

CHAPTER 374

THE TAX RESERVE CERTIFICATES ACT

[PRINCIPAL LEGISLATION]

ARRANGEMENT OF SECTIONS

Section Title

1. Short title.
2. Interpretation.
3. Issue of certificates.
4. Purchase of certificates.
5. Registration of Purchase and transfer.
6. Satisfaction of tax by certificates.
7. Interest.
8. Certificates not normally transferable.
9. Maximum holdings.
10. Redemption by registered holder.
11. Redemption by Commissioner.
12. Issue of duplicate certificates.
13. Devolution of powers and duties of Accountant General.
14. Surrender for certificates of less value.
15. Proceeds of certificates to form part of general revenue.
16. Certificates to be deemed cheques.
17. Regulations.
18. No derogation from Act.



CHAPTER 374

THE TAX RESERVE CERTIFICATES ACT

An Act to provide for the issue of Tax Reserve Certificates and for the satisfaction of liability for tax and for related matters.

[25th May, 1956]

Ords. Nos.
17 of 1956
36 of 1956
21 of 1958
[R.L. Cap. 374]
Act No.
16 of 1983

Short title

1. This Act may be cited as the Tax Reserve Certificates Act.

Interpretation
Act No.
16 of 1983 s. 56

2. In this Act, unless the context otherwise requires-
“Accountant General” in relation to any power or duty to be exercised or performed under this Act, includes any person to whom that power or duty has been delegated under section 13;
“Act” means the Income Tax Act;
“Commissioner” means the Commissioner General appointed under the Tanzania Revenue Authority Act;
“Minister” means the Minister responsible for finance;
“prescribed” means prescribed by regulations made under section 17;
“registered holder” means a person registered as the holder of a certificate pursuant to section 5;
“tax” means income tax and surtax charged under the Act.

Cap. 332

Cap. 399

Issue of
certificates
Act No.
16 of 1983 s. 57

3. The Minister may issue, and may regulate the issue of tax reserve certificates in any form and of the denominations and subject to any conditions which he may prescribe.

Purchase of
certificates

4. A person, on making application in the prescribed manner to the Accountant General and on paying an amount equal to its face value, shall be entitled to purchase certificates.

Registration of
Purchase and
transfer

5. The purchaser and, in the case of a transfer, the transferee of a certificate shall be registered by the Accountant General as its registered holder in the prescribed manner.

Satisfaction of tax
by certificates

6. It shall be lawful for the registered holder to transfer in the prescribed manner to the Commissioner, and for the Commissioner to accept, any certificates at their face value in payment of the whole or, as the case may be, of part, of any amount due or payable in respect of any tax.

Interest
Ord. No.
21 of 1958 s. 2;
Act No.
16 of 1983 s. 57

7.-(1) Subject to the provisions of section 10, there shall be paid on the face value of any certificate interest at the prescribed rate for every completed month commencing on the first day of the month next following the date of its purchase and ending on the last day of the month-

- (a) immediately preceding that in which it is transferred in payment of tax pursuant to section 6;
- (b) immediately preceding that in which it is surrendered pursuant to subsection (2) of section 10; or
- (c) which completes a period of three years after the first day of the month next following the date of its purchase,

whichever is the earlier.

(2) Interest payable under the provisions of subsection (1) of this section shall be paid by the Accountant General-

- (a) in the case of a transfer to the Commissioner pursuant to section 6, to the registered holder who so transfers it, on receipt by the Accountant General of notification in the prescribed manner of the transfer; and
- (b) in the case of a surrender to the Accountant General pursuant to section 10 (where the Minister has authorised the payment of interest), to the registered holder who surrenders it, on its surrender.

(3) Where a certificate is transferred in payment of tax on or before the due date for payment within the meaning of the Act, that certificate shall, for the purposes of paragraph (a) of subsection (1) of this section, be deemed to have been transferred on the day following that due date for payment.

Certificates not normally transferable
Ord. No. 36 of 1956 s. 2

8.—(1) Save as is provided in section 6, a certificate may not be transferred to any person unless the Accountant General, being satisfied that the transfer is necessary for the avoidance of undue hardship to any person or is in the public interest, has given his prior consent in writing:

Provided that, nothing in this section shall prevent the transfer or transmission of a certificate by operation of law or the attachment or sale of any certificate in execution of any decree.

(2) On the transfer or transmission of a certificate pursuant to the provisions of this Act or by operation of law or on the sale of any certificate which has been attached in execution of any decree, the transferee shall notify the Accountant General of the transfer in the prescribed manner.

