copy which is to be handed over to the buyer and a copy which is to be kept by the tax payer.

(C) Invoices shall be serially numbered according to their date of issue. The tax invoice shall bear the information stated hereunder: \_

(First) The invoice shall be entitled (tax invoice)

(Second) The invoice’s date of issue and serial number

(Third) The taxpayer's name, address and tax identity card number or his registration number.

(Fourth) The buyer's name, address and tax identity card number or his registration number.

(Fifth) Particulars of the sold good or service, its value, the rate and value of tax for which it's subject beside the total value of the invoice.

(2) The secretary – general may amend the information mentioned here above or issue forms of tax invoices convenient for the nature of some of the taxpayer's activities. The invoice's information shall be entered in the tax payer's register instantly one – by- one.

(3) For the purposes of article 21(1) of the act, certified invoice means the invoice that meets the conditions and bears information's provided for in section (1).

### *Account books and Records*

10. (1) Atax payer shall under take to keep regular account books and records where he instantly one – by-one enters the transactions he makes. They shall be as provided for here under:

1st. Purchases record: It contains particulars of purchase invoices and customs certificates in the case of importation.

2nd. sales Record : It contains particulars of tax invoices issued for sales

3rd. Return goods Record : It contains particulars of return sales and purchases as per the information of the accounting settlement notification of deduction and addition

4th. Exports Record : It contains information of export letters including the numbers of customs' export certificates, date of exportation, port of exportation and destination of exports

2. A taxable service renderer shall undertake to keep records of his sale of services including the particulars of his issued sale invoices.

3. A taxpayer shall keep a special record book (summary of the value – added tax) showing the total value of taxable transactions and the number of every record book from which these totals have been extracted. Such arecord book shall show the following information :

5th. Information pertinent to the total value of sales and the total value of purchases minus tax.

G.The total tax on the sales that he has shifted to sales as well as the taxes on personal or private use sales and transactions during every tax period entered separately.

H. Tax on deductible purchases in – puts

1. The value of accounting settlement by deduction or addition.

J. The tax due to be paid by atax payer, for any tax period after deduction.

(2) Atax payer who produces ataxable good shall, in accordance with the provisions of the act, keep the account book and records provided for hereunder :

(1st) Abook to record raw material used for the production of taxable goods

(2nd) A record of stores showing the traffic of goods in every warehouse

(3rd) A sale' book containing invoices issued for sales.

(4th) A book to record particulars of the produced goods and performed processes.

(5) The pages of books and records provided for in section (4) shall contain no blank spaces or writings in the margins. The taxpayer shall keep records, book, original

purchase invoices and copies of sale invoices for aduration of five years following the end of the fiscal year during which the particulars are entered in the books and records

- (6) The secretary –general may, for particular goods and services, decree the designation of particular simplified books, records and invoices convenient for the nature of goods and services at his own initiative or at the request of a tax payer.
- (7) Should a taxpayer be using computer systems, the used data and files shall be accepted as an alternative for these books. Lists of information and ribbons of cash registration machines pertinent to the tax value shall be accepted should the tax payer be using (cash registration machines) in which case the secretary – general decrees procedures to guarantee their consistency and facilitate their control and examination.

### *Declarations*

11. Any tax payer shall submit to the concerned taxation office a monthly declaration of the net value of the tax paid on or reimbursed for his sales and purchases of taxable goods and services in form No: (3) which is specially meant for this purpose, within the period of fifteen days following the end of every tax period be side the tax payment in accordance with the provisions of article 20(1) (C) of the act. The taxpayer shall undertake to submit this declaration even if he fails to make taxable sales or renders taxable services during the accounting month.

## **CHAPTER :Three**

### *Evaluation of goods and services* *The value to be declared*

12. (1) The value to be declared in order to be taken as the base for the levy of tax on the goods sold or services rendered shall be the real value of the respective good or service as shown on the invoice issued by a taxable seller to a buyer independent from him according to the normal course of events.
- (2) The secretary – general may, in cases other than those provided for in section (1) specify the price of a taxable good or service as being equivalent to the price prevailing in the market, seeking guidance in this regard in the sale and marketing policies of the tax payer and in the current price of the same good which is circulated in the market with the same quality, the same year of production, the same specifications, the same origin and the same trade mark as charged by more than one seller from more than one buyer who are independent from one an other at the same place and under the same conditions according to whatever justifications that might be evident to the chamber .

