

The Income Tax Order 12 of 1975

(Title amended A.11/1985.)

Date of Commencement: 1st July, 1975.

Date of Assent: 8th July, 1975.

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A King's Order-in-Council to consolidate the law relating to the taxation of incomes.

PART I

GENERAL

Short title.

1. This order may be cited as the Income Tax Order, 1975. (Amended A.11/1985.)

Interpretation.

2. In this Order, unless the context otherwise requires —

“agent” includes a person appointed by the Commissioner under section 49 and also any partnership, company, or any other body of persons whether incorporated or not, which is acting as an agent;

“approved bursary scheme” means a bursary scheme operated by an employer which is registered with the Commissioner and approved by him in respect of the year of assessment in question upon the following terms and conditions and such others as he may determine —

- (a) that the bursaries under the scheme are awarded on merit according to need to enable students to pursue secondary or high school education at public educational institutions;
- (b) that the children of all employees of the employer are eligible for such bursaries;
- (c) that a bursary awarded to any recipient shall not exceed E2 000 per annum or such other sum as the Commissioner may specify generally; and (Amended A.7/1992.)
- (d) that a bursary scheme is governed by properly defined rules which, together with any amendments thereto, are approved by the Commissioner. (Added A.5/1988.)

“approved company in the handicraft and cottage industry sector” means a company approved by and registered by the Commissioner in consultation with the Ministry of Commerce, Industry and Tourism for the relevant year of assessment; (Added A.7/1989.)

“approved export promotion expenditure” means any expenditure incurred by an approved company in the handicraft and cottage industry sector for the purpose of expanding exports which have been approved by the Commissioner in consultation with the Ministry of Commerce, Industry and Tourism; (Added A.7/1989.)

“approved export trading house” means a company engaged in the export of products of other companies in the handicraft and cottage industry sector and which is approved and registered by the Commissioner in consultation with the Ministry of Commerce, Industry and Tourism for the relevant year of assessment; (Added A.7/1989.)

“assessment” means —

- (a) the determination of an amount upon which any tax leviable under this Order is chargeable; or
- (b) the determination of any loss ranking for set-off;

and for the purposes of Part VI includes any determination by the Commissioner in respect of any of the reductions referred to in section 8 and any decision of the Commissioner which is in terms of this Order subject to objection and appeal;

“assistant Commissioner” (Deleted A.6/2000.)

“benefit fund” means —

any fund (other than a pension fund, provident fund or retirement annuity fund) which, in respect of the year of assessment in question, the Commissioner is satisfied is a permanent fund *bona fide* established for the purpose of providing sickness, accident or unemployment benefits for its members or for providing benefits for the widow, children, dependants or nominees of deceased members and includes any fund which would, but for the fact that it does not provide for payment of annuities on the retirement of its members, be approved under the definition of “pension fund” in this section;

“child” means —

any child, step-child or adopted child of the taxpayer of whom he has the custody and whom he wholly maintains, provided that in the case of an adopted child such child shall have been adopted by the taxpayer — (Replaced A.11/1982.)

- (a) under the Adoption of Children Act No. 64 of 1952;
- (b) in accordance with Swazi customary law, provided that proof of such adoption is supported by a certificate under the signature of a person appointed in writing and gazetted by the Minister for Home Affairs either generally or specially for such purpose; or (Amended A.11/1982.)
- (c) under the law of any country other than Swaziland, provided that the Commissioner is satisfied that the adopted child is under such law accorded the status of a legitimate child of the adoptive parent and the adoption was made at a time when the taxpayer was resident in such country;

“Commissioner” means —

the Commissioner of Taxes appointed under section 3;

“company” includes —

- (a) any association incorporated by or under any law in Swaziland;
- (b) any association which is incorporated outside Swaziland but carries on business or has an office or place of business in Swaziland; or
- (c) any body corporate incorporated by any law in force in Swaziland or by any law in force in any country outside Swaziland but carrying on business in Swaziland;

“court” means —

a court of competent jurisdiction, save that for the purposes of Part VI it means the High Court of Swaziland;

“Deputy Commissioner” means a Deputy Commissioner appointed under section 3; (Added A.6/2000.)

“dividend” means —

any amount distributed by a company (not being an association or institution to which section 12(1)(a)(iii) and (iv) apply) to its shareholders, and for this purpose “amount distributed” includes —

- (a) in relation to a company that is being wound up or liquidated, any profits distributed, whether in cash or otherwise, other than those of a capital nature, earned before or during the winding up or liquidation;
- (b) in relation to a company that is not being wound up or liquidated, any profits distributed, whether in cash or otherwise, and whether of a capital nature or not, including an amount equal to the nominal value of any debentures or securities awarded to the shareholders; (Amended A.10/1991.)
- (c) in the event of the partial reduction of the capital of a company, any cash or the value of any asset which is given to a shareholder in excess of the cash equivalent of the nominal value by which the shares of that shareholder are reduced; and
- (d) in the event of the reconstruction of a company, any cash or the value of any asset which is given to a shareholder in excess of the nominal value of the shares held by him before the reconstruction:

Provided that for the purposes of this or in definition an asset shall be deemed to have been given to a shareholder of a company if any asset or interest, benefit or advantage measurable in terms of money is given or transferred to such shareholder or if the shareholder is relieved of any obligation measurable in terms of money;

“executor” means —

any person to whom letters of administration have been granted in respect of the estate of a deceased person under any law relating to the administration of estates, and includes any person acting or authorised to act under letters of administration granted outside Swaziland and signed and sealed by the Master in accordance with the relevant provisions of the Administration of Estates Act No. 28 of 1902 for use in Swaziland, or, in the case of where the estate is not required to be administered under the supervision of any court, the person administering the estate;

“financial year” —

in relation to a company, means —

- (a) the period, whether of twelve months or not, commencing upon the date of the formation of such company and ending upon the last day of June immediately succeeding such date or upon such other date as the Commissioner, having regard to the circumstances of the case, may approve; or
- (b) any period subsequent to the period referred to in paragraph (a) commencing immediately on the day following the last day of the immediately preceding year of assessment of that company and ending after the expiration of twelve months from such date or any other period ending on such

date as the Commissioner, having regard to the circumstances of the case, may approve; (Added A.11/1985.)

“gross income” —

has the meaning assigned to it under section 7;

“income” means —

the amount remaining of the gross income of any person for any year or period of assessment after deducting therefrom any amounts exempt from income tax in the hands of such person;

“industrial building” means any building —

- (a) which contains and is used solely or mainly for the purpose of operating machinery worked by steam, electricity, water or other mechanical power;
- (b) which is on the same premises as any other building mentioned in paragraph (a), and which, in the opinion of the Commissioner, suffers depreciation by reason of the operation of machinery installed in such other building;
- (c) which, in the opinion of the Commissioner, suffers depreciation by reason of the use of chemicals, corrosives, furnaces of any description or any other agent directly utilised in the particular trade or industry of which the building forms an integral and essential part;
- (d) erected and used for the purpose of carrying out industrial research or scientific experiments into improved or new methods of manufacture;
- (e) which, by reason of the trade carried on by the taxpayer is, in the opinion of the Commissioner, used for industrial purposes;

“management charge” means a payment of any kind or nature, other than a payment to which the Second Schedule applies, in consideration for any services of a technical, managerial, administrative or consultancy nature; (Added A.6/2000.)

“married” (Deleted A.10/1991.)

“married person” means any person who during —

- (a) any portion of the period in respect of which the assessment was made was married or was a widower or a widow; or
- (b) the whole of such period was separated under a judicial order or written agreement; (Amended A.11/1982.)

“mining operations” and “mining” include —

every method or process by which any mineral is won from the soil or from any substance or constituent thereof;

“Minister” means —

the Minister for Finance and Economic Planning;

“non-resident tax” means the non-resident shareholders tax or the non-residents tax on interest, as the case may be, provided for in Part III;

“normal tax” means the tax payable in terms of section 6(1);

“pension fund” means a superannuation, pension, provident, or widows’ and orphans’ fund established by law and any such fund other than a benefit fund, provident fund or retirement annuity fund not established by law which is approved by the Commissioner in respect of the year of assessment in question:

Provided that the Commissioner may approve a fund subject to such limitations or conditions as he may determine, but shall not approve a fund unless, in respect of the year of assessment in question, he is satisfied that —

- (a) the fund is a permanent fund *bona fide* established for the purpose of providing annuities for employees on retirement from employment, or mainly for such purpose, and also for the purpose of providing benefits other than annuities for employees or benefit for widows, children, dependants or nominees of deceased employees; and

(b) the rules of the fund provide —

- (i) that all annual contributions of a recurrent nature to the fund shall be in accordance with specified scales; (Amended K.O-I-C. 39/1975.)
- (ii) that membership of the fund throughout the period of the employment shall be a condition of employment by the employer of all persons of the class specified therein who enter his employment on or after the date upon which the fund comes into operation; (Amended K.O-I-C. 1/1976.)
- (iii) that any person who immediately prior to such date was employed by the employer and who on such date falls within such class may, on application made within a period of not more than twelve months as from such date, be permitted to become a member of the fund on such conditions as may be specified in the rules;
- (iv) that not more than one-third of the total value of the annuity to which any employee becomes entitled may be commuted for a single payment, except where the annual amount of such annuity does not exceed seven hundred and twenty Emalangeni; (Amended A.7/1992.)
- (v) for the administration of the fund in such a manner as to preclude the employer from controlling the management or assets of the fund or from deriving any monetary advantage from moneys paid into or out of the fund; and
- (vi) that the Commissioner shall be notified of any amendment of any of the rules; and

(c) the rules of the fund have been complied with;

“person” includes any company, a body of persons whether incorporated or not, an insolvent estate, the estate of a deceased person and any trust; (Amended A.11/1985; A.6/2000.)

“provident fund” means a fund other than a pension fund, benefit fund or retirement annuity fund, which is approved by the Commissioner in respect of the year of assessment in question. (Replaced A.9/1979.)

Provided that the Commissioner may approve a fund subject to such limitations or conditions as he may determine but shall not approve a fund unless, in respect of the year of assessment in question he is satisfied that —

(a) the fund is a permanent fund *bona fide* established solely for —

- (i) the purpose of providing benefits for employees on retirement from employment, or
- (ii) the purpose of providing benefits for widows, children, dependants or nominees of deceased employees, or
- (iii) a combination of those purposes;

(b) the rules of the fund contain provisions similar in all respects to those required to be included in the rules of a pension fund as provided for in paragraph (b) to the proviso of the definition of “pension fund”, save that sub-paragraph (iv) thereof be omitted from such rules for the purpose of this paragraph; (Amended K.O-I-C. 1/1976.)

(c) the rules of the fund have been complied with;

“public officer” in relation to a company means the person appointed under section 51;

“public servant” means the holder of any public office or emolument in the civil service of the Government of Swaziland and includes a person appointed to act in such public office;

“representative taxpayer” has the meaning assigned to it in section 44;

“retirement annuity fund” means any fund (other than a pension fund, provident fund or benefit fund) which is approved by the Commissioner in respect of the year of assessment in question:

Provided that the Commissioner may approve a fund subject to such limitations or conditions as he may determine, but shall not approve any fund in respect of any year of assessment unless he is in respect of that year of assessment satisfied that —

- (a) the fund is a permanent fund *bona fide* established for the sole purpose of providing life annuities for the members of the fund or annuities for the widows, children, dependants or nominees of deceased members; and
- (b) the fund is under the control of trustees resident in Swaziland and that if the trustees have provided for the management of the fund by an insurance company such company shall be the Swaziland Royal Insurance Corporation; and
- (c) the rules of the fund provide —
 - (i) for periodical contributions by the members;
 - (ii) that not more than one-third of the total value of any annuities to which any person becomes entitled, may be commuted for a single payment, except if the annual amount of such annuities does not exceed seven hundred and twenty Emalangeni; (Amended A.7/1992.)
 - (iii) that no portion of any annuity payable to the widow, child, dependant and nominees of a deceased member may be commuted later than six months from the date of the death of such member;
 - (iv) adequate security to safeguard the interests of persons who may become entitled to annuities;
 - (v) that no member shall first become entitled to the payment of any annuity after he reaches the age of seventy years or, except in the case of a member who becomes permanently incapable through infirmity of mind or body of carrying on his occupation, before he reaches the age of fifty-five years;
 - (vi) that if a member dies before he becomes entitled to the payment of an annuity, the benefits shall not exceed a refund to his estate or to his widow, children, dependants or nominees of the sum of the amounts (with or without reasonable interest thereon) contributed by him and an annuity or annuities to his widow, children, dependants or nominees;
 - (vii) that if a member dies after he has become entitled to an annuity no further benefit shall be payable other than an annuity or annuities to his widow, children, dependants or nominees;
 - (viii) that the sum of the annuities payable to the widow, children, dependants and nominees of a deceased member who was in receipt of an annuity at the time of his death shall not exceed the amount of such annuity;
 - (ix) that a member's contributions shall cease not later than the day before his birthday following the date on which he first becomes entitled to the payment of any annuity;
 - (x) that a member who discontinues his contributions prematurely shall be entitled either to an annuity (payable from the date on which he would have become entitled to the payment of an annuity if he had continued his contributions) determined in relation to his actual contributions or to be reinstated as a full member under conditions prescribed in the rules of the fund;
 - (xi) that upon the winding up of the fund a member's interest therein must either be used to purchase a policy of insurance which the Commissioner is satisfied provides benefits similar to those provided by such fund or be paid for the member's benefit into another approved retirement annuity fund;
 - (xii) that save as is contemplated in sub-paragraph (ii) no member's rights to benefits shall be capable of surrender, commutation or assignment or of being pledged as security for any loan;
 - (xiii) that the Commissioner shall be notified of all amendments of the rules; and
- (d) the rules have been complied with;

“Royalty” means any payment, including a premium or like consideration, made for —

- (a) the use of, or right of use, any patent, design, trademark, or copyright, or any model, pattern, plan, formula, or process, or any property or right of a similar nature; or
- (b) the use of, or right to use —
 - (i) any motion picture film; or
 - (ii) any video or audio material (stored on film, tape, disc, or other medium) for use in connection with television or radio broadcasting; or
 - (iii) any sound recording or advertising matter connected with material referred to in subparagraph (i) or (ii); or
- (c) the use of, or the right of use, or the receipt of, or right to receive, any video or audio material transmitted by satellite, cable, optic fibre, or similar technology for use in connection with television or radio broadcasting; or
- (d) the imparting of, or the undertaking to impart, any scientific, technical, industrial, or commercial knowledge or information; or
- (e) the rendering of, or the undertaking to render assistance ancillary to a matter referred to in paragraphs (a) to (d); or
- (f) a total or partial forbearance with respect to a matter referred to in paragraphs (a) to (e); (Added A.6/2000.)

“shareholder”, in relation to any company, means the registered shareholder in respect of any share, except that if some person other than the registered shareholder is entitled, whether by virtue of any provision in the memorandum or articles of association of the company or under the terms of any agreement or testamentary disposition or otherwise to all or part of the benefits of the rights of participation in the profits or income attaching to the shares so registered, such other person to the extent that he is entitled to such benefits shall also be deemed to be a shareholder;

“steamer” includes any means of public and fare-charging transport by sea; (Added A.6/2000.)

“tax” or “taxation” means any tax or duty leviable under this Order or any previous income tax law, as the case may be;

“taxable income” means the amount remaining after deducting from the income of any person all the amounts allowed to be deducted or set off in Part II;

“taxpayer” means any person chargeable with any tax or duty leviable under this Order and, for the purposes of any provision relating to any return, includes every person required by this Order to furnish such return;

“trade” includes every profession, trade, business, employment, calling, occupation or venture, including the letting of any property;

“trustee” includes in addition to every person appointed or constituted as such by act of parties, by will, by order or declaration of Court or by operation of law, an executor or administrator, tutor or curator, and any person having the administration or control of any property subject to a trust, usufruct, *fidei commissum* or other limited interest, or acting in any fiduciary capacity, or having, either in a private or an official capacity, the possession, direction, control or management of any property of any person under legal disability;

“this Act” includes any regulations made thereunder;

“wife’s employment income” (Added A.11/1985; Deleted A.10/1991.)

“year of assessment” means any year or other period in respect of which any tax or duty leviable under this Order is chargeable:

Provided that in the case of a company any reference to a year of assessment shall be construed to mean the financial year of that company. (Added A.11/1985.)

Appointment of officers.

3. (1) For the administration of this Order the Minister may designate a public servant as Commissioner of Taxes and public servants as Deputy Commissioners of Taxes. (Amended A.6/2000.)

(2) A Deputy Commissioner shall perform such general official duties as he is required to perform by this Order or by the Commissioner under the control of the Commissioner, and shall, in case of illness, absence or temporary incapacity of the Commissioner, act in his name and on his behalf and while so acting shall have and may exercise all the powers conferred and shall perform the duties imposed upon the Commissioner under this Order. (Amended A.6/2000.)

(3) Any office under this Order may be held in conjunction with any other office in the civil service.

Delegation of functions.

4. The Commissioner may with the approval of the Minister delegate to any public servant any duties, powers and functions by this Order conferred or imposed upon him other than such power of delegation.

Preservation of secrecy.

5. (1) Every person designated under or employed in carrying out the provisions of this Order shall, subject to this section, preserve and aid in the preservation of secrecy with regard to all matters that may come to his knowledge in connection with the performance of his duties in respect of such provisions, and shall not communicate any such matter to any person other than the taxpayer or his lawful representative nor suffer any such person to have access to any records in the possession or custody of the Commissioner except in the performance of his duties under this Order or by order of a court:

Provided that —

- (a) the Commissioner may in seeking the advice of or in instructing the Attorney-General or any legal practitioner acting on behalf of the Commissioner disclose such information and such documents as may be relevant in order to obtain such advice or in giving such instructions;
- (b) the Auditor-General acting under the Finance and Audit Act, no. 18 of 1967 may have access to such documents in the possession or custody of the Commissioner as are required by the Auditor-General for the performance of his powers or duties, and the Director of Statistics shall, subject to the Statistics Act, No. 14 of 1967 have a similar right in relation to the performance by him of his powers and duties under that Act;
- (c) the information obtained by the Commissioner in the performance of his powers and duties under this Order or any previous law relating to income tax may be used by him for the purposes of any other fiscal law administered by him;
- (ca) The Secretary for Customs and Excise may have access to such documents and information in the possession or custody of the Commissioner, as are required by him for the performance of his duties under the Sales Tax Act, 1983; (Added A.9/1988.)
- (d) a taxpayer may waive, expressly or by implication, any right which he may have under this Order to secrecy of any matter relating to him or his affairs.

(2) Every person so designated or employed shall, before acting under this Order, take and subscribe before a Commissioner of Oaths or a Justice of the Peace, such oath of fidelity or secrecy as may be prescribed.

(3) Every person who, in contravention of the true intent of the oath of fidelity or secrecy taken by him and without lawful excuse, reveals any matter or thing which has come to his knowledge in his official capacity shall be guilty of an offence and liable on conviction to a fine of five hundred Emalangeni or imprisonment for two years, or both.

(4) If any person acts in the execution of his office before he has taken the prescribed oath he shall be guilty of an offence and liable on conviction to a fine of twenty Emalangeni.

(5) Any person designated by competent authority to audit the assessments and accounts of the Commissioner shall for the purposes of this section be deemed to be a person appointed under or employed in the carrying out of the provisions of this Order.