(3) On the transfer or transmission of a certificate, otherwise than to the Commissioner pursuant to section 6, the transferee shall pay the prescribed fee to the Accountant General.

Maximum holdings
Act No. 16 of 1983 s. 57

9.—(1) Save with the prior written approval of the Minister, no person may, at any one time, hold a certificate or several certificates of, or adding up to a value of more than fifty million shillings.

(2) Where a person wishes to purchase a certificate of a value exceeding fifty million shillings, or a certificate which if bought in addition to the other certificate or certificates he already holds, would render him a holder of certificates of a value exceeding fifty million shillings, he shall apply in writing in that behalf to the Minister.

(3) An application made to the Accountant General under section 4, pointing out the fact the certificate applied for where granted would render the applicant a holder of certificates of a value exceeding fifty million shillings, shall be deemed to be a proper application to the Minister for the purposes of this section.

(4) Where it appears to the Accountant General that an application made for the purposes of section 4 does not comply with subsection (3) of this section and would, if granted

contravene the provisions of subsection (1), he shall forthwith refer the matter to the Minister whose decision on it shall be final and shall be complied with by the applicant as well as the Accountant General.

(5) A decision by the Minister upon an application made under subsection (2) of this section shall be final, and shall be complied with by the applicant as well as the Accountant General.

Redemption by
registered holder
Act No.
16 of 1983 s. 57

10.-(1) The registered holder of a certificate may at any time after the expiration of three years after the first day of the month next following the date of purchase, on giving not less than three months' notice in writing to the Accountant General, surrender the certificate to the Accountant General in the prescribed manner and, on so surrendering the certificate, shall be entitled to be paid an amount equivalent to its face value.

(2) In the event of the death of the registered holder, or in any other special circumstances, the Accountant General may permit the surrender of a certificate before the expiration of the period of three years specified in subsection (1) of this section.

(3) No interest shall be payable in respect of any certificate surrendered under the provisions of this section unless, in the opinion of the Minister, the circumstances in which the certificate is surrendered justify the payment of interest and he authorises the payment of interest accordingly.

Redemption by
Commissioner

11. The Commissioner may, at any time, surrender a certificate to the Accountant General by delivery and on so surrendering the certificate shall be entitled to be paid an amount equivalent to its face value.

Issue of duplicate
certificates

12.-(1) Subject to the provisions of subsection (2) of this section, a duplicate of any certificate lost, destroyed or mutilated may, on application in the prescribed manner and on payment of the prescribed fee, be obtained by the registered holder from the Accountant General.

(2) In the case of a lost certificate, no duplicate may be issued until the loss has been advertised in the *Gazette* at the expense of the registered holder.

(3) On the issue of a duplicate, the certificate which it replaces shall immediately for all purposes cease to be operative and become null and void.

(4) On the issue of a duplicate, the certificate which it replaces shall immediately become the property of the Accountant General and shall be immediately returned to him by any person into whose possession, custody or control it comes.

Devolution of powers and duties of Accountant General

13. The Minister may, by notice published in the *Gazette*, order that all or any of the powers and duties of the Accountant General under this Act shall be exercisable and performed by any person specified in the notice and the powers and duties so delegated shall accordingly be exercisable and performed by the person so specified.

Surrender for certificates of less value
Ord. No.
36 of 1956 s. 3

14.—(1) The registered holder may at any time on application in the prescribed manner surrender a certificate to the Accountant General in exchange for two or more certificates of a face value less than, but in the aggregate equivalent to the face value of the certificate so surrendered.

(2) Every certificate issued in exchange for a certificate surrendered under the provisions of subsection (1) shall, for the purposes of section 7, be deemed to have been purchased on the date on which the surrendered certificate was purchased or deemed to be purchased.

Proceeds of certificates to form part of general revenue

15. The moneys received for the purchase of any certificate shall be paid into and form part of the general revenues and other funds of the United Republic and any amount required for the redemption of any certificate and for the payment of any interest on it shall be paid by the Accountant General from the general revenues and other funds of the United Republic which are hereby charged with such payments for that purpose.

- Certificates to be deemed cheques
Cap. 16 **16.** For the purposes of Chapter XXXV of the Penal Code a certificate shall be deemed to be a cheque.
- Regulations **17.** The Minister may make regulations for the better carrying out of the purposes and provisions of this Act and for prescribing anything which is or may be prescribed.
- No derogation from Act **18.** Nothing in this Act shall derogate from the provisions of the Act.
-

©2025 Government of Tanzania. All rights reserved. No part of this book may be reproduced or distributed without permission of OAG.