



Federal Inland Revenue Authority

TURNOVER TAX PROCLAMATION NO. 308/2002

WHEREAS, it has been determined that there shall be enacted a value-added tax to enhance saving and investment, minimize the damage that may be caused by attempts to avoid or evade taxes, stimulate economic growth, and improve the relationship between Gross Domestic Product and Government Revenue.

WHEREAS, administrative feasibility considerations limit the registration of persons under the value-added tax to those with annual taxable transactions the total value of which exceeds 500,000 Birr;

WHEREAS, an equalization turnover tax imposed on persons not registered for value-added tax allows them to fulfill their obligations and also enhances fairness in commercial relations and makes complete the coverage of the tax system;

NOW, THEREFORE, in accordance with Article 55(1) and (11) of the constitution, it is hereby proclaimed as follows:



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SECTION ONE

General

1. Short Title

This Proclamation may be cited as the "Turnover Tax Proclamation No. 308/2002".

2. Definitions

1. For the purpose of this Proclamation, unless defined otherwise in this Proclamation, terms used herein shall have the meaning as defined in the Value-Added Tax Proclamation No. 285/2002 (hereinafter referred to as the "VAT Proclamation").
2. "Gross Receipts" means income, without reduction of expenses, including the cost of goods sold;
3. "Taxable Transaction" means a supply of goods or a rendition of services in the course or furtherance of a taxable activity, other than an exempt transaction described in Article (7) of this proclamation;
4. "Person not Registered for VAT" means a person who, according to Article (16) and (17) of the value Added Tax Proclamation, is not registered by reason of his annual turnover being below Birr 500,000 or threshold set by the Minister; or by reason of not having applied for voluntary registration;
5. "Person" shall mean any individual, body or association of persons and includes a business representative residing and doing business in Ethiopia on behalf of the principal;
6. "Body" shall mean any company, registered partnership, entity formed under foreign law resembling accompany or registered partnership; or any public enterprise or financial agency that carries out business activities including body of persons corporate or unincorporated whether created or recognized under a law in force in Ethiopia or elsewhere, and any foreign body's business agent doing business in Ethiopia on behalf of the principal;
7. "Goods" means any type of goods or commodity that has exchange value, utility and brings about satisfaction, and includes animals;
8. "Sale" means exchange of goods in cash or in kind and rendering of services upon receipt of payment, and includes goods supplied or services rendered by the tax payer free of charge;
9. "Service" means work doe for others which does not result in the transfer of goods;



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10. "Tax" Authority " means the Federal Inland Revenue Authority and the tax authorities of the Regional States and city administrations;
11. "Tax" means Turnover Tax payable whenever transaction of sales of goods and services is carried out;
12. "Taxpayer" means a person obliged to collect and transfer Turnover Tax to the Tax Authority;
13. "Ministry" and "Minister" means the Ministry and Minister of finance and Economic Development, respectively.

3. Scope

Unless exempted under Article (7) of this Proclamation or directives to be issued there under, Turnover Tax shall be payable on goods supplied and services rendered by persons not registered for Value Added Tax.



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SECTION TWO

The Rate of Tax and Exemption

4. Rate of Turnover Tax

The Turnover Tax shall be:

1. 2% (two percent) on Goods sold locally
2. For services rendered locally;
 - a) 2% (two percent) on contractor, grain mills, tractors and combine-harvesters;
 - b) 10% (ten percent) on others.

5. Base of Computation of the Turnover Tax

Base of computation of the Turnover tax shall be the gross receipt in respect of goods supplied or services rendered.

6. Obligation to Collect and Transfer the Turnover Tax

A person who sells goods and services has the obligation to collect the Turnover Tax from the buyer and transfer it to the Tax Authority. Hence, the seller is principally accountable for the payment of the tax.