PART II

NORMAL TAX

Levy of normal tax and rates thereof. (Third Schedule).

6. (1) There shall be charged, levied and paid an income tax, known as “normal tax”, in respect of the taxable income, received by or accrued to or in favour of any person during the year of assessment commencing the first day of July 1975, and each succeeding year of assessment thereafter. (Amended A.11/1985.)

(2) Notwithstanding the provisions of subsection (1), where the taxable income of any person who is in continuous employment with the same employer for any year of assessment, is derived solely from remuneration and the employee's tax required to be deducted or withheld from such remuneration under the Second Schedule, has been deducted or withheld from such remuneration, the normal tax payable by him in respect of such year shall be an amount equal to the sum of the amount deducted or withheld from such remuneration as employees' tax. (Added A.6/1994.)

(3) The rates to be levied is the rates set out in the Third Schedule. (Amended A.6/1994.)

Meaning of gross income.

7. “Gross income” means the total amount whether in cash or otherwise received by or accrued to or in favour of any person, excluding such receipts or accruals of a capital nature as are not receipts or accruals referred to in paragraphs (a) to (l) herein in any year or period assessable under this Part from any source within Swaziland or deemed to be within Swaziland, and includes the following — (Amended A.9/1979.)

- (a) any amount so received or accrued by way of annuity;
- (aa) the full value of any debt (other than debt of a capital nature) which accrues in the year of assessment but becomes payable after the end of that year of assessment: (Added A.10/1991; Amended A.7/1992.)
- (b) any amount, including any voluntary award, so received or accrued in respect of services rendered or to be rendered; (Amended A.7/1989; A.6/2000.)
- (c) any amount so received or accrued in commutation of amounts due under any contract of employment or service;
- (d) any amount so received or accrued from another person as premium or like consideration paid by such other person for —
 - (i) the use or occupation or the right of use or occupation of land or buildings; or
 - (ii) the use or right of use of plant, machinery, equipment or vehicles; or
 - (iii) the use or right of use of any motion picture film or any film or video tape or disc for use in connection with television or any sound recording or advertising matter connected with such motion picture film, film or video tape or disc; or
 - (iv) the use or right of use of any patent, design, trade mark, copyright, or any model, pattern, plan, formula, or process or any property or right of a similar nature; or
 - (v) the imparting of or the undertaking to impart any scientific, technical, industrial, or commercial knowledge or information for use in Swaziland, or the rendering of or the undertaking to render any assistance or service in connection with the application or utilisation of such knowledge or information;

(Replaced A.9/1979.)

- (e) if in the case of any person to whom, in terms of any agreement relating to the grant to any other person of the right of use or occupation of land or buildings, or by the cession of any rights under such agreement, there has accrued in any such year or period the right to have improvements effected on the land or to the buildings by any other person —
 - (i) the amount stipulated in the agreement as the value of the improvements or as the amount to be expended on the improvements; or

- (ii) if no amount is so stipulated, an amount representing in the opinion of the Commissioner, the fair and reasonable value of the improvements;
- (f) the annual value of any benefit or advantage accruing by way of employment, including that of any quarters, board or residence:

Provided that in calculating the gross income of any person:

- (i) the value of any free medical attention or cash allowances for medical expenses provided for or paid to any employee or the holder of an office or appointment shall not be included;
- (ii) any free passage by rail, steamer or air provided for an employee or the holder of an office or appointment at the commencement of such employment, office or appointment shall not be included if the duration of such employment, office or appointment is two years or more or where it is less than two years, if such employment, office or appointment is not subject to renewal; (Amended A.6/2000.)
- (iii) any free passage by rail, road, steamer or air provided for an employee or the holder of an office or appointment shall, on termination of such employment, office or appointment, not be included if the employee or holder of such an office or appointment permanently returns to his place of recruitment; (Added A.6/2000.)

(Replaced A.6/1991.)

- (ff) For the purposes of paragraph (f), a taxable benefit shall be deemed to have been granted by an employer to his employee in respect of the employment contract between the employer and the employee, if —

- (a) a loan has been granted to the employee, whether by the employer or by any other person by arrangement with the employer, and either no interest is payable by the employee on such loan or interest is payable by him thereon at a rate lower than the official rate of interest; or
 - (b) the employer has paid any subsidy in respect of the amount of interest or capital repayments payable by the employee in terms of the loan; or
 - (c) the employer has in respect of any loan granted to the employee by any lender, paid to such lender any subsidy, being an amount which, together with any interest payable by the employee on such loan, exceeds the amount of the interest which, if calculated at the official rate of interest, would have been payable on such loan;
 - (d) for the purpose of this paragraph,
- “official rate of interest” means a rate of interest which the Minister may determine by written notice in the Gazette.

(Added A.6/1994.)

- (g) (i) Any amount by which recoupments of capital expenditure which has been deducted under section 14(1)(m) or the corresponding provision of previous income tax law, exceeds the residual value of such capital expenditure calculated in terms of section 14(1)(m).
 - (ii) For the purposes of this subsection —
- “residual value” means the difference between the cost of capital expenditure incurred in mining operations less the total of the allowances granted in terms of section 14(1)(m) in respect of such capital expenditure.

(Replaced A.9/1988.)

- (h) all amounts allowed to be deducted or set off under the provisions of section 14(1) (except paragraphs (e), (j) and (u) thereof) or section 14(2) or the corresponding provisions of any previous income tax law, whether in the current or any previous year of assessment, which have been recovered or recouped during the current year of assessment:

Provided that all amounts which in terms of this section are required to be included in the taxpayer's income shall be deemed to have been received by or to have accrued to the taxpayer from a source within Swaziland notwithstanding that such amounts may have been recovered or recouped outside Swaziland;

- (i) any amount so received or accrued by way of alimony or allowance or maintenance under any judicial order or written agreement of separation or any order of divorce;
- (j) any amount so received or accrued by way of dividends or interest on debentures or debenture stock;
- (k) any amount by way of allowance so received or accrued to a public servant or a Member of Parliament, but excluding amounts paid or payable to such persons for reimbursive allowances in terms of General Orders or regulations relating to such allowances; (Replaced A.9/1979; A.11/1985.)
- (l) any amount which in terms of this Order is specifically required to be included in the taxpayer's income. (Added A.9/1979.)

Normal tax rebates.

8. (1) In the case of persons other than companies the tax payable in terms of section 6 shall, save as is otherwise provided in this Order, be reduced by —

- (a) (Amended A.9/1988; A.6/1991; Deleted A.10/1991.)
- (b) (Amended A.6/1987; Repealed A.6/1991.)
- (c) an amount equal to ten per centum of the amount paid for each Emalangeni or part thereof in respect of —
 - (i) the premium paid by a person during the year of assessment upon a policy under which that person, the spouse or child of that person is insured against death, accident or sickness: (Amended A.6/1991; Replaced A.10/1991.)

Provided that no such reduction shall be allowed in respect of the premium paid upon any policy issued after the first of July, 1974 if such policy was not issued by the Swaziland Royal Insurance Corporation:

Provided further that no reduction shall be made in respect of insurance under a policy if the amount paid as premium for such policy has been allowed as a reduction from the income of the taxpayer under section 14, or has been allowed in respect of income or similar tax paid by him in a foreign country;
 - (ii) the fee or subscription paid by a person during the year of assessment to a provident fund or benefit fund; (Amended A.7/1992.)
 - (iii) the contribution made by a person during the year of assessment as an employee to a fund established under any law relating to unemployment insurance:

Provided that the total amount to be allowed as a reduction under this paragraph shall not exceed one hundred and eighty Emalangeni; and (Amended A.7/1989; A.6/1994.)
- (d) (Amended A.6/1987; Repealed A.6/1991.)

(2) (Amended A.11/1985; Repealed A.6/1991.)

(3) If the period of assessment is less than twelve months, the reductions under subsection (1)(a) shall be such amounts as bear to the full amount of the respective reductions provided for thereunder the same ratio as the period assessed bears to twelve months, unless in the case of any such period, terminating at the death of the taxpayer, or commencing at the death of the spouse of the taxpayer, the Commissioner in the special circumstances of the case, otherwise directs. (Amended A.6/1991.)

Capitalised or credited income.

9. Income shall be deemed to have accrued to a person notwithstanding that such income has been invested, accumulated or otherwise capitalised by him or that such income has not been actually paid over to him but has been credited in account or reinvested or accumulated or capitalised or otherwise dealt with in his name or on his behalf, and a complete statement of all such income shall be included by any person in the returns rendered by him under this Order.

Taxation of income derived from farming. (First Schedule)

10. The taxable income of any person carrying on pastoral, agricultural, plantation or other farming operations shall, in so far as it is derived from such operations, be determined in accordance with this Order, but subject to the First Schedule. (Added K.O-I-C. 2/1977; Amended A.11/1985.)

Circumstances where certain amounts are deemed to be income in Swaziland.

11. (1) An amount shall be deemed to have accrued to any person from a source in Swaziland notwithstanding that it may have been recovered or recouped outside Swaziland whenever it has been received by or has accrued to or in favour of such person by virtue of —

- (a) any agreement made by such person in Swaziland for the sale of goods, whether such goods have been delivered or are to be delivered in or out of Swaziland;
- (b) any service rendered or work or labour done by such person in the carrying on in Swaziland of any trade, whether the payment for such service or work or labour is made or is to be made by a person resident in or out of Swaziland;
- (c) any service rendered by such person to, or work or labour done by, such person for or on behalf of the Government and in accordance with an agreement of employment with the Government notwithstanding that such service is rendered or that such work or labour is done outside Swaziland;
- (d) any pension or annuity granted to such person in respect of services performed in Swaziland wheresoever payment of such pension or annuity is made and wheresoever the funds from which payment is made are situate:

Provided that if any pension or annuity is granted in respect of services performed partly in Swaziland and partly elsewhere only that part which bears to the whole amount of such pension or annuity the same ratio as the period of service in Swaziland bears to the total period of service in respect of which such pension or annuity was granted shall be deemed to have accrued from a source within Swaziland;

- (e) any business carried on by such person (being a person who is ordinarily resident in Swaziland, or a company which is incorporated, managed or controlled in Swaziland) as owner or charterer of any aircraft, wheresoever such aircraft may be operated;
- (f) any service rendered or work or labour done by such person, being a person ordinarily resident in Swaziland, as an officer or a member of the crew of any aircraft referred to in paragraph (e), notwithstanding that such service is rendered or such work or labour is done outside Swaziland, and wheresoever payment for such service or work or labour is made or is to be made;
- (g) the use or right of use in Swaziland of, or the grant of permission to use in Swaziland —
 - (i) any patent design, trade mark, copyright, model, pattern, plan, formula, or process or any other property or right of a similar nature; or
 - (ii) any motion picture film, or any film, or video tape or disc for use in connection with television, or any sound recording or advertising matter used or intended to be used in connection with such motion picture film, film or video tape or disc;
 - (iii) any video or audio material transmitted by satellite, cable, optic fibre, or similar technology for use in connection with television or radio broadcasting. (Added A.6/2000.)

wheresoever such thing or matter as is referred to in sub-paragraph (i), (ii) or (iii) has been produced or made, or such right of use or permission has been granted or payment for such use, right of use or grant, of permission has been made or is to be made, and whether such payment has been made or is to be made by a person resident in or out of Swaziland; (Added A.9/1979; amended A.6/2000.)

- (gg) the use of or the right to use, or the grant of permission to use in Swaziland of plant machinery, equipment or vehicles or any other movable property; (Added A.6/2000.)
- (h) the imparting of or the undertaking to impart any scientific, technical, industrial or commercial knowledge or information for use in Swaziland, or the rendering of or the undertaking to render, any assistance or

service in connection with the application or utilization of such knowledge or information, wheresoever such knowledge or information has been obtained or such knowledge or information has been imparted or is to be imparted or such assistance or service has been rendered or is to be rendered or any such undertaking has been given, and whether payment for such knowledge, information, assistance, service or undertaking has been made or is to be made by a person resident in or out of Swaziland; (Added A.9/1979.)

- (i) a judicial order, written agreement of separation or an order of divorce, if the taxable income of such person's spouse or former spouse has been reduced by such amount in terms of section 14(1)(x), wheresoever such judicial order or order of divorce was granted or such agreement was made or such amount is paid or payable and whether such person's spouse or former spouse is resident in or out of Swaziland;(Added A.11/1982.)

- (j) a management charge paid by any person ordinarily resident or carrying on business in Swaziland. (Added A.6/2000.)

(2) (Deleted A.10/1991.)

(2)*(bis)* (Added A.11/1985; Amended A.5/1988; A.7/1989; A.6/1991; Deleted A.10/1991.)

(3) Any income shall be deemed to have been received by the parent of any minor child, if by reason of any donation, settlement or other disposition made by such parent of such child —

- (a) it has been received by or accrued to or in favour of or has been deemed to have been received by or accrued to or in favour of such child or has been expended for the maintenance, education or benefit of such child; or
- (b) it has been accumulated for the benefit of such child.

(4) Any income received by or accrued to or in favour of or deemed to have been received by or accrued to or in favour of any minor child of any person, by reason of any donation, settlement or other disposition made by any other person, shall be deemed to be the income of the parent of such minor child if such parent or his spouse has made a donation, settlement or other disposition or given some other consideration in favour directly or indirectly of such other person or his family.

(5) If any person has made in any deed of donation, settlement or other disposition, a stipulation to the effect that the beneficiaries thereof, or some of them, shall not receive the income thereunder, or some portions of such income, until the happening of some event, whether fixed or contingent, so much of any income as would, in consequence of the donation, settlement or other disposition but for such stipulation, be received by or accrued to or in favour of or be deemed to be received by or accrued to or in favour of the beneficiaries, shall until the happening of such event, or the death of such person, whichever takes place first, be deemed to be the income of such person.

(6) If any deed of donation, settlement or other disposition contains any stipulation that the right to receive any income thereby conferred may, under powers retained by the person by whom such right is conferred, be revoked or conferred upon another, so much of any income as, in consequence of donation, settlement or other disposition, is received by or accrues to or in favour of or is deemed to be received by or to accrue to or in favour of the person on whom such right is conferred, shall be deemed to be the income of the person by whom it is conferred, so long as he retains those powers.

(7) Any amount received by or accrued to or in favour of any person ordinarily resident in Swaziland by way of interest upon any stocks or securities issued by any Government other than the Government of Swaziland, shall if such amount is not chargeable with income tax in such country of origin, by reason of the recipient not being domiciled or resident therein, be deemed to be income derived from a source within Swaziland:

Provided that in the case of a person who was not ordinarily resident in Swaziland throughout the year of assessment, there shall not be added any such interest so received by or accrued to or in favour of any such person during such portion of such year as he was not so ordinarily resident.

(8) So much of any amount, which has been paid by any person as an allowance or advance to a director, manager, employee or other person in respect of expenses of travelling, entertainment or other service, as the Commissioner is not satisfied was actually expended by the recipient on such travelling, entertainment or in the performance of such service, shall be deemed to be part of the taxable income of the recipient.

(9) Any interest which has been received by, or has accrued to, a person who is ordinarily resident in Swaziland in respect of a loan to, or deposit in a building society other than the building society registered under the provisions of the Building Societies Act, No. 1 of 1962, and carrying on business in Swaziland, or any dividend or share of profits distributed by such society which has been received by or has accrued to a person ordinarily resident in Swaziland, shall be deemed to have been derived from a source within Swaziland.

(9A) It is further provided that —

- (a) any interest received by or accrued to a person who is ordinarily resident or carrying on business in Swaziland from a source outside Swaziland arising out of any remittance from Swaziland made subsequent to the coming into operation of this provision, shall be deemed to be from a source within Swaziland notwithstanding that it may have been recovered or recouped outside Swaziland, unless the interest is effectively connected with a business carried on by the person through a branch in the other country;
- (b) where as a result of subparagraph (a) applying, an amount of interests is included in the gross income of a person ordinarily resident or carrying on business in Swaziland, that person shall be allowed a credit for any foreign tax paid by the person in respect of the interest, and this credit shall be applied against the person's liability for Swaziland tax on the interest; and
- (c) the amount of the credit allowed under subparagraph (b) is limited to the Swaziland tax payable in respect of the interest income. (Added A.6/2000.)

(10) So much of any amount which has been paid by a company to or otherwise made available for the personal use of a shareholder or director of such company from the company's undistributed profits, reserves or other assets by way of loan, and which amount was not repaid to the company within the year such loan or advantage was obtained, shall be deemed to be part of the taxable income of such shareholder or director for that year:

Provided that this subsection shall not apply to a loan paid to or otherwise made available for use by a shareholder or director which in the opinion of the Commissioner, was made for a purpose directly connected with the business of the company. (Added A.9/1979.)

(11) (a) There shall be taken into account, in the determination of the taxable income derived by any person, during any year of assessment, from carrying on any trade (other than farming), the value of all trading stock held and not disposed of by him (herein-after referred to as "the value of trading stock held") at the beginning and end of each year of assessment.

(b) The value of trading stock by any person at the beginning of any tax year shall be deemed to be —

(i) where he carried on his trade on the last day of the previous year of assessment, the value of trading stock held on that date; or

(ii) where he commenced the trade during the tax year, the cost to him of any stock acquired prior to the commencement of the trade.

(c) The value of trading stock held at the end of a year of assessment shall be deemed to be the cost to the person carrying of the trade less such amount, if any, as in the opinion of the Commissioner, is reasonable as representing the amount by which the value of such stock has been diminished because of damage, deterioration, obsolescence or other cause.

(d) For the purposes of this subsection, the cost of any trading stock in relation to any date shall be —

(i) the cost incurred in acquiring such trading stock; and

(ii) any further costs incurred up to such date in getting such trading stock into its then existing condition or location.

(e) Where any trading stock has been acquired by any person —

(i) for a consideration which cannot be valued; or

(ii) otherwise than by way of a transaction at arms length, such trading stock shall be deemed to have been acquired at a cost equal to the price which, in the opinion of the Commissioner, was the current market price of such trading stock on the date of acquisition.

For the purpose if this subsection “trading stock” includes anything produced, manufactured, purchased or otherwise acquired for the purposes of manufacture, sale or exchange, or the proceeds of the disposal which forms or will form, any part of gross income and consumable stores. (Added A.11/1982; Amended A.11/1985.)

Exemptions from normal tax.

12. (1) There shall be exempt from normal tax —

(a) the receipts and accruals of:

- (i) life assurance business (including receipts and accruals from investments) by the Swaziland Royal Insurance Corporation and other insurance companies;
- (ii) insurance business other than life assurance business of the Swazi-land Royal Insurance Corporation to the extent that they are not distributed to shareholders and until such time as the amount of the general reserve fund for the first time is equal to twice the amount of the authorised share capital of the Corporation in terms of section 5 of the Swaziland Royal Insurance Corporation Order, No. 32 of 1973;
- (iii) (Amended A.6/1994; deleted A.6/2000.)
- (iv) a pension fund, a retirement annuity fund, a benefit fund or a provident fund;

Provided that the provisions of this paragraph shall not be construed as requiring the taxable income of such company, society or association derived from investments to be determined at an amount greater than an amount determined to the satisfaction of the Commissioner as representing the taxable income on which such company, society or association would have been taxable under this Order if the exemption conferred by this paragraph had not been applicable; (Added A.6/1994.)

(v) (Deleted A.6/2000.)