- (3) Should a tax payer sell a taxable good through his own distribution points, the value to be deemed as the base for tax assessment should be the value of his actual sales.
- (4) In the case of imported goods, the value to be deemed as the base for tax levy at the phase of customs release shall be the value that is taken as the base for determining customs duties (CIF) plus the customs duties and the other taxes and duties for which the good is subject with exception to the value – add tax.

### *Services taxable income*

13. Services taxable income shall be the total value of services shown in the invoices including any other duties or taxes with exception to the value – added tax.

### *Business Discounts*

14. Familiar business discounts and conditional cash discounts shall be accepted when a taxable good or service is priced or when any special settlement is thereby made should sale be made by a tax payer to an independent buyer in such a manner that makes the taxable earnings the real value of the respective good or service.

### *Tax assessment when a duty – free Zone or market made goods enter The country*

15. When a duty – free zone or market made good enters the country, tax on it with regard to a tax payer shall be assessed in accordance with rules applied for the collection of customs duties and other taxes with due consideration to the fact that the taxable income includes the value of the imported components plus customs duties. Should a person be untaxable, the taxable income shall include the total value of the good plus the customs duties due thereon.

### *Value adopted for the assessment of tax on partially or totally exempted goods when released from the customs*

16. The value adopted for the assessment of tax on the totally exempted goods when released from the customs shall be the good's value (CIF) plus any other taxes or duties. Should it be partially exempted or enjoying tax deduction, the value adopted as a base for tax assessment shall be the value of the good (CIF) plus the value of the deducted customs duties and any other taxes or duties.

*The powers of the secretary –  
General to decree some proce –  
Dural controls for tax app –  
Raximation*

17. The secretary – general may decree some procedural controls pertinent to the approximation of the value – added tax on the sale of some goods and services in such amanner convenient for the activity of producers, importers and services renderers.

## CHAPTER :Four

*Appeals  
Protest aganinist assessment*

8. Whoever is dissatisfied with assessment made with his regard in accordance with the provisions of the act may appeal against this assessment by a written petition addressed to the secretary – general provided that he pays 25% of the assessed tax or whatever deemed convenient by the sectary – general or whatever is less. This shall not be deemed as a valid petition unless the appellant:

- (1st) states precisely the reasons of his appeal against the assessment supported by relevant documents
- (2nd) attaches a declaration (if he had not already submitted one to the secretary – general)
- (3rd)** Submits a petition for appeal within thirty days of his notification of the assessment. Should the secretary – general be satisfied that the appellant had failed to submit his petition for appeal within that period in view of his absence abroad, or due to his sickness or any other justification to the satisfaction of the secretary – general, the secretary – general may consider the appellant’s petition for appeal as being valid.

*The power of the secretary – general*

### *With regard to assessment alteration*

19. The secretary – general may approve, reduce, increase, or revoke the assessment or order whatever he might deem convenient

### *Appeal against assessment made by the secretary - general*

20. Should an appellant be dissatisfied with the secretary – general's decision, he may appeal to the committee within a period of thirty days as from the date of his notification of the decision provided that he pays 35% of the tax assessed in accordance with the provisions of article 19

### *Procedures for appeal before The committee*

21. Any appeal Lodged to the committee in accordance with the provisions of article 20 should conform to the procedures provided for hereunder :

- (1st) Notwithstanding the other condition prescribed for appeal before the committee, the appeal shall not be considered before the payment of fees prescribed for appeal before the committee.
- (2nd) The appellant shall personally appear before the committee or authorize an accredited representative to appear for him before the committee in the time and at the place set for the consideration of his appeal.
- (3rd) Should the appellant or his representative be absent from the appeal's hearing session despite his being notified , the appeal shall be considered in absentia , and he shall later be notified of the ruling.
- (4th) The committee may summon, in writing, any person to appear before it to inquire from him about any matter pertinent to the tax. It may request this person to provide any books or document needed.

### *The powers of the committee*

- (1) The committee may approve, decrease, increase or revoke the assessment or order whatever it might deem convenient
- (2) The committee shall notify the appellant and the secretary – general of its ruling within one week of its date of making.