7. Exemption

1. The following shall be exempted from Turnover Tax:
 - a) The sale or transfer of a dwelling use for a minimum of two years, or the lease of a dwelling;
 - b) The rendering of financial services;
 - c) The supply of national or foreign currency (except for that used for numismatic purposes) and of securities;
 - d) The rendering by religious organizations of religious or other related services;



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- e) The supply of prescription drugs specified in directives issued by the relevant government agency, and the rendering of medical services;
 - f) The rendering of educational services provided by educational institutions, as well as child care services for children at pre-school institutions;
 - g) The supply of goods and rendering of services in the form of humanitarian aid;
 - h) The supply of electricity, kerosene, and water;
 - i) The provision of transport;
 - j) Permits and license fees;
 - k) The supply of goods or services by a workshop employing disabled individuals if more than 60% of the employees are disabled; and (1) the supply of books.
2. The Minister of Finance and Economic Development may, by directive, exempt other goods and services.
3. The Minister of Revenue may, by directive, determine the scope and manner of exemptions provided for in this Article.



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SECTION THREE

Administrative Procedure

8. Responsibility for Administration and Reporting

1. The responsibility for the correct calculation and timely payment of Turnover Tax and presentation of a return to the Authority by the prescribed deadline rests on the taxpayer in accordance with this Proclamation.
2. The Tax Authority administers the Turnover Tax.

9. Records

Taxpayers subject to the record-keeping requirement of Article (48) of the Income Tax Proclamation No.286/2002 shall keep the records prescribed therein for use in determining Turnover Tax.

10. Filing of Turnover Tax Return and Payment

1. Tax payers subject to Turnover Tax shall:
 - a) File a turnover tax return with the tax authority within one month after the end of every accounting period;
 - b) Pay the tax for every accounting period by the deadline for filing the Turnover Tax return.
2. For purposes of this Article " Accounting period" shall mean:
 - a) For taxpayers classified as category "A" tax payers under the Income Tax proclamation No.286/2002, but are not required to register for VAT, the calendar month;
 - b) For category "B" taxpayers who are required to keep records under the Income Tax Proclamation No. 286/2002 each three month period commencing from the first day of the Ethiopian fiscal year or when approved by the Tax Authority, the first day of the Gregorian calendar year;
 - c) For category "C" taxpayers, who are not required to keep records under Income Tax Proclamation No.286/2002, the fiscal year.



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11. Assessment of the Tax

1. If, after review by the Tax Authority, it appears that a person has understated his tax obligation, the Authority shall issue an additional assessment.
2. If, for any reason, the books of account are unacceptable to the Tax Authority, or if the tax payer fails to submit same when requested by the Tax Authority, or if no books of account and supporting documents are maintained, the Tax Authority shall assess the tax on the basis of information available to it or on the basis of market price of such good or service in the local market or if the market price is unknown, on the basis of the market price of an equivalent good or service.
3. A presumptive turnover tax shall be payable by category "C" taxpayers who are not required to keep records. The base for the presumptive turnover tax shall be the total turnover used as base for the income tax.
4. The assessment made shall be prepared in an assessment notification and be delivered to the taxpayer; Delivery of the assessment notification shall be made in accordance with provisions of the income Tax Proclamation.
5. If the Authority makes an additional assessment under Sub-Article (1) and within 30 days of the notice and demand the person assessed does not pay the additional assessment or appeal the assessment as provided under Article (21), the person is in default.
6. If the Tax Authority fails to assess the tax and notify the taxpayer of the amount still due within five years from the date of declaration and payment of the tax by the taxpayer in accordance with Article (8) of this Proclamation, the tax so paid shall be final and conclusive, In case where the taxpayer has not declared his income or has submitted a fraudulent declaration, not time limit provided in any other law shall bar the assessment of the tax by the Tax Authority



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SECTION FOUR

Collection Enforcement

12. Powers and Duties of the Tax Authority

In addition to the powers vested in it in other provisions of this proclamation, the Tax Authority shall have the following powers and duties:

1. The implementation and enforcement of this proclamation shall be the duty of the Tax Authority.
2. Notwithstanding and provisions to the contrary in any other law, the Tax Authority shall be empowered to investigate any statements, records and books of account submitted by any taxpayer at any time by:
 - a) Sending duly accredited inspectors to check the statements, records and books of account, or any vouchers, stocks or other material items at the person's place of business or practice; requiring the person or any employee who has access to or custody of any information, records or books of account to produce the same and to attend during normal office hours at any reasonably convenient tax office and answer any questions relation thereto;
 - b) Requiring the person including a municipality, body, financial institution, department or agency of Federal or Regional Government to disclose particulars of any information or transactions relation to a certain taxpayer,

13. Seizure of Property to Collect Tax

1. Subject to Sub-Article (4) of this Article, if any person liable to pay any tax imposed by this proclamation is in default under Sub-Article (5) of Article (11) or Sub-Article (2) of Article (21), it shall be lawful for the Authority to collect such tax (and such further amount as shall be sufficient to cover the expenses of the seizure) by seizing any property
2. For purposes of this section, the term " seizure" includes seizure by any means, as well as collection from a person who owes money or property to the person liable for Turnover Tax. Except as provided in Sub-Article (3) and (6), a seizure shall extend only to property possessed by and obligations owed to the taxpayer existing at the time the seizure is made. The Authority may request the attendance of a police officer during the seizure. Where the Authority seizes any property as provided here in above, it shall have the right to sell the seized goods at public auction or in ay other manner approved by the authority not less than



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10 days after the seizure, except that when the goods seized are perishable, the Authority can sell the goods after any reasonable period a having regard to the nature of the goods.

3. Whenever any property on which seizure had been made is not sufficient to satisfy the claim for which seizure is made, the Authority may, their after and as may be necessary, proceed tm seize other property liable to seizure of the person against whom the claim exists until the amount due from such person, together with all expenses, if fully paid.
4. Seizure under Sub-Article (1) on property of any person in default with respect to any unpaid tax may be made only after the Authority has notified such person in writing of the intention to make such seizure. The notice shall be delivered not less than thirty 30(thirty) days before the day of the seizure.
5. If the Authority makes a finding that the collection for the tax is in jeopardy and demanded for immediate payment of such tax (without regard to the 30 days period) provided in Sub-Article (1) and (4) upon failure or refusal of the taxpayer to pay such tax, collection of the tax by seizure of property before such period shall be lawful.
6. If a seizure has been made or is about to be made on any property, any person having custody or control of any books or records containing evidence or statements relation to the property subject to seizure shall, on demand, exhibit such books or records to the Authority.
7. Any person in possession of (or obligated with respect to) property subject to seizure shall, on demand, surrender such property to the Authority (or discharge such obligation), except such art of the property is, at the time of such demand, subject to a prior secured claim of creditors and subject to an attachment or execution under any judicial process.
8. Any person who fails or reuses to surrender any property subject to seizure, when demanded by the Authority, shall be personally liable to the government in a sum equal to the value of the property not so surrendered, but not exceeding the amount of tax for the collection of which seizure has been sought (together with costs and interest on such sum).
9. In addition to the personal liability imposed by Sub-Article (8), if the failure or refusal to surrender is without reasonable cause, such person shall be liable for an additional charge equal to fifty percent (50%) of the amount recoverable under Sub-Article (8).
10. Any person in possession of the property of a taxpayer in default and who surrenders such property or pays the tax in accordance with this Article to which the owner is liable, shall be discharged from any obligation or liability to the delinquent or to any other person arising from such surrender or payment.