- (vi) any company, society or other association of persons, whether or not registered under any law, the profits or gains of which, other than profits or gains from investments, are derived solely from trans-actions with or on behalf of its individual members, and the constitution of which does not admit of the distribution of its profits or gains to any persons other than the members with whom or on whose behalf the transactions took place, and does not confer upon any person any benefit other than benefits accruing to that person from transactions with or on behalf of such person, except as regards any receipts or accruals from investments by any such company, society, or association of persons; and
- (vii) any association which is in the opinion of the Commissioner an amateur sporting association, except as regards any receipts or accruals from investments;
- (viii) all ecclesiastical, charitable and educational institutions of a public character;
- (ix) a trade union, an employees’ association or an association of employers registered under the Industrial Relations Act of 1980. (Deleted A.11/1985; Added A.6/1994.)

(b) the income of any person entitled to privileges under the Diplomatic Privileges Act No. 18 of 1968 to the extent provided in such Act;

(c) the salaries and emoluments of any person in respect of services rendered to the Government of any country other than Swaziland if that person is not ordinarily resident in Swaziland or is ordinarily resident solely for the purpose of performing such services;

(d) war pensions or gratuities;

(e) dividends received by or accrued to or in favour of —

- (i) any person not ordinarily resident or carrying on business in Swaziland;
- (ii) the estate of any deceased person who at the date of his death was not ordinarily resident or carrying on business in Swaziland, if, but for this exemption, such estate would have been liable for normal tax in respect of such dividend; and

- (iii) any company;
- (ee) so much of the total of dividends as does not exceed two thousand Emalangeni received by or accrued to or in favour of an individual in any year of assessment from any company or companies whether or not such company or companies are listed with the Swaziland Stock Exchange;

Provided that any amount of dividends in excess of two thousand Emalangeni, shall be charged to tax under section 6;

(Added A.6/1991; Amended A.10/1991.)

- (f) so much of any amount received by or accrued to any person as is proved to the satisfaction of the Commissioner to be a *bona fide* bursary granted to enable or assist such person to study at a recognised educational or research institution;
- (g) any amount received by or accrued to any employee on *bona fide* termination of employment by reason of a written agreement of employment or of any law in force in Swaziland, by way of bonus or gratuity specified in such written agreement in respect of services rendered or performed prior to 1 July 2001: (Amended A.6/2000.)

Provided that:

- (i) the period of the agreement of employment is not less than two years; or
- (ii) if the period of the agreement is less than two years, the employee shall not enter into another agreement of employment with the same employer after the termination of his employment; and
- Provided further that such amount shall not exceed twenty-five per centum of the total amount of the actual salary received by the employee reckoned from the date of such written agreement in respect of and during the period of such employment:
- Provided further that the payment of such amount in respect of services rendered or performed prior to 1st July, 2000 shall not be subject to normal tax notwithstanding that such payment is made prior to the *bona fide* termination of such written agreement. (Added A.6/2000.)

(Replaced A.10/1991.)

- (h) any interest received by or accrued to any person neither ordinarily resident nor carrying on business in Swaziland from stock or securities issued by the Government or any local authority in Swaziland, the Swaziland Railway Board, the Swaziland Electricity Board or any other parastatal or statutory corporation approved by the Minister:

Provided that, if in the case of any such stock or securities issued in respect of a loan raised in a country outside Swaziland the Minister has given a written undertaking that the interest therefrom received by or accruing to any person not ordinarily resident in Swaziland shall be exempt from tax in Swaziland, the interest received by or accruing to such person from any such stock or securities acquired by him outside Swaziland shall be exempt from that tax, notwithstanding that he carries on business in Swaziland;

- (i) any interest received by or accruing to any person not ordinarily resident in Swaziland from any loan made to the Ngwenyama in trust for the Swazi Nation;
- (j) any amount received by or accruing to an employee on *bona fide* termination of employment in respect of —
- (i) commutation of a pension payable from a pension fund;
 - (ii) amounts due from a provident fund or benefit fund;
 - (iii) any amount payable as severance allowance and, or, notice pay under the Employment Act;
- (Added A.11/1985; Amended A.10/1991; Replaced A.6/1996.)

- (jj) So much of the total amount being a lump sum referred to in section 7 of the meaning of “gross income” as does not exceed ten thousand Emalangeni received by or accrued to any person upon or because of the termination or impending termination of such persons services due to his employer having ceased carrying on the trade in respect of which such person was employed or to such person having become redundant in

consequence of this employer having effected a general reduction in personnel or a reduction of personnel of a particular class; (Added A.6/1996.)

- (k) any amount received in commutation of a retirement annuity;
 - (l) any amount (other than his actual salary) received by or accrued to a public servant which the Government has undertaken shall be exempt from normal tax by the terms of its written agreement with such servant and any amount from whatsoever cause arising received by or accrued to a public servant which the Government has undertaken shall be exempt from normal tax by the terms of its written agreement with the Government of another state;
 - (m) any amount received by or accrued to any person in respect of services rendered in Swaziland which the Government has undertaken shall be exempt from normal tax by the terms of its written agreement with the Government of another state or with an international or world organisation or body;
 - (n) any allowances additional to salary payable to any public servant or representative of the Government in respect of his appointment or office if such allowances are payable and his duties are performed outside Swaziland;
 - (o) (deleted A.6/2000.)
 - (p) (Amended K.O-I-C. 1/1976; A.9/1979; A.11/1982; A.11/1985; A.6/1991; deleted A.6/2000.)
 - (q) (Amended A.11/1982; A.11/1985; deleted A.6/2000.)
 - (qq) so much of annual interest as does not exceed one thousand Emalangeni received by or accrued to an individual in any year of assessment from deposits in a financial institution licensed under the Financial Institutions (Consolidation) Order, 1975 or in a building society registered under the Building Societies Act, 1962 or the Swaziland Development and Savings Bank, established under Order No. 49 of 1973, and carrying on business in Swaziland. (Added A.6/1991; amended A.6/2000.)
 - (r) any interest and other charges on any loan which the Government has in terms of a written undertaking concluded subsequent to the 1st December, 1977 exempted or undertaken to exempt from tax to the extent specified in such undertaking; (Added K.O-I-C. 6/1978.)
 - (s)
 - (i) income derived by a person from farming operations conducted by him solely as an individual, mainly on land held by the Ngwenyama personally or in trust for the Swazi Nation insofar as such land is not held by such person on a lease given by the Swazi Nation;
 - (ii) for the purpose of the sub-paragraph (i), the word "lease" means any document signed by a person seeking possession of the land and the Swazi Nation, in accordance with the requirements laid down by the Swazi Nation; (Added A.11/1985.)
 - (t) gross income received by or accrued to any person not ordinarily resident in Swaziland where such gross income is liable to non-residents' tax on entertainment and sports chargeable under section 32A of this Order; (Added A.11/1985.)
 - (u) any royalty or management charge received by or accrued to any person not ordinarily resident or carrying on business in Swaziland which is subject to tax under section 32B of this Order; (Added A.6/2000.)
 - (v) the first twenty-four thousand Emalangeni (E24,000.00) of any amount, other than an amount which section 12(1)(j) applies, received by or accrued to an employee on *bona fide* termination of employment by reason of the employee having reached the retiring age or the termination of employment of such employee is due to ill-health or infirmity. (Added A.6/2000.)
- (2) The exemptions provided by subsections (1)(a)(i) to (ix) inclusive shall not extend to the salaries, wages, allowances or pensions of persons employed by any such society, institution, company, board or business although they may be paid wholly or in part out of the income, revenue or funds thereof. (Amended A.6/1994.)
- (3) There shall be exempt from normal tax every person (excepting company) who is ordinarily resident in Swaziland whose taxable income does not exceed the amount qualifying for exemption under the Third Schedule in any year of assessment.

(Amended A.11/1982; A.7/1989; A.6/1991; Replaced A.10/1991; A.7/1992; A.6/1994.)

- (4) (Replaced A.11/1982; Amended A.11/1985; A.7/1989; A.6/1991; Deleted A.10/1991.)
- (5) (a) Where a new business engaged in a manufacturing industry which is not already in existence in Swaziland or with effect from 1st July, 1987, any business which is predominantly engaged in exporting goods from Swaziland derives taxable income from such manufacturing industry, such taxable income shall, for a period of five years of assessment, as from the date of commencement of such business, be exempt from normal tax provided that the cumulative taxable income derived from such industry less cumulative remuneration paid to his employees who are citizens of Swaziland does not exceed one hundred and fifty per cent of the value of the assets owned by the owner of such business as at the end of each year of assessment and employed in such business. (Added A.11/1985; Amended A.9/1988.)
- (b) In paragraph (a), where the cumulative taxable income derived from such business less the cumulative remuneration paid to his employees who are citizens of Swaziland exceeds one hundred and fifty percent of the value of the assets owned by the owner of the business at the end of each year of assessment and employed in such business, such excess shall be deemed to be the income of such owner and shall be liable to normal tax in accordance with this Order:
- Provided that where such excess is more than the taxable income derived by the business from such industry in any year, tax for that year shall be levied on such taxable income as computed under section 14. (Added A.11/1985.)

Business extending beyond Swaziland.

13. (1) In the case of persons whose business extends to any other country, the taxable income shall be the sum which bears the same proportion to the whole net profits as his assets in Swaziland bear to the total assets of such person:

Provided that if the Commissioner or the taxpayer deems such method of estimating the income for taxation to be inequitable or inexpedient, either of them may claim the right to an assessment on the actual profits derived from sources in Swaziland.

(2) For the purpose of subsection (1) assets means those "assets" actually employed to produce income the profits from which are to be apportioned.

Determination of taxable income.

14. (1) For the purpose of ascertaining the taxable income of any person there shall be deducted from the income of such person —

- (a) expenditure and loss actually incurred in Swaziland by the taxpayer in the production of his income, including such expenses incurred outside Swaziland in the production of the taxable income as the Commissioner may allow, provided that such expenditure or loss are not of a capital nature; (Amended A.11/1985.)
- (b) expenditure actually incurred by the taxpayer during the year of assessment for the repairs of property occupied for the purpose of trade or in respect of which income is receivable and sums so expended for the repair of machinery, implements, utensils and articles employed by the taxpayer for the purposes of his trade;
- (c) such sum as the Commissioner may think just and reasonable as representing the diminished value by reason of wear and tear during the year of assessment of any plant, machinery, implements, utensils and articles used by the taxpayer for the purposes of his trade:

Provided that in the case of plant, machinery, implements, utensils and articles which are let by any taxpayer and which are brought into use by the lessee, thereof for the purposes of the lessee's trade, the Commissioner may, if he considers it just and reasonable allow during the year of assessment wear and tear on an equal annual instalment basis over the estimated life of such plant, machinery, implements, utensils and articles, but the value of any machinery or plant used by the taxpayer for the purposes of his business shall be reduced by the amount of deduction which may be made under paragraph (e)(i); (Added K.O-I-C. 19/1976; Replaced A.7/1989.)

- (d) an amount equal to four per centum of the cost to the taxpayer of any industrial building and any improvements thereto (other than repairs) and other than buildings provided for in section 16(4)(a): (Replaced A.9/1988.)

Provided that the aggregate of the deductions under this paragraph and the corresponding provisions of the repealed enactments together with any deduction under paragraph (f) shall not exceed the cost to the taxpayer of such industrial building and improvements; (Commenced: 1st July, 1990.)

- (e) in respect of:

- (i) machinery or plant which was brought into use by the taxpayer for the first time for the purposes of his business for use by him directly in the process of manufacture, or brought into use by a taxpayer engaged in the hotel industry, or which was let by a taxpayer and which is brought into use by the lessee thereof for the purpose of the lessee's trade and is used by the lessee directly in a process of manufacture, an allowance (to be called "machinery initial allowance") for the year of assessment during which such machinery or plant is first used equal to fifty per cent of the cost thereof incurred by the taxpayer on or after the first day of July, 1985; (Amended A.9/1979; A.9/1988.)

Provided that where such plant and machinery is brought into use by a taxpayer engaged in the hotel industry, the initial allowance shall apply with effect from 1st July, 1988; (Added A.9/1988.)

- (ii) infrastructural machinery, plant or facilities, including transmission equipment, lines and pipes used in the provision of infrastructural services which was brought into use by the tax payer for the first time for the purposes of the taxpayer's business, an allowance (to be known as "infrastructural initial allowance") for the year of assessment during which such infrastructural machinery, plant or facilities is first used equal to fifty percent of the cost incurred by the taxpayer on or after the 1st July, 2000:

Provided that the amount equivalent to the amount of any outstanding balance of any loans procured for the provision of such infrastructural assets as at the date of coming into operation of this provision shall be deemed to be the value of such assets brought into use by the taxpayer for the first time; (Added A.6/2000.)

- (iii) a building other than hotel buildings and improvements brought into use after 1st July, 1988, if such a building was wholly or mainly used by the taxpayer for the purpose of housing machinery or plant referred to in sub-paragraph (i), or if such building was let by the taxpayer to an occupier who so used it for purposes of the occupier's business, an allowance (to be called a "building initial allowance") for the year of assessment during which such building is first used equal to fifty per cent of the actual cost thereof incurred by the taxpayer on or after the first day of July, 1985: (Amended K.O-I-C. 19/1976; A.9/1979; A.9/1988.)

Provided that in the case of machinery or plant which at the time of installation is not new or unused, the allowance shall only be deducted if the machinery or plant is installed in a building referred to in sub-paragraph (ii), does not replace other machinery or plant and has not previously been used in Swaziland, in which case such allowance shall be calculated on an amount which in the opinion of the Commissioner represents the depreciated value of the machinery or plant based on its original actual cost:

Provided further that in the case of a building, referred to in sub-paragraph (ii), the allowance shall only be deducted if the building is so used for the purpose of housing machinery or plant which at the time of installation, is new or unused or has not previously been used in Swaziland and which does not replace other machinery or plant;

- (iv) for the purpose of this paragraph —

- (A) the expression "machinery or plant" does not include motor vehicles intended or adapted for use or capable of being used on roads; and

- (B) “infrastructural service” means the provision of electricity, water, sewer, rail facilities or telecommunications by a taxpayer whose main business is to provide such services; (Added A.9/1979; amended A.6/2000.)
- (v) the allowances referred in sub-paragraphs (i) and (ii) shall not be given if the taxpayer elects otherwise; (Replaced A.11/1985; amended A.6/2000.)
- (f) an allowance in respect of any machinery, implements, utensils and articles used by the taxpayer for the purpose of his trade which have been scrapped by such taxpayer during the year of assessment, such allowance to be the difference between the original cost to such taxpayer of such machinery, implements, utensils or articles and the total amount arrived at by adding all the allowances made in respect thereof under paragraphs (c) and (e) to any amount or the value of any advantage accruing to the taxpayer in respect of the sale or other disposal of such machinery, implements, utensils and articles; (Replaced A.11/1985.)
- (g) in the case of a taxpayer (excluding a taxpayer who derives income from the sale of immovable property to persons who are not employed by him) who, during any year of assessment, incurs expenditure in connection with the erection of any dwelling and who satisfies the Commissioner that such dwelling will be occupied exclusively by persons, or the household of persons, who are his employees (other than employees engaged in a managerial or supervisory capacity) and are employed by him for the purposes of his own business in a process of manufacture, an allowance in respect of the first year during which such expenditure was incurred equal to twenty per centum of such expenditure and thereafter for the next succeeding eight years an allowance during each year of assessment of ten per centum thereof: Provided that:
- (i) such allowance in respect of any one dwelling shall not exceed the sum of twelve thousand Emalangeni for the first year and the sum of six thousand Emalangeni in respect of each of the succeeding eight years; and (Amended A.7/1989; A.7/1992.)
 - (ii) the expenditure on which such allowance is made shall not include the cost of the land on which such dwelling is erected; (Replaced A.11/1985.)
- (h) in the case of a taxpayer who, incurs any capital expenditure in connection with the erection by him of a new hotel or the effecting of any beneficial improvements to the amenities of an existing hotel, a hotel initial allowance for the year of assessment during which such new hotel or the beneficial improvements into an existing hotel are first used, equal to fifty per centum of the actual cost incurred by the taxpayer on or after the 1st of July, 1988, together with an annual allowance of four per centum of such expenditure in respect of that year and each of the exceeding years, so that the total allowances for all years of assessment given under this paragraph and under the corresponding provisions of the repealed enactments in respect of such expenditure incurred in any year of assessment shall not exceed the expenditure so incurred: (Replaced A.9/1988.)

Provided that:

- (i) any expenditure in respect of which an allowance in terms of this paragraph has been made shall not qualify for an allowance under any other provision of this Order; and (Amended A.9/1988.)
 - (ii) in so far as the effecting of improvements is concerned, the Minister shall, by certificate issued under his hand, have certified them as being beneficial improvements; (Replaced A.11/1985.)
- (i) any sum contributed during the year of assessment by way of current contribution to any pension fund by any person holding any appointment, office or employment:
- Provided that the deductions to be allowed in respect of contributions to a pension fund not established by law shall not exceed the sum of one thousand and seven hundred and fifty Emalangeni;
- (Replaced A.11/1985; Amended A.7/1989; A.10/1991.)
- (j) so much of the total current contributions to any retirement annuity fund made during the year of assessment by any person as a member of the fund as does not in the case of the tax payer exceed the greatest of —

- (i) fifteen per centum of the taxable income accruing to the tax payer in respect of trade carried out by the tax payer; provided that the maximum allowable deductions in each case shall not exceed an amount of five thousand Emalangeni; or
- (ii) an amount of three thousand five hundred Emalangeni less contributions made by the taxpayer to a pensions fund; or
- (iii) an amount of one thousand seven hundred and fifty Emalangeni;

(Replaced A.11/1985; Amended A.7/1989; Replaced A.10/1991.)

- (k) any sum contributed by the employer less the employees contribution during the year of assessment to any pension fund, provided fund or benefit fund established for the benefit of the employees of that employer as does not exceed twenty per centum: (Amended A.6/1991.)

Provided that —

- (i) if the contributions including any lump sum payments made by the employer in respect of an employee during the year of assessment to such funds exceeds twenty per centum and the Commissioner is satisfied that the aggregate of such contributions and the total remunerations accruing to that employee during the year of assessment in respect of his employment by such employer is excessive or unjustifiable in relation to the value of the services rendered by him, and having regard to other benefits, if any, derived by him from his employment by the employer only so much of such contributions as appear to the Commissioner to be reasonable, but not less than an amount equal to twenty per centum of the total remuneration accruing to that employee during the year of assessment in respect of his employment as the Commissioner considers to be fair and reasonable in relation to the value of the services rendered by him and having regard to other benefits, if any, derived by him from his employment by the employer shall be allowed to be deducted under this paragraph; (Replaced A.6/1991.)
- (ii) in respect of a lump sum contribution, the Commissioner may determine that such sum shall be deducted in a series of annual instalments, so that only a portion thereof is deducted in the year of assessment in which it is contributed, and the residue in such sub-sequent year of assessment, and such proportions as the Commissioner may determine, until the contributions are extinguished;

(Replaced A.11/1985.)

- (l) any amount paid by way of annuity during the year of assessment by any taxpayer —

- (i) to a former employee who has retired from the taxpayer's employ on grounds of old age, ill-health or infirmity; or
- (ii) to any person who is dependent for his maintenance upon a former employee or where such former employee is deceased, was so dependent immediately prior to his death:

Provided that such deduction shall not exceed in respect of the person so dependant on any one retired or deceased employee the sum of six thousand Emalangeni; (Amended A.7/1989.)