### *Appeal against the committee's*

## Ruling

22. The taxpayer or the secretary – general as the case might be, may appeal against the committee’s ruling in manner provided for in article 27 of the act.

# CHAPTER :Five

## Tax collection Procedures of Tax collection

24. (1) The taxpayer shall pay to the chamber the tax due for every tax period in accordance with his monthly declaration, in cash or by a certified cheque within a maximum period of fifteen days after the elapse of the tax period. The secretary – general may decree the extension of the declaration period in accordance with the provisions of article 20-(1) (C) of the act should it become necessary.
- (2) The secretary – general may decree the designation of procedures for the collection of tax on some activities in such amanner that is convenient for their nature.
- (3) Tax due on some imported goods at the phase of their release from the respective customs port, shall be paid at the time when the customs duties and other taxes are paid in accordance with the procedures provided therefor. The good may not be finally released before the taxes due are totally paid. The customs authority may not defer or allow the tax due, to be paid in installments.
- (4) In spite of the provisions of section (3) and without prejudice to the provisions of article 28, an importer may not refund the tax he had paid at the time of release under (payfirst, then protest) system provided for in article 90 of the customs act1986.

## The secretary – general’s power With regard to the permission of Provisional Release

25. (1) The secretary – general may authorize the customs authority to provisionally release some taxable goods in accordance with the payment conditions, limits, rules and guarantees decreed by the director – general of customs. These goods may not be finally released before the tax due on them is totally paid.
- (2) Customs receipts or cash receipts printed out by a computer bearing the seal of the respective customs station shall have the same authenticity of the tax invoice with regard to taxes paid on imports.

## Services of a persistent

## Nature

26. Should a service be of a persistent nature, and rendered in a regular manner to meet the needs of beneficiaries, its tax value shall be collected as per invoices issued at times set by the service renderer, e.g.: telephone, fax services and any other services named by the secretary – general in a circular he issues.

## Collection of Tax by the Forfeiture of property

27. Without prejudice to the provisions of the customs act and the regulations issued hereby, the secretary – general shall issue a circular in pursuance of which he designates controls and procedures organizing the forfeiture of goods, property and bank stocks for the payment of tax debts.

## Tax Deduction

28. A tax payer may, during the tax period, deduct from the total value due on his sales of taxable goods and services the tax that he had shifted to the tax on the following:

(1st) sale returns, provided that :

(First) he deducts only tax already paid on returned goods

(Second) The returned goods should have actually been received and information relevant thereto had been entered in the regular books and records kept by the taxpayer and their value had been reimbursed to the buyer including the tax or had been entered in these records as a credit for the buyer.

(Third) The taxpayer issues an accounting settlement notification of deduction or addition dated and serially numbered and showing the information pertinent to both the seller and the buyer.

(2nd) purchases of goods and in – puts :

The deductible taxes that a taxpayer may deduct from the total tax due on his sales during the tax period include:

(First) Tax already paid on in – puts of locally made goods should all of his sales during the tax period be taxable, provided that he is in possession of tax invoices showing this amount of money.

(Second) Tax already paid on goods imported during the tax period as per information of customs documents with exception to saloon cars for private use.

(Third) should the previous tax that had been shifted to purchases exceed the tax due on sales made during the accounting month, tax due on sales shall be deducted from tax that had already been monthly paid on purchases till it is completely reimbursed within one year.

(Fourth) should some of the taxpayer's products, and not all of them, be taxable during the tax period, deduction shall be made as follows:

\*\*The total tax on in – puts used only for the manufacture of taxable goods, had manufacturing taken place during or after the tax period, shall be deducted.

\*\*Tax on in – puts used for the manufacture of products some of which are taxable and the others are exempted shall be deducted as per the ratio between the taxable products and the total products.

\*\*The seller shall issue notification of addition of tax on in – puts of the exempted goods provided for in section (Fourth), had he deducted it in previous declarations (Fifth) should the amount of tax due on a tax payer increases as a consequence of importation, he shall request the chamber to reimburse the difference between the tax due on the in – puts that were used for the manufacture of the exported goods and the tax due on his sales during the tax period covered by the monthly submitted declaration after his meeting of the conditions provided for in article 29 is confirmed.