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14. Preferential Claim to Assets

1. Subject to the prior secured claims of creditors, the Authority has a preferential claim upon the assets of the person liable to pay the tax until the tax is paid from the date on which tax becomes due and payable under this proclamation.
2. Where a person is in default of paying tax, the Authority may, by notice in writing, inform that person of the Authority's intention to apply to the Registering Authority to register a security interest in any asset which is owned by that person, to cover any unpaid tax together with any expense incurred in recovery proceedings.
3. If the person on whom a notice has been served under Sub-Article (2) fails to pay the amount specified in the notice within 30 days after the date of service, the Authority may, by notice in writing, direct the Registering Authority that the asset, to the extent of the defaulter's interest therein, shall be the subject of security for the total amount of unpaid tax.
4. Where the Authority has served a notice on the Registering Authority under Sub-Article (3), the Registering Authority shall, without fee, register the notice of security as if the notice were an instrument of mortgage over or charge on, as the case may be, such registration shall, subject to any prior mortgage or charge, operate while it subsists in all respects as a legal mortgage over or charge on the asset to secure the amount due.

15. Taxpayer's Safeguards

Any property seized under this Section 4 shall be seized, held, and accounted for only by the Authority. No other agency of the government may require the property seized to be transferred or given over to it for any cause whatsoever. If any property seized is sold, any portion of the proceeds in excess of the person's liabilities shall be returned promptly to the owner.

16. Duties of Receivers

1. In this Article "receiver" means a person who, with respect to an asset in Ethiopia of a registered person, is:
 - a) A liquidator of a company;
 - b) A receiver appointed out of court or by a court;
 - c) A trustee for an unrehabilitated insolvent;
 - d) A mortgagee in possession;
 - e) An executor of a deceased's estate; or



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- f) Any other person conducting a business on behalf of a person legally incapacitated.
2. A receiver shall notify, in writing, his appointment or his possession to the Authority within 14 days after having been appointed to the position or taken possession of an asset in Ethiopia, whichever first occurs.
3. The Authority may, notify a receiver in writing of the amount which appears to the Authority to be sufficient to provide for tax which is or will become payable by the person whose assets are in the possession of the receiver.
4. A receiver:
 - a) Shall set aside, out of the proceeds of sale of an asset, the amount specified by the Authority under Sub-Article (3), or such a lesser amount as is subsequently agreed on by the Authority;
 - b) Is liable to the extent of the amount set aside for the tax of the person who owned the asset; and
 - c) May notwithstanding any provision of this Article pay any debt that has priority over the tax referred to in this Article.
5. A receiver is personally liable to the extent of any amount required to be set aside under Sub-article (4) for the tax referred to in Sub-Article (3) if, the receiver fails to comply with the requirement of this Article.

17. Notification of Changes

A registered taxpayer shall notify the authority, in writing, of

- a) Any change in the name, address, place of business, constitution, or nature of the principal taxable activity or activities of the person; and
- b) Any change of address from which, or name in which, a taxable activity is carried on by the registered person, within 21 days following such change.



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SECTION FIVE

Appeal Procedure

18. Review Committee

The Minister of Revenue or the competent authority of the regional government, as appropriate, upon the recommendation of the head of the Authority, shall appoint members of the Review Committee.

19. Powers and Duties of the Review Committee

1. The review Committee shall be accountable to the head of the Authority and shall have the following duties;
 - a) To examine and decide on all applications submitted by tax payers for compromise of penalty, interest and on the tax assessed:
 - b) To gather any written evidence or information relevant to the matter submitted to it;
 - c) To summon any person who directly or in directly has dealt with the assessment, to appear before it to answer questions about the case under its investigation; and
 - d) To review the accuracy, completeness, and compliance with this proclamation of the tax assessment made by the Authority.
2. The Committee shall only review applications submitted to it within 10 days of receipt of tax assessment notification.
3. The Head of the Tax Authority may approve the recommendations or remand the case, with his observations, to the Committee for further review.

20. Waiver of Penalty

The Review committee may waive administrative penalties, wholly or partly, in accordance the directives to be issued by the Minister of Revenue or by the competent authority of the regional government, as may be appropriate.