(Replaced A.11/1985.)

- (m) in respect of income from mining operations an amount to be ascertained under section 16 in lieu of the allowances in paragraphs (c), (e), (f), (g), and (n);

(Replaced A.11/1985; A.9/1988.)

- (n) an allowance in respect of any premium or consideration the nature of a premium paid by any taxpayer for the right of use or occupation of land or buildings, or for the right of use of any plant or machinery, or of any patent, design, trade mark or copyright or any other property which, in the opinion of the Commissioner, is of a similar nature, if the property is used or occupied for the production of income or income is derived therefrom:

Provided that —

- (i) such allowance shall not exceed for any one year such portion of the amount of the premium or consideration so paid as is equal to such amount divided by the number of years for which the

taxpayer is entitled to the use or occupation, or one twenty-fifth of such amount, whichever is the greater; and

- (ii) if the taxpayer is entitled to such use or occupation for an indefinite period he shall be deemed, for the purposes of this paragraph, to be entitled to such use or occupation for such period as, in the opinion of the Commissioner, represents the probable duration of such use or occupation;

(Replaced A.11/1985.)

- (o) an allowance in respect of any expenditure actually incurred by the taxpayer in pursuance of an obligation to effect improvements on land or to buildings incurred under an agreement whereby the right of use or occupation of the land or buildings is granted by any other persons, if the land or buildings are used or occupied for the production of income or income is derived there-from:

Provided that —

- (i) the aggregate of the allowance under this paragraph shall not exceed any amount stipulated in the agreement as the value of the improvements or as the amount to be expended on the improvements or, if no amount is so stipulated, an amount representing, in the opinion of the Commissioner, the fair and reasonable value of the improvements;
- (ii) any such allowance shall not exceed for any one year such portion of the aggregate of the allowances under this paragraph as is equal to such aggregate divided by the number of years (calculated from the date on which the improvements are completed) for which the taxpayer is entitled to the use or occupation, or one twenty-fifth of the said aggregate, whichever is the greater; and
- (iii) if the taxpayer is entitled to such use or occupation for an indefinite period he shall be deemed, for the purpose of this paragraph to be entitled to such use or occupation for such period as, in the opinion of the Commissioner, represents the probable duration of such use or occupation;

(Replaced A.11/1985.)

- (p) such allowance in respect of any amounts included in the taxpayer's gross income under section 7(d) or (e), as the Commissioner may deem reasonable, having regard to any special circumstances of the case, and in case of an amount so included under section 7(e) to the original period for which the right of use or occupation was granted;

(Replaced A.11/1985.)

- (q) the amount of any debts due to the taxpayer to the extent to which they are proved to the satisfaction of the Commissioner, to be bad, provided such amount is included in the current year of assessment or was included in previous years of assessment in the taxpayer's income;

(Replaced A.11/1985.)

- (r) such an allowance as may be made each year by the Commissioner in respect of such debts due to the taxpayer as he considers to be doubtful:

Provided that such allowance shall be included in the income of the taxpayer in the following year of assessment;

(Replaced A.11/1985.)

- (s) any interest payable on loans made to the taxpayer, including interest on debentures or debenture stock if the Commissioner is satisfied that the loan was employed in production of income or for the purposes of the trade of the taxpayer;

Provided that the Commissioner shall, if the rate of interest is, in his opinion excessive, determine the deduction to be allowed in accordance with such rate of interest as he considers just and reasonable in the circumstances;

(Replaced A.11/1985.)

- (t) expenditure incurred during the year of assessment by any taxpayer —

- (i) for the purpose of scientific research undertaken by him for the development of his business, if such expenditure is not of a capital nature; or
- (ii) by way of contribution to any association, institute, college or university, to be used in scientific research relating to the taxpayer's own business if the Commissioner is satisfied that such contribution will be used in such research;
- (iii) by way of contributions, grants or donations to any of his employees to assist such employee in further training in his particular professional field at the University College of Swaziland, or at any other approved University or institution for the purpose of securing a recognised qualification;
- (iv) by way of contributions to an improved scheme; (Added A.5/1988.)
- (v) by way of contributions, grants or donations not exceeding E25 000, made to a professional body, established by law, for educational or training purposes and which the Commissioner is satisfied were paid during the year of assessment; (Added A.5/1988; Amended A.7/1992.)

(Added A.11/1985.)

- (u) (Amended A.9/1979; Replaced A.11/1985; Amended A.6/1987; A.7/1989; Deleted A.10/1991.)
- (v) any grant made to the Government for the purpose of erecting school or hospital buildings:
Provided that there shall be deducted in the year of assessment in which such grant is made such portion and in subsequent years of assessment such other portions of the residue, as the Commissioner may determine;
(Added A.11/1985.)
- (vv) any grant made to the University of Swaziland for the purpose of the University undertaking capital projects in the form of buildings, fittings, furniture as well as other items associated with capital assets needed for the development of the University;
(Added A.10/1991.)
- (w) any amount paid by way of alimony or allowance under any judicial order or written agreement of separation or under any order of divorce:
Provided that if the law applying to any such order or agreement is the law of a country other than Swaziland the deduction under this paragraph shall be reduced by the amount of any income of the taxpayer which is not subject to tax in Swaziland;
(Added A.11/1985.)
- (x) in addition to any amount otherwise deductible under this section an allowance in respect of training expenses to be ascertained under section 18;
(Added A.11/1985.)
- (y) in addition to any amount otherwise deductible under this section, an amount equal to:
 - (i) thirty-three per centum of the approved export promotion expenditure incurred during the year preceding the year of assessment by an approved company in the handicraft and cottage industry sector; or
 - (ii) fifty per centum of the approved export promotion expenditure incurred during the year preceding the year of assessment by an approved trading house:
Provided that no such deduction shall be allowed unless the Commissioner has been satisfied by proof in such manner as he may prescribe that there has been an increase in the volume of export of the products of such approved company or trading house in respect of the year following the year in which the expenditure was incurred;
- (z) any contribution, whether in cash or in kind, made during the year of assessment towards any national disaster scheme established by the Government:

Provided that this paragraph shall apply to any contribution made by any person during the immediately preceding year of assessment towards the Disaster Relief Fund established with effect from 1st April, 1992 by Legal Notice No. 56 of 1992.

(Added A.7/1992.)

(2) There shall be set off —

(a) any balance of assessed loss incurred by the taxpayer in any previous year which has been carried forward from the preceding year of assessment:

Provided that —

(i) no person whose estate has been voluntarily or compulsorily sequestered shall, unless the order of sequestration has been set aside, be entitled to carry forward any assessed loss incurred prior to the date of sequestration;

(ii) the balance of assessed loss shall be reduced by the amount or value of any benefit received by or accruing to a person resulting from a concession granted by or a compromise made with his creditors whereby his liabilities to them have been reduced or extinguished, provided such liabilities arose in the ordinary course of trade;

(b) any assessed loss incurred by the taxpayer during the same year of assessment in carrying on in Swaziland any other trade either alone or in partnership with others, otherwise than as a member of a company the capital whereof is divided into shares.

(3) For the purpose of subsection (2) “assessed loss” means any amount, as established to the satisfaction of the Commissioner, by which the deductions admissible under this section exceed the income in respect of which they are so admissible.

(4) Subsection (1)(a) and (2)(b) shall, subject to subsection (5) hereof, *mutatis mutandis* apply in relation to any income derived by any person in the form of dividends.

(5) In respect of expenditure and losses not of a capital nature incurred by any person, other than a company, in the production of his income from dividends, the amount to be deducted under subsections (1)(a) and (2)(b) as applied by subsection (4) hereof shall be an amount which bears to the expenditure and losses, which but for this subsection would have been allowed to be deducted, the same ratio as the amount of such dividends as calculated after allowing the deduction under subsection (6) bears to the amount of such dividends as calculated before allowing such deduction.

(6) In respect of listing fees payable in the year of assessment by a company in connection with the floatation of its shares on the Swaziland Stock Exchange to a Stock Broking Company licensed under the Financial Institutions (Consolidation) Order 1975, so much of the total amount of such listing fees does not exceed one third of the total fees in the year in which such listing fees become payable and the balance over the next two years succeeding the year in which such listing fees become payable. (Replaced A.6/1991.)

House ownership and improvement interest allowance.

14A. (1) Where in any year of assessment a taxpayer resident in Swaziland pays interest, at a rate which the Commissioner is satisfied does not differ substantially from normal commercial rates operating in that year of assessment on a loan, mortgage or similar financial arrangement repayable over a fixed period of time made to that taxpayer by —

(a) a building society;

(b) any financial institution recognised by the Commissioner as an institution whose business includes the lending of moneys for the purchase or improvement of residential property; or

(c) any authority or person recognised by the Commissioner as duly authorised by law to engage in the establishment or development of townships or in the selling of plots for residential purposes,

to enable that taxpayer to purchase, build or improve his principal private residence in Swaziland, and the payments of such interest are borne out of the income of the taxpayer, the taxpayer shall be entitled to a deduction in respect of such interest in accordance with subsection (2) of this section. (Amended A6/1994; A.6/2000.)

(2) The amount deductible from the gross income of the taxpayer in any year of assessment shall, where the gross income of the taxpayer —

- (a) does not exceed fifteen thousand Emalangeni, be two hundred per centum of the interest paid during that year of assessment;
- (b) exceeds fifteen thousand Emalangeni but does not exceed sixty thousand Emalangeni, be one hundred per centum of the interest paid during that year of assessment; or
- (c) exceeds sixty thousand Emalangeni, be fifty per centum of the interest paid during that year of assessment:
Provided that the interest for the purposes of this subsection shall be limited to only such interest payable on so much of the amount of the loan, mortgage or similar financial arrangement as does not exceed sixty thousand Emalangeni or nine thousand Emalangeni, whichever is the lower.

(Amended A.7/1992.)

(3) (Deleted A.6/1994.)

(Added A.7/1989; Amended A.6/1994.)

Deductions not allowable.

15. Notwithstanding any other provisions of this Order no deduction shall in any case be made in respect of any of the following matters —

- (a) the cost incurred in the maintenance of any taxpayer, his family or establishment;
- (b) domestic or private expenses;
- (c) any loss or expense which is recoverable under any insurance contract or indemnity;
- (d) normal tax;
- (e) income carried to any reserve fund or capitalised in any way;
- (f) any expenses incurred in respect of any amounts received or accrued which are not included in income;
- (g) as regards income derived from any trade —
 - (i) any money not wholly or exclusively laid out or expended for the purpose of trade;
 - (ii) the rent or value or cost of repairs to any premises not occupied for the purposes of trade, or of any dwelling-house or domestic premises except such part thereof as may be occupied for such purposes;
 - (iii) any interest which might have been made on any capital employed in trade.

Calculation of capital expenditure allowance in connection with mining operations.

16. (1) Excepting in cases where the taxpayer and the Government have, in writing, agreed otherwise, the amount to be deducted each year, under section 14(1)(m) in respect of income from mining operations, shall be the capital expenditure incurred in the year of assessment after subtracting therefrom any recoupments received during the year from capital expenditure (irrespective of the date when such capital expenditure was originally incurred).

(2) If separate and distinct mining operations are carried on in mines that are not contiguous, the allowance for capital expenditure shall be computed separately for each mine.

(3) The amount of capital expenditure determined under subsection (1) in respect of any year of assessment in relation to any one mine shall not exceed the taxable income (as determined before the deduction of any amount allowable under section 14(1)(m) derived by the taxpayer from mining on that mine and any amount by which such capital expenditure would, but for the provisions of this subsection have exceeded such taxable income as so determined, shall be carried forward and be deemed to be an amount of capital expenditure incurred during the next succeeding year of assessment in respect of that mine.

(4) For the purposes of this section and section 17 “capital expenditure” means expenditure on —

- (a) shaft sinking, building, works or equipment including any renewals or replacements of equipment;

- (b) development, general administration and management (including any interest payable on loans utilised for mining purposes) prior to the commencement of production or during any period of non-production but excluding the cost of acquiring mineral rights;
- (c) “expenditure” means net expenditure after taking into account any rebates, recoupments or returns of expenditure;
- (d) “expenditure on shaft sinking” includes the expenditure on sumps, pump chambers, stations and or bins, accessory to a shaft;

(5) Subsections (1) to (4) are deemed to have come into effect from 1st July, 1983.

(Replaced A.9/1988.)

Calculation of capital expenditure on change of ownership of a mining property.

17. (1) If any change of ownership in mining property takes place the Commissioner shall allow the effective value to the new owner, at the time the change of ownership takes place, of the preliminary surveys, boreholes, shafts, development and equipment included in the assets passing by such change of ownership to rank as capital expenditure for redemption by such new owner:

Provided that if, in a case in which consideration is given, the effective value of the assets so passing exceeds the consideration, the amount allowed to rank for redemption by the new owner shall be such proportion of the consideration as such effective values of the preliminary surveys, boreholes, shafts, development and equipment bears to the effective value of all the assets passing.

(2) The amount allowed to rank as capital expenditure for redemption by the new owner shall for the purposes of section 7(g) be deemed to be a recoupment of capital expenditure by the person from whom ownership was acquired.

(3) If the value of the consideration given or of the property passing if no consideration is given is in dispute, the value shall be fixed by the Commissioner if the new owner consents thereto, and failing such consent the provisions of section 4(f) and (g) of the Transfer Duty Act No. 8 of 1902 shall *mutatis mutandis* apply.

(4) The effective value of the assets passing as at the time the change of ownership takes place shall be determined by the Director of Geological Survey and Mines.

Allowance for training expenses.

18. (1) For the purpose of this section —

- (a) (i) “approved training scheme” means a scheme for the training of citizens of Swaziland for employment in an industry which is approved by the Commissioner and subject to such conditions and limitations as the Commissioner may determine;
- (ii) for the purposes of subsection (i), “industry” means any industry which the Minister may determine by written notice in the Gazette;

(Replaced A.11/1985.)

- (b) “training premises” means any building or other premises used wholly or mainly for the purpose of any approved training scheme.

(2) If the taxpayer has during the year of assessment incurred training expenses determined in accordance with subsections (3), (4) and (5) there shall be allowed as a deduction under section 14(1)(y) an amount equal to one hundred per centum of such training expenses.

(3) For the purpose of this section training expenses shall, subject to subsections (4) and (5), be determined as the sum of so much of the amounts which are deductible under section 14 as the Commissioner is satisfied relates to an approved training scheme and consist of —

- (a) the remuneration of instructional, supervisory and clerical personnel in respect of the services of such personnel which are directly connected with the operation of an approved training scheme, including so much of the contributions made by the taxpayer to any benefit fund, pension fund or provident fund, as relate to such personnel and would, if treated as remuneration, relate to such services;

- (b) the remuneration of trainees in respect of training periods under an approved training scheme, less so much of such remuneration as may, on the basis of a fair and reasonable apportionment, be regarded as having been incurred in respect of productive work done by such trainees during the training periods in question;
- (c) expenditure in respect of training premises or equipment used wholly or mainly for the purposes of an approved training scheme, including —
 - (i) rent for such premises or equipment;
 - (ii) maintenance costs and the cost of repairs;
 - (iii) property rates levied by a municipality or a similar authority;
 - (iv) insurance of such premises or equipment;
 - (v) interest on any loan incurred in order to finance the cost of acquisition, erection, construction of or of any extension or addition to such premises or equipment;
- (d) any allowance granted under section 14(1)(c) and (g) in respect of equipment wholly or mainly used for the purposes of an approved training scheme;
- (e) the cost of materials, fuel or power consumed for the purpose of an approved training scheme, less so much of such cost as may, on the basis of a fair and reasonable apportionment, be regarded as having been incurred in respect of materials, fuel or power consumed in respect of productive work done by the trainees under such scheme;
- (f) travelling expenses incurred in the operation of an approved training scheme;
- (g) fees paid in respect of the training of trainees under an approved training scheme not operated by the taxpayer or the tuition of instructors employed for the purposes of an approved training scheme;
- (h) expenditure of any other nature directly incurred in the operation of an approved training scheme.

(4) If any amounts which have been included in training expenses are recovered or recouped so much of such amounts as are included in the taxable income of the taxpayer under section 7(h) shall be deducted from the amount otherwise deductible under this section and if the recovery or recoupment accrues in a year subsequent to that in which the deduction under this section has been allowed an additional assessment shall be made accordingly.

(5) Without prejudice to any deductions allowable prior to the 1st July, 1985. no deduction under this section shall be made in respect of any training expenses as determined under subsection (3) incurred before the 1st July, 1985. (Replaced A.11/1985.)

(6) Any decision of the Commissioner under subsection (3) shall be subject to objection and appeal.

Income of beneficiaries and estates of deceased persons.

19. (1) Any income received by or accrued to or in favour of any person as the executor of a deceased person and any amount so received or accrued which would have been income in the hands of the deceased person had it been received by or accrued to or in favour of such deceased person during his lifetime, shall, to the extent that the Commissioner is satisfied that such income or amount has been derived for the immediate or future benefit of any ascertained heir or legatee of such deceased person, be deemed to be income received by or accrued to such heir or legatee, and shall, to the extent that the Commissioner is not so satisfied, be deemed to be income of the estate of such deceased person.

(2) So much of the amount of any expenditure incurred by or on behalf of the estate of any deceased person during any year of assessment as in the opinion of the Commissioner relates to any amount of income deemed to be income received by or accrued to an heir or legatee of such deceased person in terms of subsection (1) shall —

- (a) not be taken into account in the determination of the taxable income of such estate; and
- (b) be deemed to be expenditure incurred by such heir or legatee during such year, and shall, to the extent that the deduction of expenditure or the nature of the expenditure in question is authorised by this Order, be taken into account in the determination of the taxable income of such heir or legatee.

(3) Nothing in subsection (1) shall be construed as imposing liability for tax in respect of the same amount both in the hands of the estate or heir or legatee of a deceased person and in the hands of such deceased person.

(4) The decision of the Commissioner in the exercise of his discretion under sub-section (1) or (2) shall be subject to objection and appeal.

Date of commencement of section 19: 12th July, 1985. (L.N.80/1985.)

Hire purchase or other instalment sale agreements.

20. If any taxpayer has entered into any agreement with any other person in respect of any property the effect of which is that, in the case of movable property, the ownership shall pass, or, in the case of immovable property, transfer shall be passed, from the taxpayer to such other person, upon or after the receipt by the taxpayer of the whole or a certain portion of the amount payable to the taxpayer under the agreement, the whole of such amount shall, for the purpose of this Order, be deemed to have accrued to the taxpayer on the day on which the agreement was entered into:

Provided that the Commissioner, taking into consideration any allowance he has made under section 14(1)(s), may make such further allowance, as under the special circumstances of the trade of the taxpayer seems to him reasonable, in respect of all amounts which are deemed to have accrued under such agreements but which have not been received at the close of the taxpayer's accounting period:

Provided further that any allowance so made shall be included as income in his returns for the following year of assessment and shall form part of the income of the taxpayer.

PART III

NON-RESIDENT TAX

DIVISION I — SHAREHOLDERS

Levy of non-resident shareholders tax.

21. (1) There shall be charged, levied and paid a tax (hereinafter referred to as a non-resident shareholders tax) in respect of the amounts specified in section 22.