(Sixth) Tax on goods and services used for private use or for untaxable activities shall not be deducted

## **CHAPTER :Six**

### **Reimbursement of Tax and exemptions**

### **Reimbursement of tax in the case of**

### **Imports**

29. (1) The chamber may reimburse the tax due on taxable exported goods and on taxable imported goods that are re –exported being as they were imported or after being used for the manufacture of Locally made goods that are to be exported in accordance with customs procedures pertinent to exported goods provided that:

A. The goods had been purchased from a taxpayer and that the buyer is in possession of a tax invoice.

B. The incidence of goods exportation is known to the customs authority.

C. He who requests reimbursement shall attach to his reimbursement application a customs certificate proving the incidence of exportation, in addition to the tax invoice. In all cases, only the tax that had already been collected shall be reimbursed as per the same rate and the same value that had been in effect at the time of payment, reimbursement shall be made only with regard to goods that had actually been exported.

(2). Had the exporter met conditions provided for in section (1), the chamber shall reimburse the difference within three months as from the date the monthly declaration is received.

(3) The secretary – general may grant exporters, within the limit of their total transactions that had been made during the previous year, permissions to pay the value –added tax on their current transactions.

## Rectification of Tax in The case of an error

(1) Had a tax been paid by mistake, the tax payer may rectify this error in his monthly declaration that follows the discovery of the error provided that the amount paid by mistake be equal to or exceeds one hundred thousands Dinars. The taxpayer should notify the chamber of the error within a maximum period of fifteen days as from the date it has been discovered.

Documents supporting the incidence of error should be presented. Should it become evident to the secretary – general that the tax had been collected by mistake, he or whoever he might authorize shall reimburse the tax that had been collected by mistake within a period of time not exceeding three months as from the date rectification request has been received.

(2) For the purposes of section (1), error means the cases provided for hereunder :

(1st) Miscalculation

(2nd) When the good is – in principle – untaxable

(3rd) When it becomes evident that the taxpayer had previously paid the same tax.

(4th) Any other case that is deemed by the secretary – general as reasonably acceptable.

(3) Atax paid on an imported good at the phase of release in accordance with the principle of (pay first, then protest) provided for in article 90 of the customs acts, 1986 shall not be deemed as being paid by mistake.

## Exemption

31. Goods and services provided for hereunder shall be exempted :

(1) Goods :

(First) All the agricultural products that are yielded by an agricultural activity and sold in their natural condition. Agricultural products shall not be deemed as being sold in their natural condition should they be changed into anew product or should their shape, type, or natural components be altered or should any substance that changes their nature be added thereto.

(Second) Live stock:

Live stock means products of animal resources; including cattle, sheep, camels and goats with exception to leathers being raw or tanned, wool, camel hair and their products.

(Third) Poultry and their products of eggs and chicken.

(Fourth) Fish, with exception to canned and processed fish.

(Fifth) Milk and dairy products including cheese, butter, cooking butter and yogurt, with exception to imported milk and dairy products

(Sixth) Fertilizers:

(Seventh) Medicines and veterinary drugs.

(Eighth) Insecticides, and weedicides

(Nineth) Seeds.

Fertilizers, medicines and vetrinary drugs, insecticides, weedicides and seeds are hereabove used as they are defined in the acts pertinent thereto.

(Tenth) Locally produced flour.

(Eleventh) Bread.

(Twelveth) Goods imported for the members of the diplomatic corps in accordance with immunities and privileges act 1956 and the regulations and ordinances issued thereby without prejudice to the principle of reciprocation.

(Thirteenth) Goods and commodities imported in accordance with agreements signed with the government of Sudan that provide for value – added tax exemption

(Fourteenth) Personal effects carried by passengers arriving from abroad or purchased by them from duty – free zones and markets provided that their tax exempted value be assessed as being equivalent to the amount of customs exemption provided for in accordance with the provisions of the customs act and the regulations issued thereby.

B. Services:

Without prejudice to the provisions of article 37 of the act, financial, medical, educational and insurance services shall be exempted in amanner decreed by the secretary – general in accordance with circulars he issues with this regard.

### *Disposal of exempted Goods*

32. With regard to the disposal of goods exempted in accordance with the provisions of article 37 (9) and (10) the same procedures and controls provided for in the customs act.1986 and the regulations issued thereby shall enforced.