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21. Appeal

1. Any person who objects to an additional assessment made by the Authority has the right to appeal, within 30 days from the receipt of assessment notification, or from the sate of secession of the review Committee, to the Tax Appeal Commission by depositing in cash with the Authority 50% (fifty percent) of the additional tax assessed.
2. If a person appeals in accordance with Sub-Article (1) and the Tax Appeal Commission determines that the person is liable for the additional assessment, he shall be in default unless he pays the additional assessment determined by the Tax Appeal Commission within thirty (30) days of the rendition of such a decision.
 1. If no appeal is made within the period prescribed in Sub-Article (1) of this Article, the Additional assessment of the tax made by the Authority shall be deemed to be correct and final, and shall be immediately payable.
 2. Without prejudice to Sub-Article (1) of this Article, the provisions of the Income Tax Proclamation relation to appeals shall, mutates mutinies, apply to appeals regarding taxes impose by this proclamation.

22. Burden of Proof

The Burden of proving that an assessment is excessive or that a decision of the Authority is wrong is on the person objecting to the assessment or decision.



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SECTION SIX

Administrative Penalties

23. Penalties for Late Filing

1. Except as otherwise provided in this Proclamation, a person who fails to file a timely return is liable for a penalty equal to 5 percent of the amount of tax underpayment for each month (or portion thereof) during which the failure continues, up to 25% (twenty five percent) of such amount.
2. The penalty under Sub-Article (1) of this Article is limited to 50,000 Birr for the first month (or portion thereof) in which no return is filed.
3. For purposes of this Article, an underpayment of tax is the difference between the tax required to be shown on the return and the amount of tax paid by the due date.
4. In any event the penalty may not be less than the smaller of the two amounts:
 - a) 10,000 Birr (ten thousand Birr);
 - b) 100 percent of the amount of tax required to be shown on the return.

24. Late Payment Interest

- a) If any amount of tax is not paid by the due date, the person liable is obliged to pay interest on such amount for the period from the due date to the date the tax is paid.
- b) The interest rate under Sub-Article (a) of this Article is set at 25% (twenty five percent) over and above the highest commercial banks, lending interest rate that prevailed during the preceding quarter.



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SECTION SEVEN

Criminal Offences

25. Procedure in Tax offence Cases

A tax offence under this Section is a violation of the criminal law of Ethiopia and shall be charged, prosecuted, and appealed in accordance with the Ethiopian Criminal Procedure Code.

26. Tax Evasion

A person who evades the declaration or payment of tax, commits an offence and, in addition to any penalty under Section 6, may be prosecuted and, on conviction, be subject to imprisonment for a term of not less than 5 (five) years.

27. Making False or Misleading Statements

1. A taxpayer who,
 - a) Makes a false or misleading in a material particular statement to a tax officer of the Authority, or
 - b) Omits, from a statement made to an officer of the Authority, any matter or thing without which the statement is misleading in a material particular. Commits an offence and is liable on conviction.
2. Where the false statement or omission is made without reasonable excuse,
 - a) And if the inaccuracy of the statement undetected would have resulted in an underpayment of tax by an amount not exceeding 1,000 Birr, the taxpayer shall be subject to a fine of not less than 10,000 Birr and not more than 20,000 birr and imprisonment for a term of not less than one (1) year and not more than three (3) years: and
 - b) If the under payment of the tax is in an amount exceeding 1,000 Birr, to a fine of not less than 20, birr and not more than 100,000 Birr, and to imprisonment for a term of not less than three (3) years ad not more than five (5) years,
3. Where the false statement or omission is made knowingly or recklessly,
 - a) And if the inaccuracy of the statement were undetected would have resulted in an underpayment of tax by an amount not exceeding 1,000 Birr, the taxpayer shall be subject



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to a fine of not less than 50,000 Birr and not more than 100,000 Birr and to imprisonment for a term of not less than five (5) years and not more than ten (10) years; and

- b) If the underpayment of the tax is in an amount acceding 1,000 Birr, the taxpayer shall be subject to a fine of not less than 75,000 Birr and not more than 200,000 Birr, and to imprisonment for a term of not less than ten (10) years and not more than fifteen (15) years.