(2) The rate of the tax shall be fifteen per centum of the amount of any dividend:

Provided that in the event of such dividend being paid or payable to a company incorporated or registered as such in Botswana, Lesotho, Namibia or the Republic of South Africa and provided that it is neither a subsidiary nor a branch of a company incorporated or registered outside any of such countries, the rate of tax for which such first-mentioned company shall be liable shall be twelve and one half per centum. (Amended A.6/2000.)

Income subject to tax.

22. (1) The non-resident shareholders tax shall be paid in respect of the amount of any dividend if the shareholder to whom the dividend has been paid or is payable is —

- (a) a person, other than a company, not ordinarily resident or carrying on business in Swaziland;
- (b) the estate of any deceased person referred to in section 12(1)(e)(ii) and such dividend is in terms thereof exempt from normal tax;
- (c) a company which has its place of effective management outside Swaziland; (Replaced A.7/1993.)
- (d) the holder of bearer scrip, irrespective of whether he is resident within or outside Swaziland;

and was a shareholder as at the date of declaration of the dividend or, if some date other than the date of declaration of the dividend is specified as the date at which a shareholder is required to be registered to be entitled to the dividend, as at such other date.

(2) The non-resident shareholders tax shall not be payable in respect of —

- (a) dividends received from any society or company registered under any law relating to agricultural co-operative societies in Botswana, Lesotho, Namibia, Swaziland or the Republic of South Africa; (Amended A.6/2000.)
- (b) dividends accruing to any ecclesiastical, charitable or educational institution of a public character, whether or not supported wholly or partly by grants from public revenue.

- (c) dividends accruing to a non-resident shareholder, which the Government has, in terms of a written undertaking, exempted from tax to the extent specified in such undertaking. (Added A.9/1988.)

Person liable for tax.

23. The person liable for the tax shall be the person to whom or in whose favour the amounts described in section 22 accrue.

Recovery of tax.

24. (1) Notwithstanding section 23, the tax shall be payable by and recoverable from the persons set out hereunder, namely —

- (a) in the case of dividends distributable by any company to any person whose address appearing in the share register of the company is outside Swaziland or to any holder of bearer scrip, the company by which the dividend is declared; or,
- (b) in the case of dividends received by any agent in Swaziland on behalf of any shareholder referred to in section 22, the agent so receiving the dividend.

(2) For the purpose of this section, a person shall be deemed to be the agent of a shareholder referred to in section 22 and to have received a dividend on behalf of such shareholder if the address of such person appears in the share register of the company as the registered address of the shareholder and the dividend warrant or cheque in payment of the dividend distributable to the shareholder is delivered at that address:

Provided that any person so deemed to be the agent of any shareholder shall, as regards such shareholder and in respect of any income received by or accruing to him or in his favour, have and exercise all the powers, duties and responsibilities of an agent for a taxpayer absent from Swaziland.

(3) Nothing in subsection (2) shall be construed as relieving any company by which a dividend is declared from the duties and responsibilities imposed upon it by section 48 as the agent of any shareholder or member absent from Swaziland.

(4) Any tax payable in terms of this section by any company or agent for any share-holder may be recovered by such company or such agent, as the case may be, from the shareholder concerned.

Determination of tax if company operates outside Swaziland.

25. If any amount specified in section 22 has been received from a company which derives income from sources within and outside Swaziland, the tax payable in respect of that amount shall be calculated upon an amount which bears to that amount the same ratio as the sum of the net profits of the company derived from sources within Swaziland bears to the total sum of its net profits derived from all sources as last determined by the Commissioner for the purposes of this Act, or, in cases in which there has been no previous determination by the Commissioner, as estimated by the Commissioner according to such information as is available to him. (Replaced A.11/1982.)

Date of payment of tax.

26. (1) The company which, in terms of section 24(1)(a), is required to pay the tax on any dividend shall pay the Commissioner the tax due on such dividend within thirty days of the date on which the dividend is payable, or within such further period as may be approved by the Commissioner, and shall furnish him with a return showing the names and addresses of the persons (with the amount in each case) to whom the dividend accrues and, in the case of dividends payable in respect of bearer scrip, the total dividends distributable to holders of such scrip.

(2) The agent in Swaziland by whom the tax is payable in terms of section 24(1)(b) shall, within thirty days of the date of delivery of the dividend warrant or cheque in payment of the dividend at his address, or within such further period as may be approved by the Commissioner, pay the tax to the Commissioner and furnish him with a return showing the amount of the dividend and the name and address of the person to whom it has accrued.

(3) Subsections (1) and (2) shall not prevent the Commissioner from recovering any tax from the person liable for such tax and which has not been paid and which the Commissioner may ascertain to be due, after the dates specified therein.

DIVISION II — INTEREST

Levy of non-residents tax on interest.

27. If any amount of interest accrues to or in favour of —

- (a) any person, other than a company, not ordinarily resident in Swaziland;
- (b) the estate of any deceased person who, at the date of his death, was not ordinarily resident in Swaziland; or
- (c) a company not registered in Swaziland;

and the debtor in respect of such amount is ordinarily resident or carries on business in Swazi-land, there shall be levied and paid a tax (in this Part referred to as non-residents tax on interest) equal to ten per centum of such amount.

Application of provisions.

28. For the purpose of this Part —

- (a) if interest is payable or is credited to any person having an address outside Swaziland such interest shall, until the contrary is proved, be deemed to have accrued to any person, estate or company, as the case may be, referred to in section 27;
- (b) if the debtor in respect of any amount of interest referred to in section 27 is the estate of any deceased person, such estate shall be deemed to be ordinarily resident or to be carrying on business in Swaziland, if such person, at the date of his death, was ordinarily resident or was carrying on business in Swaziland;
- (c) if the debtor in respect of any amount of interest referred to in section 27 is a company, such company shall be deemed to be ordinarily resident in Swaziland if it is registered, managed or controlled in Swaziland; and
- (d) any amount accruing to any shareholder in a building society out of the profits of such society shall be deemed to be interest.

Exemptions.

29. The non-residents tax on interest shall not be payable in respect of —

- (a) interest received from any society or company registered under any law relating to agricultural co-operative societies in Botswana, Lesotho, Namibia, Swaziland or the Republic of South Africa; (Amended A.6/2000.)
- (b) interest accruing to any ecclesiastical, charitable or educational institution of a public character, whether or not supported wholly or partly by grants from public revenue;
- (c) any interest accruing from a debtor to any person during any period of twelve months ending on the thirtieth day of June in any calendar year which together with any other amounts of interest accruing from the debtor to such person during such period, amounts to twenty Emalangeni or less;
- (d) interest on any bill of exchange or on any promissory note to the extent that such interest is payable in respect of the purchase price of goods imported into Swaziland if such bill or note is handled through a recognised banking institution registered under the Financial Institutions Order, 1973 or any similar banking institutions approved by the Commissioner and such bank or institution has certified on such bill or note that a bill of lading or other document covering the importation of such goods has been exhibited to it;
- (e) (Amended A.9/1979; deleted A.6/2000.)
- (f) the interest on any loan which the Government has in terms of a written undertaking exempted from tax to the extent specified in such undertaking. (Amended A.9/1979.)
- (g) (Added A.9/1979; deleted A.6/2000.)

Persons liable for non-residents tax on interest.

30. The person liable for the non-residents tax on interest shall be the person, estate, or company to whom or in whose favour, the amount of interest referred to in section 27 accrues.

Deduction or withholding of non-residents tax on interest.

31. (1) Notwithstanding section 30, any debtor, in respect of any amount of interest referred to in section 30 for any person who receives payment of such amount on behalf of or in trust for the person to whom such amount accrues, shall, on behalf of the person, estate or company liable for the non-residents tax on interest, pay the Commissioner the amount of such tax payable in respect of such amount of interest under section 30:

Provided that if the Commissioner is satisfied that the tax payment required to be made in terms of this paragraph in respect of such amount of interest has been or will be made by any person, the Commissioner may direct that any other person who is, in terms of this paragraph, required to make a tax payment in respect of such amount of interest, shall be relieved of the duty to make such tax payment.

(2) Any person making a payment to the Commissioner in terms of subsection (1) shall, notwithstanding any agreement to the contrary, be entitled to deduct or withhold the amount of such payment from the amount of interest which he is liable to pay to such other person, or to recover the amount so paid from such other person, or to retain out of any money that may be in his possession or may come to him, as the agent of such other person, an amount equal to the amount of such payment.

(3) A taxpayer on whose behalf a payment has been made to the Commissioner in terms of subsection (1) shall not be entitled to recover the amount of such payment from the person, who, under subsection (2) deducts, withholds or retains the amount of such payment, and shall, for the purpose of this Order, be deemed to have received the amount so deducted, withheld or retained.

(4) Every person who is required to make a payment to the Commissioner in terms of subsection (1) shall be personally liable for making such payment, and the amount so payable shall, for the purposes of this section, be deemed to be a tax due by such person and shall be recoverable from him in the manner prescribed in section 61.

When non-residents tax on interest is payable.

32. (1) The non-residents tax on interest shall be payable within fourteen days after the date of accrual of the amount of interest referred to in section 27 or within such further time as the Commissioner may approve.

(2) The person paying the tax shall, at the time of payment, submit to the Commissioner a return showing the names and addresses of the persons to whom the interest accrues and the gross amount of interest payable to each.

(3) If the income of any person subject to normal tax includes an amount of interest referred to in section 27 the non-residents tax on interest paid shall be deducted from the amount of normal tax payable after any reductions provided for in section 8:

Provided that the deduction under this section shall not exceed so much of such normal tax as the Commissioner determines to be attributable to the inclusion of such amount in the income of such person.

DIVISION III — ENTERTAINERS AND SPORTSMEN

(Added A.11/1985.)

Levy of non-residents' tax on entertainment and sports.

32A. (1) The remuneration of a public entertainer or sportsman not ordinarily resident in Swaziland, and the gross receipts of any theatrical, musical, sports or other group of public entertainers or sportsmen from outside Swaziland derived from any performance in Swaziland (whether such performance is conducted for the joint account of all or some of the members of the group or not) shall be charged to tax at the rate of fifteen per cent of the gross remuneration or gross receipts received or accrued to such persons:

Provided that where tax is imposed under this section on any group, but subject to the proviso to subsection (5), the individual members shall not be liable to tax.

(2) Any person who makes any payment to any other person referred to in subsection (1) shall deduct non-residents' entertainers tax at the rate of fifteen per cent of the gross amount and shall issue a statement to such other person showing the gross amount of payment due and the rate and amount of tax deducted.

(3) Every person who makes a deduction in accordance with subsection (2) shall, within fifteen days from the date of payment, as provided for in subsection (1), remit to the Commissioner, the amount of tax so deducted.

(4) Where any person who is required by subsection (2) to deduct tax in accordance with that subsection from any payment made by him, fails to deduct such tax or having deducted such tax fails to remit such tax to the Commissioner, as required by subsection (3), he shall be personally liable to pay to the Commissioner the amount of tax as if it was tax due and payable by him under Part VII of this Order.

(5) Where a group of theatrical, musical, sporting or other group of public entertainers from outside Swaziland perform in Swaziland without the intervention of a local agent, promoter or any other person, every member of the group shall jointly and severally be liable for the payment of the tax due under subsection (1) and tax shall be remitted to the Commissioner within a period not exceeding seven days following every performance:

Provided that the Commissioner may recover the tax due from any individual member of the group at any time where circumstances warrant it.

DIVISION IV — ROYALTY AND MANAGEMENT CHARGE

(Added A.6/2000.)

Levying of tax Royalties and Management Charge paid to non-resident persons.

32B. (1) It is provided that —

- (a) there shall, separately and cumulatively or collectively where applicable, be charged, levied and paid a tax in respect of any amount of any royalty and management charge received by or accrued to or in favour of any person not ordinarily resident or carrying on business in Swaziland and;
- (b) the rate of tax shall be fifteen per cent of the gross amount of any royalty and fifteen per cent of the gross amount of any management charge.

(2) Every person who makes any payment of royalty or management charge or both to a person not ordinarily resident or carrying on business in Swaziland shall withhold tax from such payment in accordance with the rate specified in subsection (1)(b).

(3) Where tax has been withheld under subsection (2) the withholding tax shall be a final tax.

(4) Every person who has withheld any tax under subsection (2) shall —

- (a) furnish, to the person to whom payment is made of any royalty or management charge or both as the case may be, a certificate showing the amount of the payment made and the tax withheld during the year of assessment; and
- (b) within fifteen days from the date of payment of such royalty or management charge, as the case may be, remit to the Commissioner the amount of tax withheld.

(5) Every person making any payment to which this section applies shall maintain a record showing, in relation to each year of assessment, the payments of royalties or management charge made to each non-resident person and tax withheld from such payments, and such record shall be kept available, for the period specified under section 33(16), for examination by the Commissioner as and when required.

(6) It is further provided that —

- (a) any person who fails to withhold tax in accordance with subsection (2), shall, in addition to any penalty for which he may be liable, be personally liable to pay the Commissioner the tax which he should have withheld as if it were tax due and payable by him under PART VII of this Order;
- (b) where any person pays to the Commissioner the amount of tax which he failed to withhold, such an amount shall be deemed to have been withheld under this section; and
- (c) the person making such payment to the Commissioner under subparagraph (a) shall be entitled to recover such amount from the person who received or to whom a royalty or management charge accrued to or from the person in whose favour it was made or accrued to, that is to say, the person from whom the deduction ought to have been effected against under subsections (1) and (2). (Added A.6/2000.)

DIVISION V — INTEREST PAID TO RESIDENTS

(Added A.6/2000.)

Withholding tax from payments of interest made to persons ordinarily resident in Swaziland.

32C. (1) Every financial institution (including a building society) which makes any payment of interest to an individual ordinarily resident in Swaziland shall withhold tax at the rate of ten percent of the gross amount.

- (2) The tax withheld under subsection (1) shall be a final tax and —
 - (a) no further tax liability shall be imposed upon the tax payer in respect of the interest to which the tax relates;
 - (b) the income shall not be aggregated with the other income of the tax payer for the purposes of ascertaining taxable income;
 - (c) no deduction shall be allowed for any expenditure or losses actually incurred in deriving the income; and
 - (d) no refund of tax shall be made in respect of the income.
 - (3) Every person who has withheld any tax under subsection (1) shall —
 - (a) furnish within thirty days after the end of the year of assessment to the person to whom payment of interest is made a certificate, showing the amount of the payment made and the tax withheld during the year of assessment;
 - (b) within fifteen days from the date of payment of such interest remit to the Commissioner the amount of tax so withheld.
 - (4) Every person making any payment (of interest) to which this section applies shall maintain a record showing in relation to each year of assessment —
 - (a) the payment of interest made to each resident person;
 - (b) the tax withheld from such payment,
- and such record shall be kept for the period specified under section 33(16) for examination by the Commissioner as and when required.
- (5) It is further provided that —
 - (a) where any person fails to withhold any tax under subsection (1) or having deducted such tax fails to remit such tax to the Commissioner, as required by subsection (3), shall, in addition to any penalty for which he may be liable under section 66, be personally liable to pay the Commissioner that amount of tax as if it were tax due and payable by him under Part VII of this Order;
 - (b) where any person pays to the Commissioner the amount of tax which he failed to withhold, such amount shall be deemed to have been withheld under this section; and
 - (c) the person making such payment to the Commissioner under paragraph (a) shall be entitled to recover such amount from the person to whom a payment of interest was made. (Added A.6/2000.)

PART IV

RETURNS AND ASSESSMENTS

Notice requiring returns and manner of furnishing returns.

33. (1) The Commissioner shall annually give public notice that all persons liable to taxation, whether personally or in any representative capacity, are required to furnish within thirty days after the date of such notice or within such further time as the Commissioner may for good cause allow, returns for assessment of the tax.

(2) Such notice shall state the places at which the approved forms may be obtained and it shall be the duty of all such persons and all persons required by this Order to furnish such returns, to apply for the approved forms of returns, and any such person failing to furnish such return shall not be relieved from any penalty by reason only of his having received no notice to furnish such return, or of the approved form not having been delivered to him; but the Commissioner may, if he deems it so advisable, cause forms to be delivered or sent by post to any person.

- (3) For the purposes of subsection (1), any person liable to taxation shall be deemed to include —
 - (i) any person, other than a company, whose gross income for the year of assessment under charge consisted of or included remuneration (as defined in paragraph 1 of the Second Schedule) exceeding in total an amount to be stated by the Commissioner in the notice referred to in subsection (1);

- (ii) any person, other than a company, whose gross income, for the year of assessment under charge, consisted of gross income other than remuneration
(as defined in paragraph 1 of the Second Schedule) if such gross income exceeded an amount to be stated by the Commissioner in the said notice;
- (iii) any company;
- (iv) any person required by the Commissioner in writing to render a return of income in respect of the year of assessment under charge.

(Replaced A.11/1985.)

(4) If in any case the Commissioner has reason to believe that any tax payable may not be recovered, he may prior to the issue of any such annual notice, require any person by notice in writing to render interim accounts for any period he may designate in such notice and may proceed to make an assessment in respect of that period.

(5) Every person shall, on publication of the annual notice or on receipt of such written notice, prepare and deliver in the approved manner within the period mentioned in such notice to the person appointed to receive it, a return in the approved form signed by the taxpayer or by his duly authorised agent in that behalf, giving the particulars required and all other details in relation thereto which may be required.

(6) Every person shall, on receipt of such written notice, prepare and deliver in the approved manner within the period mentioned in such notice to the person appointed to receive it, a return in the approved form signed by the taxpayer or by his duly authorised agent in that behalf giving the particulars required and such other details in relation thereto as may be required.

(7) Any return furnished as contemplated in this section shall be signed by the taxpayer or by his agent duly authorized in that behalf, and any person signing any such return shall be deemed for all purposes in connection with this Order to be cognisant of all statements made therein. (Replaced A.6/1994.)

(8) Any return made or purporting to be made or signed by or on behalf of any person for the purposes of this Order shall be deemed to be duly made and signed by the person affected unless such person proves that such return was not made or signed by him or on his behalf.

(9) If any person fails to make a return, the Commissioner may appoint a person to make a return on behalf of such person, and the return made by the person so appointed shall for all purposes of this Order be deemed to be the return of the person liable to make the same. (Replaced A.6/1994.)

(10) The returns furnished by or on behalf of every person required to furnish returns under this Order shall contain such particulars, be in such form and be furnished to the Commissioner at such time as may be required by the Commissioner.

(11) The Commissioner may, when and as often as he thinks necessary require any person to make fuller or further returns respecting any matter of which a return is required or prescribed by this Order.

(12) Notwithstanding any other law any return required to be furnished under this Order shall be delivered at or sent by post to the prescribed address, and shall, if marked with the words "Income Tax" and "On His Majesty's Service", be carried and delivered free of postal or other charges by the Post Office.

(13) The return of income to be made by any person shall be based on the amount of gross income which was received by or accrued to or in his favour in respect of any year of assessment chargeable under this Order, and shall be a full and true return for the whole period of twelve months ending upon the last day of the year of assessment under charge.

Provided that if it is established to the satisfaction of the Commissioner that the income of a person cannot be conveniently returned for such period, he may accept returns made up to a date agreed by him, but any such return shall be deemed for all purposes of this Order to be a return for the period covered by the year of assessment under charge.

