

**COMMUNICATION FROM TANZANIA CONCERNING ANNEX III,  
PARAGRAPH 1, OF THE AGREEMENT ON IMPLEMENTATION  
OF ARTICLE VII OF THE GENERAL AGREEMENT ON  
TARIFFS AND TRADE 1994**

The following communication, dated 15 November 1999, has been received from the Permanent Mission of Tanzania.

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The Permanent Mission of the United Republic of Tanzania to the United Nations office and other International Organizations in Geneva and Vienna presents its compliments to the Secretariat of the WTO and has the honour to submit a request from the Government of the United Republic of Tanzania in view of extending the delayed application of the provisions of the Agreement on Implementation of Article VII of the GATT 1994.

Factors which have attributed to seeking the extension of one year range from inadequate institutional arrangements, weaknesses in the current legal framework and financial constraints.

As you might be aware, the Tanzania Revenue Authority (TRA), which was established in 1996 and has the responsibility of administering all tax laws, including customs laws, needed time to study the laws and prepare an appropriate programme for their updating.

Secondly, a diagnostic study of the Customs Department which was carried out revealed a need to revise the entire principal customs legislation and to provide for, *inter alia*, the possibility of appealing from decisions of the customs to a National Appeals Board and further on to an Appeals Tribunal. The revision of the customs legislation and accession to the Valuation Agreement are included in the activities of the Customs Reform Programme which was prepared following the study.

Thirdly, the TRA was also required to prepare for the introduction of a value added tax (VAT) which was operationalized from July 1996. This process demanded adequate time as well as thorough preparations.

Last but not least, financial constraints impeded our efforts to reform the sector as fast as we would have wished. However, the Tax Administration Project, scheduled for implementation during the year 2000 with assistance from the World Bank, will speed up the reform process.

Basing on the aforesaid, it is evident that Tanzania has started the process of acceding to the WTO Valuation Agreement. However, it has to be appreciated that the process cannot be completed this year as the whole process entails changing the law, and the latter cannot be done unless the entire revision of the customs laws is implemented as envisaged by the Customs Reform Programme.

As shown in the programme, revised legislation will be presented before Parliament in June 2000. Therefore, going by the proposed programme, Tanzania will be ready to implement the Agreement from 1 January 2001.

Programme for implementing the WTO Valuation Agreement for Tanzania

1. Carry out a study on the current valuation law and practices and the impact, if any, that implementation of the WTO Valuation Agreement would have on Government revenue (December 1999).
  2. Discuss the findings of the study with stakeholders in the light of the fact that as a Member of the WTO, Tanzania is obliged to accede to the Agreement. Its partners in the East African Community have planned to implement the Agreement as from 1 January 2000 (January 2000).
  3. Carry out a revision of legislation; this will involve the following steps:
    - prepare a brief for Legal Services Department of Tanzania Revenue Authority (December 1999);
    - preparation of initial drafts by TRA Legal Services Department (December 1999);
    - submission of drafts to the WTO and WCO for comments (January 2000);
    - submission of drafts to Chief Parliamentary Draftsman (February 2000);
    - preparation of a Bill by Chief Parliamentary Draftsman (April 2000);
    - submission of the Bill before Parliament (June 2000).
  4. Submission of Instrument of Accession through diplomatic channels (August 2000).
  5. Organize training of trainers by the WCO (July/August 2000).
  6. Go on with administrative arrangements and training of customs officials and importers/clearing agents.
  7. Start application of the new valuation system (1 January 2001).
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