28. Obstruction of Tax Administration

1. Any person who:
 - a) Obstructs or attempts to obstruct an officer of the Authority in the performance of duties under this proclamation, or
 - b) Otherwise impedes or attempts to impede the implantation of the proclamation, commits an offence and is liable, on conviction, to a fine of not less than 1,000 Birr and not more than 100,000 Birr, and to imprisonment for a term of two (2) years,
2. For the purposes of sub-Article (1), the following and other similar actions are considered to constitute obstruction:
 - a) Refusal to satisfy the request of the Authority for inspection of documents, reports, or other information relating to a taxpayer's income producing activities;
 - b) Non compliance with the Authority's request to report for an interview;
 - c) Interference with a tax officer's right to enter the taxpayer's business premises.

29. Failure to Notify

A person who fails to notify the Authority of a change as required by Article (17) commits an offence, and on conviction:

- a) Where the failure was made knowingly or recklessly, is liable to a fine of not less than 10,000 Birr and to imprisonment for one year: or
- b) In any other cases, to a fine of not less than 5,000 Birr and to imprisonment for a term of six months.



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30. Offences by Tax Officer

1. Any tax officer or former taxation officer employed in carrying out the provisions of this proclamation who:
 - a) Directly or indirectly asks for, or receives in connection with any of the taxation officer's duties, a payment or reward, whether pecuniary or otherwise, or promise or security for that payment or reward, not being a payment or reward which the officer is lawfully entitled to receive, or
 - b) Enters into or acquiesces in an agreement to do or to abstain from doing, permit, conceal, or connive at any act or thing whereby the tax revenue is or may be defrauded or which is contrary to the provisions of this proclamation or to the proper execution of the taxation officer's duty; Commits an offence and is liable on conviction to a fine of not more than 50,000 Birr and to imprisonment for a term of not less than ten (10) years and not more than twenty (20) years.
2. A tax officer or a former tax officer engaged in carrying out the provisions of this Proclamation, except such information is required by the commercial Code of Ethiopia to be published in the trade Gazette, who,
 - a) Discloses to any person or his representative, any matter in respect of another person that may, in the exercise of the taxation officer's powers or the performance of the taxation officer's duties under the said provisions, come to the taxation officer's knowledge; or
 - b) Permits any other person to have access to records in the possession or custody of the Authority, except in the exercise of the taxation officer's powers or the performance of the other's duties under this Proclamation or by order of a court; Commits an offence and is liable on conviction to a fine of not less than 10,000 Birr and to imprisonment for a term of not less than two (2) years and not more than five (5) years.
3. Nothing in this Article shall prevent a taxation officer from disclosing:
 - a) Any document or information to:
 - I. Any person where the disclosure is necessary for the purposes of this Proclamation or any other fiscal law;
 - II. The Auditor-General where the disclosure is necessary for the performance of duties entrusted to it by law;
 - III. The competent authority of the government of another country with which Ethiopia has entered into an agreement for the avoidance of double taxation or for the exchange of information, to the extent permitted under the agreement;



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- IV. The Ethics and Anti-Corruption commission where the disclosure is necessary for the performance of duties entrusted to it by law;
- V. A law enforcement agency not described above, where the Minister of Revenue issues written authorization to make disclosures necessary for the enforcement of the laws under the agency's authority; or
- b) To any person in the service of the State in a revenue or statistical department, information which does not identify a specific person where such disclosure is necessary for the performance of the person's official duties.

31. Unauthorized Tax Collection

Any person not authorized to collect tax under this proclamation who collects or attempts to collect tax (or an amount the person describes as tax) commits an offence and is liable on conviction to a fine of not less than 50,000 Birr and imprisonment for a term of not less than five (5) years and not more than ten (10) years.

32. Aiding or Abetting

A person, who aids, abets, incites, or conspires with another person, to commit a violation of this Proclamation, also commits an offence. He may be subject to prosecution and, on conviction, be liable to a fine and imprisonment, not in excess of the amount of fine or period of imprisonment provided for the offence aided or abetted.