(14) If any person when called upon to furnish a return of income under this Order is unable to furnish such return, the Commissioner may accept a return of estimated income for assessment and such assessment shall be adjusted by the Commissioner when an actual return of income is furnished.

(15) Persons carrying on any business in partnership shall be liable to make a joint return as partners in respect of such business together with such particulars as may from time to time be required and each such partner shall be separately

and individually liable for the rendering of the joint return but they shall be liable to tax only in their separate individual capacities.

(16) Every person carrying on any trade or business in Swaziland shall keep a proper record of his transactions in English or siSwati and for the purpose of this subsection a proper record shall include books containing all such entries relating to and exhibiting the nature of his transactions as (regard being had to the occupation of the person concerned and the scale on which his trade or business is carried on) might reasonably be expected or required to be kept, and unless otherwise authorised by the Commissioner, shall retain for five years from the date of the last entry all documents relating to any business carried on by him, or otherwise recording the details from which his returns for the purposes of this Order were prepared. (Amended A.11/1985; A.6/1994.)

Assessment not to be made on certain persons.

33bis. The Commissioner shall not assess any person who was in continuous employment with the same employer for any year of assessment, if such a person had no income chargeable to tax for such year of assessment other than income consisting of remuneration, and if on the basis of such remuneration the tax payable by such person in respect of such remuneration has been recovered by deduction under the Second Schedule.

Provided that prior to the expiry of three years after such year of assessment, such a person may apply to the Commissioner to be assessed, whether in connection with any claim for a refund of tax overpaid or otherwise, or the Commissioner considers an assessment to be necessary or expedient so as to arrive at the correct amount of the tax to be charged upon or to be payable by such a person for such year of assessment.

(Added A.6/1994.)

Duty of persons submitting accounts in support of returns or preparing accounts for others.

34. (1) If any person in support of any return furnished by him under this Order, submits any balance sheet, statement of assets and liabilities or account prepared by any other person, he shall, if the Commissioner so requires, submit a certificate or statement by such other person recording the extent of the examination by such other person of the books of account and of the documents from which the books of account were written up and recording in so far as may be ascertained by such examination, whether or not the entries in such books and documents disclose the true nature of any transaction, receipt, accrual, payment or debit.

(2) Any person who has prepared any balance sheet, statement of assets and liabilities or account for any other person shall at the request of such other person furnish him with the certificate or statement required under subsection (1).

Financial statements to be audited by a registered auditor.

34bis. (1) Where a taxpayer's financial statements are required to be audited in terms of the Companies Act or in terms of the taxpayer's constitution, then such financial statements submitted in support of any return of income or provisional return of income shall be deemed not to have been submitted unless the financial statements have been audited by a registered auditor.

(2) For the purpose of this section, registered auditor, shall have the meaning assigned to it in the Institute of Accountants Act of 1985. (Added A.6/1994.)

Inquiry before assessment.

34ter. (1) For the purpose of making an assessment under this Order, the Commissioner may serve on any person who has made a return under section 33, a notice requiring such person, within thirty days after the date of such notice or within such further time as the Commissioner may for good cause allow, calling upon such person to:

- (i) produce such accounts or documents as the Commissioner may require;
- (ii) furnish in writing and verified in the prescribed manner information in such form on such points or matters (including a statement of assets and liabilities of the taxpayer whether included in the accounts or not) as the Commissioner may require.

(2) For the purpose of obtaining full information in respect of income or loss of a taxpayer, the Commissioner may make such enquiry as he considers necessary.

(3) The taxpayer, shall, except where the assessment has been made under section 39(1), be given an opportunity of being heard in respect of any material gathered on the basis of an enquiry under subsection (2) and proposed to be utilised for the purpose of assessment.

(Added A.6/1994.)

Production of documents and evidence on oath.

35. (1) For the purpose of obtaining full information in respect of any income of any taxpayer the Commissioner may require any person to produce for examination by the Commissioner or by any person appointed by him for such purpose at such time and place as may be appointed by the Commissioner any deeds, plans, instruments, books, accounts, trade lists, stock lists, or documents that may be deemed necessary for the purpose of this Order, and, if any such deeds, plans, instruments, books, accounts, lists or documents are not in English or siSwati, the Commissioner may by notice, in writing, require the taxpayer at the taxpayer's expense to produce at such time and place as may be appointed a translation in English or siSwati prepared and certified by a sworn translator or a person other than a sworn translator approved by the Commissioner. (Amended A.11/1985.)

(2) The Commissioner may, by written notice require any person entitled to or in receipt of any income (whether on his own behalf or as a public officer of a company or as an agent or trustee of any person), or any person whom the Commissioner may deem able to furnish information to attend at a time and place to be named by the Commissioner for the purpose of being examined on oath respecting the income of any person or any transactions or matters affecting the income of any person or any transactions or matters affecting them or any of them or any part thereof.

(3) The Commissioner shall allow any person any reasonable expenses necessarily incurred by such person in attending at the place named by the Commissioner in subsection (2).

(4) Any officer engaged in carrying out the provisions of this Order who has in relation to the affairs of a particular person been authorised thereto by the Commissioner in writing or by telegram, may for the purposes of this Order —

- (a) without previous notice, at any time during the day, enter any premises what-soever and on such premises search for any moneys, books, records, accounts or documents;
- (b) in carrying out any such search, open or cause to be removed and opened, any article in which he suspects that any money, book, record, account or document is contained;
- (c) seize any such book, record, account or document as in his opinion may afford evidence which may be material in assessing the liability of any person for any tax;
- (d) retain any such book, record, account or document for as long as it may be required for any assessing or for any criminal or other proceedings under this Order.

(5) Any person exercising any power under subsection (4) shall on demand produce the written authority furnished to him by the Commissioner.

(6) The person to whose affairs any book, record, account or document seized under subsection (4) relates, shall be entitled to examine and make extracts therefrom during office hours under such supervision as the Commissioner may determine.

Power of inspection.

36. (1) Notwithstanding anything contrary contained in any other provision of this Order, any officer engaged in the carrying out of the provisions of this Order relative to the affairs of a particular taxpayer, may enter any place at which a business or trade is carried on (whether such place be the principal place of the said business or trade or not) and require the taxpayer or public officer or any other person who may at that time and place be attending in any manner to or keeping in the carrying on of such business or trade to afford him:

- (a) the necessary facility to inspect such books of account or other documents as he may require and which may be available at the place;
- (b) the necessary facility to verify cash, stock or other valuable article or thing which may be found therein;
- (c) such information as he may require as to any matter which may be relevant to any proceeding under this Order.

(2) The officer acting under this section may enter any place of business or trade referred to in subsection (1) only during the hours at which such place is open for conduct of business or trade, and in the case of any other place, during normal business hours.

(3) The officer acting under this section may —

- (a) if he so deems necessary, place marks of identification on the books of account or other documents inspected by him or make or cause to be made extracts or copies therefrom;
- (b) make an inventory of any cash, stock or other valuable article or thing checked and verified by him;
- (c) record the statement of any person which may be relevant to any proceeding under the Order.

(4) Any officer exercising any power under this section shall not remove or cause to be removed from such place any books of account or other documents or any cash, stock or other valuable article or thing found therein.

(5) Any person obstructing or hindering an officer in the discharge of his duties, under this section shall be guilty of an offence under section 66(1) of the Order.

(Replaced A.11/1985; Deleted A.10/1991; Added A.6/1994.)

Duty to furnish returns of persons employed.

37. (1) Every person shall, if required by the Commissioner furnish him in such form and at such time as the Commissioner may require with returns of all or any particular class of persons employed by him, the earnings, salary, wages, allowances or pensions, whether in money or otherwise, paid or allowed to each person so employed.

(2) Every person carrying on business in Swaziland shall in such manner and form, and at such times as the Commissioner may require furnish to the Commissioner returns showing —

- (a) all payments made to any person in respect of any share or interest in such business;
- (b) all moneys received by him from any person on deposit for any fixed time or period with or without interest;
- (c) all such other information in his possession with regard to the income received by or accruing to or in favour of such person as may be required by the Commissioner.

(3) Every person to whom a form of return is sent by the Commissioner shall complete it in accordance with the requirements of the Commissioner and shall return it to the Commissioner at such time and place as the Commissioner may direct.

Duty to furnish information on request.

38. Any person, whether liable for taxation under this Order or not, to whom any notice or request for information is sent by the Commissioner or by any officer acting under the authority of the Commissioner, shall comply with the terms of such notice or furnish the information so requested.

Estimated assessments.

39. (1) In every case in which any taxpayer makes default in furnishing any return or information, or if the Commissioner is not satisfied with the return or information furnished by any taxpayer, the Commissioner may make an assessment in such sum as in the Commissioner's judgement ought to be charged in accordance with this Order, and thereupon shall give notice thereof to the taxpayer to be charged, and such taxpayer shall be liable to pay the taxpayer upon such sum. (Replaced A.6/1994.)

(2) Any such assessment shall be subject to objection and appeal as provided in this Order.

(3) If it appears to the Commissioner that any person is unable from any cause to furnish an accurate return of his income, the Commissioner may agree with such person as to what shall be the taxable income of such person and any taxable income so agreed shall not be subject to any objection or appeal.

Additional tax in case of default or omission.

40. (1) Subject to subsection (3), the Commissioner shall require a taxpayer to pay in addition to the tax chargeable in respect of his taxable income —

- (a) if he makes default in rendering a return in respect of any year of assessment, an amount equal to twice the tax chargeable in respect of his taxable income for such year of assessment;
- (b) if he omits from his return any amount which ought to have been included therein, an amount equal to twice the difference between the tax as calculated in respect of the taxable income returned by him and the tax properly chargeable in respect of his taxable income as finally determined after including the amount omitted; or
- (c) if he makes any incorrect statement in any return rendered by him which results or would if accepted result in the assessment of the normal tax at an amount which is less than the tax properly chargeable, an amount equal to twice the difference between the tax as assessed in accordance with the return made by him and the tax properly chargeable if the incorrect statement had not been made.

(2) The additional amounts of tax payable under this section may be chargeable whether the taxable income or any part thereof is estimated by the Commissioner in terms of section 39, or agreed with the taxpayer in terms of subsection (3) thereof, or such taxable income or any part thereof as is determined from accounts rendered by the taxpayer.

(3) (a) If the Commissioner is satisfied that the default in rendering the return was not due to any intent either to defraud the revenue or to postpone the payment by the taxpayer of the tax chargeable or that any such omission or incorrect statement was not due to any intent to evade taxation on the part of the taxpayer, he may waive or remit such part or all of such additional charge as he may think fit.

(b) In the event the Commissioner deciding not to remit the whole of the additional charge imposed under subsection (1), his decision shall be subject to objection and appeal.

(c) Notwithstanding the provisions of this subsection, the Commissioner may either before or after an assessment is issued agree with the taxpayer on the amount of the additional charge to be paid, and the amount so agreed upon shall not be subject to objection and appeal.

(Amended A.6/1994.)

(4) The powers conferred upon the Commissioner by this section shall be in addition to any right conferred upon him by this Order to take proceedings for the recovery of any penalties for evading or avoiding assessment of the payment of tax or attempting to do so.

(5) Any taxpayer, who in determining his taxable income as disclosed by his return, deducts or sets off any amount the deduction or set off whereof is not permissible under this Order or shows as an expenditure or loss any amount which he has in fact not expended or lost, shall be deemed for the purpose of this section to have omitted such amount from his return.

(6) Any taxpayer who wilfully fails to disclose in any return made by him any facts which should be disclosed and the disclosure of which would result in the taxation of the taxpayer's income on an amount which is higher than the amount upon which such income would be taxable on such return, shall be deemed, for the purpose of this section, to have omitted from his return the amount by which the former amount exceeds the latter.

(7) If in any year of assessment in which the determination of the taxable income of the taxpayer does not result in an assessed loss, he is entitled to the set-off of a balance of assessed loss from the previous year of assessment and such balance is less than it would have been had it been calculated on the basis of the returns rendered by him, he shall be deemed, for the purpose of this section, to have omitted from his return for the first-mentioned year of assessment an amount equal to the difference between the amount at which such balance is finally determined and the amount at which it would have been determined on such basis.

Additional assessments.

41. (1) Notwithstanding section 52(4) if at any time the Commissioner is satisfied that any amounts which should have been subject to tax have not been assessed to tax under this Order or any previous income tax law, or than any amount of tax which was chargeable and should have been assessed under this Order has not been assessed, he may raise assessments in

respect of such amounts notwithstanding that assessments may have been made upon the person concerned in respect of the year or years of assessment in respect of which the amounts in question are assessable: (Amended A.6/1987.)

Provided that the Commissioner shall not raise any assessment under this subsection —

- (a) after the expiry of six years from the date of assessment in terms of which any amount which should have been assessed to tax under such assessment was not so assessed unless he is satisfied that the amount was not so assessed because of fraud or misrepresentation or non-disclosure of material facts;
- (b) if the amount which should have been subject to tax was not assessed to tax, in accordance with the practice generally prevailing at the time when the assessment was made; or
- (c) in respect of any amount, if any previous assessment made on the person concerned for the year of assessment in question has in respect of such amount been amended or reduced pursuant to any order of court unless such order was obtained by fraud or misrepresentation or non-disclosure of material facts.

(2) Sections 39 and 40 shall apply to any assessment or additional assessments made by the Commissioner under the powers conferred by this section.

Assessments and the recording thereof.

42. (1) The particulars of every assessment and the amount of tax payable thereon shall be recorded or filed and kept in the office of the Commissioner.

(2) Upon recording or filing of the particulars of any assessment, the Commissioner shall give notice of the assessment to the taxpayer whose income has been assessed.

(3) Such notice shall be sent to the taxpayer by post or delivered to such person in such other manner as the Commissioner may consider necessary or convenient.

(4) The Commissioner shall in the notice of assessment give notice to the taxpayer that any objection to the assessment made must be sent to him within twenty one days after the date of such notice or within such further time as he or the court may for good cause allow.

Inspection of assessments.

43. Particulars of income tax assessments shall not be open to public inspection, but every taxpayer shall be entitled to copies certified by or on behalf of the Commissioner of such entries as relate to the assessment of his own income.

PART V

REPRESENTATIVE TAXPAYERS

Representative taxpayers.

44. In this Order unless the context otherwise requires —

“representative taxpayer” means —

- (a) in respect of the income of any company, the public officer thereof;
- (b) in respect of the income of any person permanently or temporarily absent from or resident out of Swaziland, the agent of such person, and for the purpose of this paragraph every person in Swaziland having the receipt, management or control of any income on behalf of any person so absent or resident, or remitting or paying any income to or receiving any money for such person, shall be deemed to be the agent of such person;
- (c) in respect of the income of trust or any minor or mentally disordered and defective person or any other person under legal disability, the trustee, guardian, curator or other person entitled for the time being to the receipt, management, disposal or control of such income or remitting or paying to or receiving any money on behalf of such person under disability;

- (d) in respect of income paid under a decree or order of any court to any receiver or other person, such receiver or person, whoever may be entitled to the benefit of such income, and whether or not it accrues to any person on a contingency or any uncertain event;
- (e) in respect of the income received by or accrued to any deceased person during his lifetime and the income received by or accrued to the estate of any deceased person, the executor or administrator of the estate of such deceased person:

Provided that this definition shall not be construed as relieving any person from any liability, responsibility or duty imposed upon him by this Order.

Liability of representative taxpayer.

45. Every representative taxpayer, as regards the income to which he is entitled in his representative capacity or of which in such capacity he has the management, receipt, disposal, remittance, payment or control, shall be chargeable with the taxation imposed by this Order and shall be subject in all respects to the same duties, responsibilities and liabilities as if the income were income received by or accruing to or in favour of him beneficially, except that no representative taxpayer (not being a public officer or a company) shall, save as provided by section 47, be personally liable for the payment of any tax beyond the amount of the income of which he has the management, receipt, disposal or control in such capacity:

Provided that nothing herein shall, if the representative taxpayer acts as an agent or trustee or in any other capacity for several persons, prevent him from claiming that each agency or trust or other capacity shall be treated separately for the purpose of claiming any exemption or deduction provided by this Order.

Right of representative taxpayer to indemnity.

46. Every representative taxpayer who, as such, pays any tax shall be entitled to recover it from the person on whose behalf it is paid or to retain out of any moneys that may be in his possession or may come to him in his representative capacity so much as is required to indemnify him in respect of such payment.

Personal liability of representative taxpayer.

47. Every representative taxpayer shall be personally liable for any tax payable in respect of any assessment made upon him in his representative capacity if, while it remains unpaid —

- (a) he alienates, charges or disposes of the income in respect of which the tax is chargeable; or
- (b) he disposes of or parts with any fund or money which is in his possession or comes to him after the tax is payable when from or out of such fund or money the tax could legally have been paid.

Absent shareholder.

48. If a shareholder or a member of a company is absent from Swaziland, such company shall, for the purpose of this Order, be deemed to be the agent for such shareholder or member, and shall, as regards such shareholder or member and in respect of any income received by or accruing to him or in his favour as shareholder or member, have and exercise all the powers, duties and responsibilities of an agent for a taxpayer absent from Swaziland.

Commissioner's power to appoint agents.

49. (1) The Commissioner may declare any person to be an agent of any other person and the person so declared an agent shall be the agent for the purpose of this Order and may be required to pay to the Commissioner any tax due from any money which —

- (a) is due or may become due to the person whose agent he has been declared;
- (b) the person holds or may subsequently hold for or on account of the person whose agent he has been declared; or
- (c) the person has authority from some other person to pay to the person whose agent he has been declared, within fifteen days of the date of service of the notice of declaration or, if on such date no money is due from him to, or is held by him for or on account of, that person, within fifteen days of the date on which

such money becomes due to, or available for or on account of that person, the amount specified in such declaration, or, if such amount is less than the amount specified, the whole of the money due, held or available.

(2) Without prejudice to the liability of the taxpayer under this Order, if an agent after receipt of a notice parts with any money to which the notice relates, he shall be liable *pro tanto* for the tax due by such person.

(Replaced A.11/1982.)

Remedy against property.

50. The Commissioner or any person empowered under this Order shall have such and the like remedies against all property of any kind vested in or under the control or management of any agent or trustee as he would have against the property of any person liable to pay any tax and in as full and ample a manner.

Public officers of companies.

51. (1) Every company carrying on business or having office in Swaziland shall at all times be represented by an individual residing therein, who shall be known as the "public officer" of such company.

(2) The public officer of a company shall be appointed by the company or by an agent or attorney who has authority to make such appointment and shall be approved by the Commissioner.

(3) In the case of a company which commences business or which first has an office in Swaziland after the commencement of this Order, the public officer shall be appointed within one month after such commencement or having an office, and in default of any appointment the Commissioner may designate a managing director, director, secretary or other officer of the company as its public officer.

(4) Every company shall within the period prescribed by subsection (3) appoint a place within Swaziland at which any notices or other instruments under this Order affecting the company may be served or delivered or to which any such notices or documents may be sent.

(5) No appointment shall be deemed to have been made under subsections (3) or (4) until notice thereof specifying the name of the public officer and an address for service or delivery of notices and documents has been given to the Commissioner.

(6) Every company shall keep the office of public officer constantly filled and shall at all times maintain a place for the service or delivery of notices in accordance with sub-section (4).

(7) Every company shall notify the Commissioner of any change in the person of its public officer or of the place for the service or delivery of notices within fourteen days of such change taking place.