## **CHAPTER :Seven**

### *Access to places and the right To examine documents Allowing the secretary – general or whoever He might authorize access to places*

33. (1) A taxpayer should allow the secretary – general or whoever he might authorize access to work sites; including factories, warehouses and places, where an activity pertinent to taxable goods and services is conducted, in the manner provided for in article 38 of the act.
- (2) Any official who is not authorized by the secretary – general may not be allowed access to places provided for in section (1).
- (3) Has the secretary – general information about aperson who meets the registration conditions provided for in article 5 of the act, yet has not been registered, the secretary – general or whoever he might authorize may enter the work site of that person for inspection with the purpose of verifying the information he has. the respective person should allow the secretary – general or whoever he might authorize access to his work site for inspection

## *The Right to Examine Documents*

34. The secretary – general or whoever he might authorize may, for the sake of obtaining complete information with regard to tax, notify in writing, any person to :
- (1st) Disclose to him or to whoever he might authorize any accounts, or account book, or invoices or lists of purchases or sale or any documents deemed necessary for this purpose as per the set time and place shown in the notification. The secretary – general may keep these documents for a period of time not exceeding two months.
  - (2nd) Appear at the time and the place shown in the notification to be inquired with regard to tax

## **CHAPTER :Eight**

### *Offences and penalties*

35. (1) The secretary – general or whoever he might authorize may impose a fine not exceeding five hundred dinars in addition to the tax due on whoever infringes procedures or rules provided for in this regulation. The cases provided for hereunder shall be deemed as infringement for the provisions of this regulation :
- (1st) Delaying the submission of declaration or the payment of tax for the period provided for in article 20-(1) (C) of the act.
  - (2nd) Misrepresentation of the sale of taxable goods and services contrary to what is mentioned in the declaration unless that be justified
  - (3rd) The incidence of deficit or increase in the goods deposited in duty – free zones or markets that is deemed by the customs authority as occurring as a consequence of unjustifiable reasons.
  - (4th) Failure to notify the chamber of any change in the statements mentioned in the registration application within the set period of time.
  - (5th) Denying the chamber’s officials to discharge their duties or to perform their tasks of control, inspection, examination, check, acquisition and examination of documents and entry to sites
- (2). Had the offence been repeated, penalties provided for in section (1) may be doubled.

### *Penalties in the case of tax evasion*

36. Without prejudice to any heavier penalty provided for in any other act, whoever is taxable and evades tax or whoever abets or helps an other to evade tax shall be punished with penalties provided for in article 43 of the act.  
Actions provided for in article 44 of the act shall be deemed as tax evasion

# CHAPTER :Nine

## Preliminary provisions Disposal of seized items

37. (1) For the purposes of article 52 of the act, the chamber shall have the right to dispose of the seized items, means and transportation used for evasion that the act provides for their confiscation as stated hereunder :

38. (A) Items, means and transportation used for evasion seized in accordance with the provisions of the act shall be deposited in depositories specially meant for this purpose pending a final ruling with their regard.

(B). Items, means and transportation used for evasion provided for in section (A) may only be disposed of after their possession passes to the chamber as a consequence of settlement or a final court ruling judging their confiscation

(3rd) Disposal of seized items, means and transportation's used for evasion by selling shall be made in accordance with a decision taken by the secretary general in accordance with controls provided for in circulars he issues therefor.

(2) In spite of the provisions of section (1) (B) and without prejudice to the provisions of the act, the secretary – general or the director of the customs police each in his area of competence, may, before the making of a ruling or a settlement decree the disposal of seized items and means that are susceptible to damage or decrease in cases when it is not possible to wait for a final ruling to be made in view of the nature of the seized items and means used for evasion, provided that the revenues of their sale are deposited pending the final passing of their possession is decided .

The secretary – general or the director of the customs police each in his area of competence shall order the destruction of prohibited goods or those harmful to public health or those the sale of which might pose a hazard for people's safety and security after the approval of the concerned technical authorities.

## The power to issue circulars And decrees

38. The secretary – general may issue circulars, ordinances and controls necessary for the enforcement of the provisions of this regulation.

*Done under my signature on the fourth day of safer  
1421H corresponding to the eighth day of May 2000*

*Dr. Mohammed Khier Al – zubier  
Minister of finance and  
National Economy.*