33. Offences by Entities

- 1. Subject to Sub-Article (3) of this Article, where an entity commits an offence, the person who is a manager of that entity at the time the offence is committed, is treated as also having committed the same offence and is liable to a fine and imprisonment under this proclamation.
- 2. Subject to Sub-Article (3) of this Article, where an entity commits an offence by failing to pay an amount of tax, including an amount treated by this proclamation as though it were tax, the person who was a manager of that entity at the time of such failure or was a manager within six (6) months prior to the date of commission is jointly and severally liable with that entity and that other person for the amount due to the Authority.
- 3. Sub-Articles (1) and (2) do not apply where,
 - a) The offence is committed without that person's knowledge or consent; and



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- b) That person has exercised the degree of care, diligence and skill that a reasonable prudent person would have exercise in comparable circumstance to prevent the commission of the offence.
4. In Sub- Article (1) and (2), "manager" means,
- a) In the case of a partnership a partner of manager of the partnership or a person purporting to act in either of those capacities:
 - b) In the case of a company, a director, manager, or officer of the company or a person purporting to act in any of those capacities:
 - c) In the case of an association of persons, a manager or a person purporting to act in that capacity.

34. Offences by Receivers

- 1. A person who fails to comply with the requirements of Article 16 (4) commits an offence and is liable, on conviction to a fine 5,000 Birr and to imprisonment for a term of one (1) year.
- 2. Where a person is convicted of an offence under Sub Article (1) of this Article for failing to set aside an amount as required under Article 16 (4), the court may, in addition to imposing a fine and prison sentence, order the convicted person to pay, to the authority, an amount not exceeding the amount which the person failed to set aside.

35. Publication of Names

- 1. The Authority shall from time to time publish by notice in a Gazette a list of persons who have been convicted of offences under any of the provisions of Articles 25 to 34 of this proclamation.
- 2. The list published in terms of Sub-Article (1) shall specify:
 - a) The name, address, and principal enterprise of the person;
 - b) Such particulars of the offence as the Authority may think fit;
 - c) The tax period or tax period sin which the offence occurred;
 - d) The amount or estimated amount of the tax evaded; and
 - e) The amount, if any, or the additional tax impose



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SECTION EIGHT

Miscellaneous Provisions

36. Duty to Cooperate

1. All Federal and Regional government authorities and their agencies, Bodies, Kebele Administrations and Associations shall have the duty to cooperate with the tax Authority in the enforcement of this Proclamation.
2. a) No Ministry Municipality, Department or Office of the Federal or Regional Government shall issue or renew any license to any taxpayer unless the applicant produces a certificate from the Tax Authority to the effect that tax due in respect of the preceding year or hears have been paid, or where the taxpayer is seeking license for the first time a taxpayer identification number (TIN) issued by the Tax Authority, unless an appeal is pending, or time for payment is extended by the Tax Authority.
b) If the Tax Authority refuses to issue a certificate it shall, on demand by the applicant for the license, provide him or it with a written statement of its reasons there for.
c) Any applicant who is aggrieved by the reasons stated by the Tax Authority for refusing to issue a certificate or by the revocation of his or its license may appeal in writing to the review Committee.

37. Power of the Minister

The Minister may waive, in whole or in part, the tax levied under this Proclamation for economic, social or administrative reasons or for reasons specified under Article 42 (b) of the Income Tax Proclamation No. 286/2002.

38. Power to Issue Directives

The Minister of Revenue may issue directives for the proper implementation of this proclamation.

39. Repeal

The Sales and Excise Tax Proclamation No.68/1993 (as amended) shall be rescinded as from the day on which this Proclamation becomes of full force and effect.



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40. Transitory Provisions

All sales tax due prior to the coming into force of this Proclamation shall be collected in accordance with the sales and Excise Tax proclamation.

41. Effective Date

This Proclamation shall enter into force as of the 31st day of December 2002.

Done at Addis Ababa, this 31st day of December 2002