(8) Any company which fails to comply with subsections (3), (4), (6) or (7) and every person who acts within Swaziland as agent or manager or representative of such company shall, while such failure continues, be liable to a penalty not exceeding twenty Emalangeni for every day during which the fault continues and such penalty shall be recoverable by the Commissioner by action in any court. (Amended A.11/1985.)

(9) Any notice, process or proceeding which may under this Order be given to, served upon, or taken against any company, may be given to, served upon or taken against its public officer and if at any time there is no public officer then any such notice, process or proceeding may be given to, served upon, or taken against any officer or person acting or appearing to act in the management of the business or affairs of such company or as agent for such company.

(10) Every public officer shall —

(a) within two months of the registration by the Registrar of Companies of the company of which he is the public officer file with the Commissioner a copy of the memorandum and articles of association of such company;

(b) within thirty days of the registration by the Registrar of Companies of any prospectus proposed to be issued by such company file with the Commissioner a copy of such prospectus;

(c) within two months of any amendment of the memorandum and articles of association of such company file with the Commissioner a certified copy of such amendment.

(11) Every public officer shall be answerable for doing of all such acts, matters or things as are required to be done under this Order by a taxpayer, and in case of default, shall be liable to the penalties provided in respect of defaults by a taxpayer.

(12) Everything done by any public officer which he is required to do in his representative capacity shall be deemed to have been done by the company which he represents.

(13) The absence or non-appointment of a public officer shall not exonerate any company from the necessity of complying with this Order, but the company shall in all respects be subject to and liable to comply with this Order as if there were no requirement to appoint such officer.

(14) Any public officer appointed under the Income Tax (Consolidation) Act, No. 84 of 1959 shall, unless the Commissioner disapproves of his appointment, be deemed to be appointed under this Order:

Provided that if the Commissioner so disapproves the company shall appoint another person in his stead as its public officer.

PART VI

OBJECTIONS AND APPEALS

Time and manner of lodging objections.

52. (1) Any objection to any assessment made under this Order shall be made within twenty-one days after the date of the assessment notice or within such further time as the Commissioner may for good cause allow in the prescribed manner and under the prescribed terms by any taxpayer who is aggrieved by any assessment in which he is interested.

(2) Every objection shall be in writing and shall specify in detail the grounds upon which such objection is made.

Provided that the taxpayer, for the purpose of the objection, shall not be entitled to rely on any evidence whether oral or documentary, other than the evidence produced by him during the course of the assessment except in the following circumstances:

- (a) where the Commissioner has refused to admit evidence which ought to have been admitted;
- (b) where the taxpayer was prevented by sufficient cause from producing the evidence which he was called upon to produce; and
- (c) where the assessment was made without giving sufficient opportunity to the taxpayer to adduce evidence relevant to any ground of objection.

(Amended A.6/1994.)

(3) On receipt of a notice of objection to an assessment, the Commissioner may reduce or alter the assessment or may disallow the objection and shall send the taxpayer notice of such alteration, reduction or disallowance and shall record in the assessment register any alteration or reduction made in the assessment.

(4) If no objection is made to any assessment or if an objection has been allowed or withdrawn, such assessment or altered or reduced assessment, as the case may be, shall, subject to the right of appeal provided in this Part and subject to section 41(1), be final and conclusive.

Onus of proof as to exemptions, etc..

53. The burden of proof that any amount is exempt from or not liable to any tax chargeable under this Order or is subject to any deduction or set-off, shall be upon the person claiming such exemption, non-liability, deduction or set-off, and upon the hearing of any appeal from any decision of the Commissioner, the decision shall not be reversed or altered unless it is shown by the appellant that the decision is wrong.

Appeal against Commissioner's decision.

54. (1) Any taxpayer who is dissatisfied with any decision of the Commissioner as notified in the notice of alteration or reduction of an assessment or disallowance of an objection may appeal therefrom to the court:

Provided that no such notice of appeal shall be of any force and effect, unless it is lodged with the Commissioner within the period prescribed in subsection (2).

(2) Notice of such appeal shall be in writing and shall be lodged with the Commissioner within twenty-one days after the date of any notice of alteration, reduction or disallowance referred to in section 52(3), or within such further time as the Commissioner or the court may for good cause allow.

(3) On the hearing of any such appeal the taxpayer shall be limited to the grounds stated in his notice of objection.

(4) If the assessment has been altered or reduced, the assessment so altered or reduced shall be deemed to be the assessment against which the appeal is made.

(5) The Commissioner shall as soon as is practicable apply to the Registrar of the High Court in accordance with the High Court Rules for the appeal to be set down for hearing by the court:

Provided that such application shall be accompanied by a summary of the facts and questions of law, if any, in issue, a copy of the notice of assessment objected against, a copy of the taxpayer's objection thereto, a copy of the Commissioner's reply to such objection and a copy of the notice of appeal:

Provided further that if the Commissioner has failed to make such application within three months of the date upon which the taxpayer has lodged the notice of appeal in terms of subsection (2) the taxpayer may apply to the Registrar of the High Court for the appeal to be set down for such hearing and the Registrar shall immediately thereupon call upon the Commissioner to lodge with him a summary of the facts and questions of law, if any, in issue, a copy of the notice of assessment objected against, a copy of the taxpayer's objection thereto, a copy of the Commissioner's reply to such objection and a copy of the notice of appeal within ten days from the date of such request.

(6) At least twenty-one days before the date fixed for the hearing of the appeal the Registrar of the High Court shall send the Commissioner, the Attorney-General and the taxpayer or his duly authorised attorney or representative a written notice of the time and place appointed for the hearing of such appeal.

(7) The sittings of the court for the hearing of any appeal under this section shall not be public and the court shall at any time on the application of the appellant exclude any person whose attendance is not necessary for the hearing of the appeal under consideration from such sitting or require him to withdraw therefrom:

Provided that the court may authorise the publication of the whole or any part of its judgment in any law report or legal journal without mention of the name of the taxpayer concerned:

Provided further that this subsection shall not apply to an appeal to the Court of Appeal, except to such extent as the Court of Appeal may direct.

(8) The Commissioner or any person authorised by him may appear in support of the assessment on the hearing of any appeal and the appellant and any person who is interested in such appeal may appear in person or by his counsel, attorney or agent.

(9) The court may alter or order the alteration of the assessment in accordance with the decision given on any appeal but may only make an order as to costs if the claim of the Commissioner is held to be unreasonable or the grounds of appeal are held to be frivolous.

(10) The Chief Justice may make rules of the High Court prescribing the procedure to be observed in the conduct of appeals under this Order before it.

Obligation to pay not suspended pending appeal.

55. The obligation to pay and the right to receive and recover any tax chargeable under this Order shall not, unless the Commissioner so directs, be suspended by any appeal or pending the decision of the court under section 56, but if any assessment is altered on appeal or in conformity with any such decision, a due adjustment shall be made, for which purpose any amount paid in excess shall be refunded and any amount shortpaid shall be recoverable.

Questions of law.

56. If a question of law arises with regard to any assessment or altered or reduced assessment under this Order, the Commissioner may, within thirty days after receipt of any notice of objection or any notice of appeal under this Order, of his own motion or at the request of the taxpayer concerned, state a case for the determination of such question by the court.

PART VII

PAYMENT AND RECOVERY OF TAX

Appointment of day for payment of tax.

57. (1) Any tax chargeable under this Order shall be paid on such days and at such places as may be notified by the Commissioner:

Provided that:

- (a) on application by the taxpayer the Commissioner may allow the payment of such tax in instalments of equal or varying amounts as he may determine having regard to the circumstances of the case;
- (b) where the tax is permitted to be paid by instalments and there is default in payment of any instalment, the whole balance of the tax outstanding shall become payable forthwith.

(Amended A.6/1994.)

(2) There shall be added to any amount of tax not paid on or before the due date fixed in the Commissioner's notification or as specified in this Order, interest calculated at the rate of eighteen per centum per annum reckoned from the due date to the date of payment:

Provided that the Minister may by written notice in the Gazette reduce or increase the rate of such interest.

(Amended A.6/1987; A.10/1991.)

Payments of employees tax. (Second Schedule)

58. Payments in respect of the liability (whether or not such liability has been ascertained or determined at the date of any payment) of every employee, as defined in the Second Schedule, for any tax shall be made in accordance with the Second Schedule, and any such payment may be made at such place as may be notified by the Commissioner.

Payment of provisional tax. (Fourth Schedule)

58A. (1) Provisional tax shall be paid in accordance with the provisions of the Fourth Schedule at such place as may be notified by the Commissioner, and such payments which relate to a taxpayer shall, for the purposes of this Order, and subject to the provisions of paragraphs 14 and 15 of the said Schedule, be deemed to have been made in respect of his liability for taxes as defined in subsection (3), whether or not such an assessment has been made at the date of any payment.

(2) If any amount of provisional tax is not paid in full within the relevant period prescribed for payment of such amount by paragraphs 7, 8 or 9, interest shall be paid by the person liable to pay the amount in question at the rate prescribed in section 57(2) of this Order on so much of such amount as remains unpaid in respect of the period (reckoned from the end of the relevant period prescribed as aforesaid for payment of such amount) during which the amount underpaid remains unpaid.

(3) For the purposes of this section, "taxes" means the taxes as defined in section 2, excluding non-resident shareholders tax, non-resident tax on interest and non-resident tax on entertainers and sportsmen. (Added A.11/1985.)

Withholding of tax from payments to non-resident contractors. (Amended A.7/1989; A.6/2000.)

59. (1) For the purposes of this section —

"agreement" means a single agreement or a series of agreements; and

"non-resident person" means any person whose principal place of business is outside Swaziland.

(2) Every person who makes payment to a non-resident person under an agreement relating to construction operations shall withhold tax from such payments at the rate specified under subsection (3).

(3) The amount of tax to be withheld in respect of subsection (2) shall be fifteen per cent of so much of the payment as is not shown to represent the direct cost (to any other person) for materials used or to be used in carrying out the construction operations to which the agreement relates

(4) The tax withheld under subsection (3) shall be on account of the liability to tax of the non-resident person.

(5) Every person who has withheld any tax under subsection (3) shall —

(a) furnish the non-resident person to whom any payment is made with a certificate showing the amount of the payment due under the agreement and the tax deducted therefrom;

(b) within fifteen days from the date of payment remit to the Commissioner the amount of tax withheld.

(6) No deduction of tax under this section shall relieve the non-resident person from the obligation to furnish any return for the assessment of the tax under section 33 or from any other obligation imposed by this Order.

(7) Every person making any payment to which this section applies shall maintain a record showing, in relation to each year of assessment the amounts of payments made and the amounts of tax withheld, and such record shall be kept available, for the period specified under section 33(16), for examination by the Commissioner as and when required.

(8) Every person to whom this section applies shall within thirty days after the end of the year of assessment or within such further time as the Commissioner may allow, furnish to the Commissioner a return showing the total —

(a) amount of tax withheld by such person during the year of assessment; and

(b) payments of such tax which have been made to the Commissioner and the total amount, in terms of this section, which ought to have been paid over to the Commissioner respecting the tax.

(9) Any person who fails to withhold tax in terms of this section or who fails to remit the tax in accordance with subsection (5) shall, in addition to any penalty for which he may be liable to under section 66, be personally liable to pay the Commissioner the tax which he should have withheld as if it were tax due and payable by him under Part VII of this Order.
(Amended K.O-I-C. 1/1976; A.11/1985; A.7/1989; replaced A.6/2000.)

Withholding tax on payments to non-resident persons.

59A (1) For the purposes of this section —

“Swaziland source services contract” means a contract (other than an employment contract) —

(a) under which the principal purpose of the contract is the performance of services which gives rise to Swaziland-source income; and

(b) where any goods supplied under the contract are only incidental to that purpose;

“Non-resident person” has the meaning assigned to it under section 59(1).

(2) A non-resident person shall be liable to withholding tax at the rate of fifteen per cent on the gross amount of any payment derived by the non-resident under a Swaziland source services contract.

(3) Subsection (1) shall not apply to a royalty or management charge subject to withholding tax under section 32B or payments subject to withholding under section 59.

(4) Any person (the payer) who makes any payment to any other person (the payee) referred to in subsection (2) shall withhold tax at the rate of fifteen per cent of the gross amount and shall issue a statement to the payee showing the gross amount of payment due and the rate and amount of tax withheld.

(5) Every person who withholds tax in accordance with subsection (4) shall, within fifteen days from the date of payment, remit to the Commissioner, the amount of tax so withheld or deducted.

(6) Where tax has been withheld under this section from a payment made to a non-resident person the withholding tax is a final tax and —

(a) no further tax liability shall be imposed upon the taxpayer in respect of the income to which the tax relates; and

(b) the income shall not be aggregate with the other income of the taxpayer for the purposes of ascertaining taxable income; and

(c) no deduction shall be allowed for any expenditure or losses actually incurred in deriving the income; and

(d) no refund of tax shall be made in respect of the income.

(7) Every person making any payment to which this section applies shall maintain, and keep available for the period specified under section 33(16) for inspection by the Commissioner, records showing, in relation to each year of assessment —

- (a) payments made to the non-resident persons; and
- (b) tax withheld from such payments.

(8) Every person (the payer) to whom this section applies shall within thirty days after the end of the year of assessment or within such further time as the Commissioner may allow, furnish to the Commissioner a return showing —

- (a) the amounts paid or payable to the non-resident person;
- (b) the amounts of tax withheld; and
- (c) such other information as the Commissioner may, in writing, by notice or other means, require.

(9) Where any person who is required to withhold tax from any payment made by him, fails to withhold such tax or having withheld such tax fails to remit such tax to the Commissioner, as required, shall, in addition to any penalty for which he may be liable under section 66, be personally liable to pay to the Commissioner the amount of tax, which he failed to withhold or remit, as if it were tax due and payable by him under Part VII of this Order.

(Added A.6/2000.)

Persons by whom the tax is payable.

60. Subject to this Order, the taxes leviable shall be payable —

- (a) by the representative taxpayer in respect of any income received or controlled by him in his representative capacity;
- (b) in respect of every other income and in all other cases, but subject to section 59, by the person by whom the income is received or to whom or in whose favour it accrues or is deemed to accrue or who is legally entitled to the receipt thereof:

Provided that any person who is required under the Order to include in his income any income which has been received by or in favour of his minor child shall be entitled to recover from the funds held by or on behalf of such child such proportion of the taxation paid by him under this Order as is due to the inclusion in his income of the income of such child.

Recovery of tax.

61. (1) Any tax, (including any interest or penalty payable to the Commissioner under this Order) shall, when it becomes due or is payable, be deemed to be a debt due to the Government and shall be payable to the Commissioner in the manner and at the place prescribed.

(2) If any person fails to pay any tax when it becomes due or is payable by him, the Commissioner may file with the clerk or registrar of any court a statement certified by him as correct and setting forth the amount of the tax so due or payable by such person, and such statement shall thereupon have all the effects of, and any proceedings may be taken thereon, as if it were a civil judgment lawfully given in such court in favour of the Commissioner for a liquid debt of the amount specified in the statement.

(3) Notwithstanding anything in the Magistrate's Court Act No. 66 of 1938 a statement for any amount whatsoever may be filed in terms of subsection (2) with the clerk of a Magistrate's Court having jurisdiction in respect of the person by whom such amount is payable in accordance with this Order.

(4) (Deleted A.6/1994.)

(5) So much of any tax payable by any person under this Order as is due to the inclusion in his income of any income deemed to have been received by him or to be his income, as the case may be, in terms of sections 11(3), (4), (5) or (6) may be recovered from the assets by which the income so included was produced.

(6) Notwithstanding the provisions of section 12, the Minister may remit, wholly or in part any tax payable by any person, in terms of this Order if he is satisfied that it will be just and equitable to do so. (Amended A.6/1996.)

Tax to be a liquid debt.

62. (1) Proceedings in any court for the recovery of any tax shall be deemed to be proceedings for the recovery of a liquid debt.

(2) It shall not be competent for any person in any proceedings in any court for the recovery of any tax to question the correctness of the assessment or any certified extract therefrom.

Conclusive evidence of making of assessment.

63. The production of any document under the hand of the Commissioner purporting to be a copy of or extract from any assessment shall be conclusive evidence of the making of the assessment and, except in the case of proceedings on appeal against the assessment, shall be conclusive evidence that the amount and all the particulars of such assessment appearing in such document are correct.

PART VIII

MISCELLANEOUS

Refunds.

64. (1) If it is proved to the satisfaction of the Commissioner that any amount paid by a taxpayer was in excess of the amount properly chargeable under this Order, the Commissioner may authorise a refund to such taxpayer of any tax overpaid:

Provided that no amount paid in respect of an assessment made in accordance with the practice generally prevailing at the time when such assessment was made and accepted by the taxpayer shall be deemed to have been otherwise than properly so chargeable.

(2) The Commissioner shall not authorise any refund under this section unless the claim therefor is made within three years after the date when the assessment was made.

Transactions, operations or schemes for purposes of avoiding or postponing liability for or reducing amounts of taxes on income.

65. (1) If any transaction, operation or scheme (whether entered into or carried out before or after the commencement of this Order, including a transaction, operation or scheme involving the alienation of property) has been entered into or carried out which has the effect of avoiding or postponing liability for any tax, duty or levy on income (including any such tax, duty or levy imposed by any previous law), or of reducing the amount thereof, and which, in the opinion of the Commissioner, having regard to the circumstances under which the transaction, operation or scheme was entered into or carried out —

(a) was entered into or carried out by means or in a manner which would not normally be employed in the entering into or carrying out of a transaction, operation or scheme of the nature of the transaction, operation or scheme in question; or

(b) has created rights or obligations which would not normally be created between persons dealing at arm's length under any transaction, operation or scheme of the nature of the transaction, operation or scheme in question;

and the Commissioner is of the opinion that the avoidance or the postponement of such liability, or the reduction of the amount of such liability was the sole or one of the main purposes of the transaction, operation or scheme, the Commissioner shall determine the liability for any tax, duty or levy on income and the amount thereof as if the transaction, operation or scheme had not been entered into or carried out or in such manner as in the circumstances of the case he deems appropriate for the prevention or diminution of such avoidance, postponement or reduction.

(2) If the Commissioner is satisfied that any agreement or any change in the shareholding of a company, as a direct or indirect result of which income has been received by or has accrued to such company during any year of assessment, has, at any time before or after the commencement of this Order, been entered into or effected by any person solely or mainly for the purpose of utilising any assessed loss or any balance of assessed loss incurred by the company in order to avoid liability

on the part of such company or any other person for the payment of any tax, duty or levy on income, or to reduce the amount thereof, the set-off of any such assessed loss or balance of assessed loss against any such income shall be disallowed.

(3) For the purposes of subsection (1), any transaction, operation or scheme, whether entered into or carried out before or after the commencement of this Order, whereby any person, other than a company, who is ordinarily resident or carrying on business in Swaziland, has disposed of shares held by such person or such company in any company registered or incorporated in Swaziland to any person, other than a company, not ordinarily resident nor carrying on business in Swaziland or to any company registered outside Swaziland, shall, unless it is proved to the satisfaction of the Commissioner that the parties are independent persons dealing at arm's length with each other, be deemed to be a transaction, an operation or a scheme entered into or carried out by means or in a manner not normally employed in the entering into or carrying out of such transaction, operation or scheme in question.

(4) Any decision of the Commissioner under subsection (1), (2) or (3) shall be subject to objection and appeal, and if in any proceedings relating thereto it is proved that the transaction, operation, scheme, agreement or change in shareholding in question would result in the avoidance or the postponement of liability for payment of any tax, duty or levy on income or in the reduction of the amount thereof, it shall be presumed, until the contrary is proved —

- (a) in the case of any such transaction, operation or scheme, that its sole or one of its main purposes was the avoidance or the postponement of such liability or the reduction of the amount of such liability; or
- (b) in the case of any such agreement or change in shareholding, that it has been entered into or effected solely or mainly for the purpose of utilising the assessed loss or balance of assessed loss in question in order to avoid or postpone such liability or to reduce the amount thereof.

Offences.

66. (1) A person shall be guilty of an offence and liable on conviction to a fine of one thousand Emalangeni or in or in default of payment thereof to imprisonment for twelve months, if he — (Amended A.11/1985; A.7/1992.)

- (a) fails or neglects to furnish, file or submit any return or document as and when required by this Order;
- (b) without just cause shown by him, refuses or neglects to furnish any information or reply to or to attend and give evidence as and when required by the Commissioner or any officer duly authorised by him, or to answer truly and fully any questions put to him, or to produce any books or papers required of him by the Commissioner or any such officer;
- (c) obstructs or hinders any officer in the discharge of his duties under this Order;
- (d) fails to show in any return made by him any portion of the gross income received by or accrued to or in favour of himself or fails to disclose to the Commissioner when making such return any material facts which should have been disclosed;
- (e) fails to show in any return prepared or rendered by him on behalf of any other person any portion of the gross income received by or accrued to or in favour of such other person or fails to disclose to the Commissioner, when preparing or making such return, any facts which if so disclosed, might result in increased taxation;
- (f) fails to keep a proper record of his transaction as required by section 33(16);
- (g) not being a person whose gross income consists solely of salary, wages or similar compensation for personal service, without just cause shown by him, fails to retain for a period of five years from the date of the last entry therein all ledgers, cash books, journals, cheque books, bank statements, invoices, stock lists and all other books of accounts relating to any trade carried on by him and recording the details from which his returns for the assessment of taxes under this Order or the repealed Act prepared;
- (h) submits or furnishes a false certificate or statement under section 34;
- (i) fails to notify the Commissioner or to deduct and account for tax under section 59; or
- (j) fails to withhold and account for tax under section 32B; (Added A.6/2000.)
- (k) fails to withhold and account for tax under section 32C; or (Added A.6/2000.)
- (l) fails to withhold and account for tax under section 59A. (Added A.6/2000.)

(2) Any person who has been convicted under subsection (1) of failing to furnish any return, information or reply who thereafter fails within any period deemed by the Commissioner to be reasonable and of which notice has been given to him by the Commissioner, to furnish the return, information or reply in respect of which the offence was committed, shall be guilty of an offence and liable on conviction to a fine of fifty Emalangeni for each day during which such default continues or to imprisonment for three months. (Amended A.11/1985; A.7/1992.)

(3) A person shall be guilty of an offence and liable on conviction to a fine of five thousand Emalangeni or imprisonment for two years or both, if he with intent to evade or to assist any other person to evade assessment or taxation — (Amended A.11/1985; A.7/1992.)

- (a) makes or causes or allows to be made any false statement or entry in any return rendered in terms of this Order or signs any statement or return so rendered without reasonable grounds for believing it to be true;
- (b) gives any false answer, whether orally or in writing, to any request for information made under this Order by the Commissioner or any person duly authorised by him or any officer referred to in section 4;
- (c) prepares or maintains or authorises the preparation or maintenance of any false books of account or other records or falsifies or authorises the falsification of any books of account or records; or
- (d) makes use of any fraud, art or contrivance whatsoever, or authorises the use of any such fraud, art or contrivance.

(4) If in any proceedings under this section it is proved that any false statement or entry is made in any return rendered under this Order by or on behalf of any taxpayer or in any books of account or other records of any taxpayer, such taxpayer shall be presumed, until the contrary is proved, to have made or to have caused or allowed to be made such false statement or entry with intent to evade assessment or taxation, and any other person who made any such false statement or entry shall be presumed, until the contrary is proved, to have made such false statement or entry with intent to assist the taxpayer to evade assessment or taxation.

Authentication and service of documents.

67. (1) Every form, notice, demand or other document issued or given by or on behalf of the Commissioner or other officer under this Order shall be sufficiently authenticated if the name of the Commissioner or officer by whom it is issued or given is stamped or printed thereon.

(2) Any notice required or authorised under this Order to be served upon any person shall be sufficiently and effectively served —

- (a) if personally served upon him; or
- (b) if left at his usual or last place of abode or office or place of business in Swaziland; or
- (c) if sent in a registered letter addressed to such place of abode, office or place of business or to his usual or last known postal address: (Amended A.9/1988.)

Provided that in the case of a company, it shall be sufficiently and effectively served if personally served on the public officer of the company or delivered to him or left at the company's address for service under this Order, or, if the company has lodged no address for service as required by this Order, then if the notice is left at or sent in a registered letter by post addressed to any office of the company in Swaziland or any premises therein where it carries on business.

Double taxation agreements.

68. (1) The Minister may enter into an agreement on behalf of the Government of Swaziland with the Government of any other country with a view to the prevention, mitigation or discontinuance of the levying under the laws of Swaziland and of the other country of tax on income in respect of the same income or to the rendering of reciprocal assistance in the administration of and in the collection of taxes under the tax laws of Swaziland and of the other country relating to income.

(2) As soon as practical after the conclusion of any such agreement the Minister shall by notice in the Gazette publish a copy thereof, whereupon the terms and conditions of such agreement shall as far as they relate to immunity, exemption or relief in respect of the Swaziland tax on income have effect as if enacted in this Order, but only if and for so long as such terms and conditions as far as they relate to immunity, exemption or relief in respect of such tax levied or leivable in the other country have the effect of law in such other country.

(3) The Minister may at any time revoke any notice under subsection (2) by a further notice in the Gazette, and the agreement notified in such earlier notice shall cease to have effect upon a date fixed in such later notice, but the revocation of any notice shall not affect the validity of anything previously done thereunder.

(4) This section shall apply to any agreement of the kind referred to in subsection (1) which was in force at the date of the commencement of this Order.

(5) Notwithstanding section 5, there may be disclosed to any authorised officer of the country mentioned in any notice issued in terms of subsection (2), the facts, knowledge of which is necessary to enable it to be determined whether immunity, exemption or relief ought to be given or which it is necessary to disclose or to render or receive any assistance in accordance with the arrangements notified in such notice.

Regulations.

69. (1) The Minister may make regulations for all or any of the following purposes —

- (a) prescribing the duties of all persons engaged or employed in the administration of this Order;
- (b) defining the limits of areas within which such persons are to act;
- (c) prescribing the nature of the accounts to be rendered by any taxpayer in support of any return rendered under this Order and the manner in which such accounts shall be authenticated;
- (d) providing that, to avoid duplicate payment in Swaziland in any case in respect of the same year or period, the Commissioner may make such allowance or refund as he shall deem just and in such manner as may be prescribed;
- (e) generally for giving effect to the purposes of this Order.

(2) (a) Notwithstanding any other provisions of this Order, where the Minister is satisfied that a new business is beneficial to the development of the economy, he may, with the prior consent of Cabinet, nominate such business as a development enterprise, and he may issue an order, known as “development approval order” in respect of such business, granting additional tax concessions to such business;

- (b) (i) Any person seeking tax concession under this subsection shall, prior to the commencement of business, apply to the Minister in a manner prescribed by him;
- (ii) The Minister may, upon examination of such application, grant or refuse to grant, in writing, a tax concession for the purposes of this subsection.
- (iii) The Minister’s decision under paragraph (ii) shall be final.

(c) A development approval order may be issued subject to such conditions, and for such period of time, as the Minister deems fit;

(d) The Minister shall, within twenty one ‘days of the issue of a development order under paragraph (a), cause to be published, by notice in the Gazette, the name and address of the business nominated as a development enterprise under paragraph (a);

(e) The Minister may, at any time, with the concurrence of Cabinet, amend or revoke a development approval order issued in terms of this subsection:

Provided that where the Minister has cause to revoke a development approval order, he shall, within a period of twenty one days, cause such revocation to be published, by notice, in the Gazette. ‘

(f) Paragraphs (a) to (e) are deemed to have come into effect from 1st July, 1984.

(Replaced A.9/1988.)

(3) (a) Notwithstanding any other provision contained in this Order or in any other law, the Minister may, by notice published in the Gazette, make regulations requiring persons to obtain a tax clearance certificate for the purposes mentioned in such regulations.

(b) Every notice, published under subsection (a), shall be submitted for the approval of Parliament, within fifteen days of the notice being made and if Parliament is not meeting, within fifteen days after it next meets.

- (c) If any such notice is not submitted to Parliament within the time specified in subsection (b), or, if so submitted, is not approved by Parliament, the notice shall thereupon lapse but without detracting from the validity of such notice before it so lapsed.
 - (d) A person requiring a tax clearance certificate shall apply for such certificate either by himself or through his representative or agent to the Commissioner and a certificate granted under this section shall state that no tax is outstanding against the person or that satisfactory arrangements have been made by such person with the Commissioner for payment of outstanding tax:
- Provided that, in addition to any other reasons, the Commissioner may refuse to issue the certificate if the taxpayer has not rendered returns of income in respect of any year of assessment or part thereof.

(Added A.11/1985.)

Commissioner's annual report.

69bis. The Commissioner shall, not later than six months after the end of each financial year, prepare and submit to the Minister, an annual report setting out information relating to the operation of this Order during that financial year and such other information as the Minister may require (Added A.9/1979.)

Repeal.

70. The Income Tax (Consolidation) Act, No. 84 of 1959, is hereby repealed:

Provided that any tax or other amount which but for such repeal would have been capable of being levied, assessed or recovered and which has not been levied, assessed or recovered at the commencement of this Order, and all notices and returns issued or published in connection therewith, may be levied, assessed, recovered, issued or published as if such repeal had not been effected:

Provided further that paragraphs 3, 4, 5 and 11(2) of the First Schedule to the repealed Act shall continue to apply to any farmer to whom paragraph 2 of the First Schedule hereto applies.

FIRST SCHEDULE

COMPUTATION OF TAXABLE INCOME DERIVED FROM PASTORAL, AGRICULTURAL, PLANTATION OR OTHER FARMING OPERATIONS

(Under section 10)

1. For the purposes of this Schedule "farmer" means any person carrying on pastoral, agricultural, plantation or other farming operations.

2. (1) Every farmer who, in accordance with paragraph 2 of the First Schedule to the repealed Proclamation exercised an option not to have the values of livestock and produce held by him and not disposed of at the beginning and end of each year of assessment taken into account in the determination of the taxable income derived by him from farming shall, unless he elects otherwise, not have such values so taken into account.

(2) Every farmer (other than a company) who commences or recommences farming operations on or after 1st July, 1975 and who has not in respect of such farming operations previously exercised an option whether the values of livestock and produce held by him and not disposed of at the beginning and end of each year of assessment shall or shall not be taken into account in the determination of the taxable income derived by him from such farming operations shall be entitled to exercise such option and every such farmer shall, unless he elects otherwise, not have such values so taken into account.

(3) Paragraphs 3, 4, 5 and 11(2) of the First Schedule to the repealed Proclamation shall *mutatis mutandis* continue to apply to the determination of the taxable income derived from farming operations by any farmer who does not exercise his option under this paragraph and elect otherwise. (Amended K.O-I-C. 6/1977.)

3. Every farmer, other than a farmer to whom paragraph 2 applies shall include in his return rendered under section 33 the value of all livestock and produce held and not disposed of at the beginning and end of the year of assessment. (Amended K.O-I-C. 6/1977.)

Provided that the values of all livestock and produce held by him at the beginning of the year of assessment 1976 to be included in the return for that year shall be the values included in the assessment at the end of the preceding year of assessment. (Added K.O-I-C. 6/1977.)

4. Subject to paragraph 3, the standard values to be placed upon livestock (other than pedigree livestock acquired for breeding only) whether acquired by purchase or natural increase, held by any farmer at the beginning and end of a year of assessment shall be the standard values applicable to such livestock as are set out in the table hereunder.

<i>Description of livestock</i>	<i>Standard Value</i>
<i>Emalangeni</i>	
Cattle:	Bulls 720
	Oxen 440
	Cows 440
	Tollies & heifers 2 year 280
	Tollies & heifers 1 year 200
	Calves under 1 year 120
Sheep:	Wether 60
	Rams 100
	Ewes 40
	Lambs 10
Goats:	Fully grown 40
	Kids under 1 year 10
Horses:	Stallions 4 years and over 600
	Mares 4 years and over 400
	Geldings 3 years and over 300
	Colts and fillies 3 years 300
	Colts and fillies 2 years 200
	Colts and fillies 1 year 150
	Foals under 1 year 60
Donkeys:	Jacks over 3 years 15
	Jacks under 3 years 10
	Jennies over 3 years 15
	Jennies over 3 years 10
	Foals under 1 year 5
Mules:	Over 4 years 300
	3 years to 4 years 200
	2 years to 3 years 150
	Under 2 years 60
Pigs:	Over 12 months 250
	Under 12months 50
Poultry:	Over 9 months 5

(Amended K.O-I-C. 6/1997; Replaced A.7/1992.)

5. Subject to paragraph 3, the values to be placed upon pedigree livestock acquired for breeding only and held by any farmer at the beginning and end of a year of assessment shall be —

- (i) in respect of pedigree livestock acquired after 30th June, 1975 for breeding only and at the date of purchase such livestock acquired during such year of assessment, the purchase price;
 - (ii) in respect of other pedigree livestock acquired for breeding only and which is older than 4 years the purchase price less an amount calculated for each year of assessment during which such livestock has been held and has not been disposed of, equal to twenty per centum of the purchase price:
- Provided that the aggregate of the amounts allowed under this sub-paragraph in respect of any one animal shall not exceed the purchase price of such animal.

(Amended K.O-I-C. 6/1977.)

5bis. If as a result of the application of the standard values fixed by paragraph 4 the taxable income of any farmer has been increased for the year of assessment ended 30th June, 1993 such increased taxable income is directly attributable to the standard values applicable as at the 30th June, 1993 shall be exempted from taxation: (Amended A.7/1992.)

Provided that if as a result of the application of the standard values fixed by paragraph 4 the assessed loss of any farmer is converted into a taxable income which is directly attributable to such increased standard values only so much of the increased taxable income as is in the excess of the assessed loss shall be exempted from taxation. (Added K.O-I-C. 6/1977.)

6. The value to be placed upon produce included in any return shall be such fair and reasonable value as the Commissioner may determine.

7. Livestock or produce donated or disposed of otherwise than by sale and livestock or produce acquired otherwise than by purchase or natural increase shall be brought into account at such values as the Commissioner may determine.

8. (1) Subject to sub-paragraphs (2), (3), (4), (5) and (6), there shall be allowable as deductions in the determination of the taxable income derived by any farmer, the expenditure incurred by him during the year of assessment in respect of—

- (a) dipping tanks;
- (b) dams, water-furrows, irrigation schemes, wells, boreholes and pumping plants;
- (c) fences;
- (d) the eradication of noxious plants;
- (e) the prevention of soil erosion;
- (f) the erection of buildings used in connection with farming operations other than those used for the domestic purposes of persons who are not employees of such farmer;
- (g) the establishment of orchards and vineyards;
- (h) the building of roads and bridges used in connection with farming operations;
- (i) the carrying of electric power from the main transmission lines to the farm apparatus, other than apparatus used for domestic purposes in any house not covered by item (f).

(2) No deduction under section 14(1)(c), (d) and (g) shall be allowed in respect of any machinery, articles or plant for which a deduction under sub-paragraph (1) hereof or the corresponding provisions of any previous income tax law has been allowed.

(3) The total amount allowable as deductions to any farmer under sub-paragraph (1) in any year of assessment shall not exceed an amount equal to thirty per cent of the gross income derived by him from farming operations during that year of assessment:

Provided that if in the year of assessment ended on the thirtieth day of June, 1975 or any year of assessment thereafter any amount has been disallowed under the corresponding provisions of the repealed Act or under this sub-paragraph such amount shall be carried forward and added to the expenditure to which this paragraph applies incurred in the succeeding year.

(4) For the purposes of this paragraph “employees” means in relation to any farmer, persons employed by such farmer in connection with his farming operations, but does not include his relatives or, if the farmer is a company, the shareholders (or the relatives of shareholders) in such company or in any company which is associated with it by virtue of

shareholding, other than persons who held all their shares in such company solely because they are employed by it and who will in terms of its articles of association not be entitled to hold those shares after they cease to be so employed.

(5) The aggregate of all the deductions allowed under sub-paragraph (1)(f) to any farmer in respect of the erection of any buildings used for the domestic purposes of any one of his employees shall not exceed the sum of sixty thousand Emalangeni. (Amended A.11/1985; A.7/1989; A.7/1992.)

(6) If in any year of assessment any building in relation to which a deduction has been allowed to any farmer under sub-paragraph (1)(f), whether in the current or any previous year of assessment, is used for the domestic purposes of any person other than an employee of such farmer, there shall be included in the income of such farmer, for the current year of assessment the amount of such deduction less one-tenth of such amount, in respect of each completed period of one year, but not exceeding ten years, during which such building was used by such farmer in connection with his farming operations, other than for the domestic purposes of persons who are not his employees.

9. (1) If it is proved to the satisfaction of the Commissioner —

- (a) that any farmer has in any year of assessment sold livestock on account of drought or stock disease; and
- (b) that such farmer has within two years after the close of such year of assessment purchased livestock to replace the livestock so sold;

the cost of the livestock so purchased shall, notwithstanding anything in this Schedule, be allowed, at the option of such farmer, as a deduction in the determination of his taxable income for such year of assessment:

Provided that the claim for such deduction is made within three years after the close of such year of assessment.

(2) The cost of livestock so allowed as a deduction shall not be allowed as a deduction in the year of assessment in which the purchases are made.

(3) Every farmer who desires to claim a deduction in terms of sub-paragraph (1) shall with his return of income for the year of assessment in which he sold livestock on account of conditions of drought or stock disease, notify the Commissioner accordingly and furnish full particulars in regard to the livestock so sold.

(4) Notwithstanding anything in this paragraph the Commissioner shall, until proof has been submitted to him as provided in sub-paragraph (1)(b), assess and recover any tax payable by a farmer in respect of any year of assessment in which livestock has been so sold as if the provision of such sub-paragraph had not been enacted:

Provided that if proof is submitted to the satisfaction of the Commissioner in terms of sub-paragraph (1), he shall revise the assessment concerned, and refund the farmer so much of the amount paid by him as exceeds the amount found to be payable after allowing the deduction referred to in such paragraph.

10. (1) Any amount received by or accrued to a farmer in respect of the disposal of a plantation shall, whether such plantation is disposed of separately or with the land on which it is growing, be deemed not to be a receipt or accrual of a capital nature and shall form part of such farmer's gross income.

(2) If a plantation is disposed of by a farmer with the land on which it is growing the amount of be included in such farmer's gross income in terms of sub-paragraph (1) shall —

- (a) if the amount representing the consideration payable in respect of the disposal of the plantation is agreed to between the parties to the transaction, be the amount so agreed to; or
- (b) if there is no such agreement between the parties, be such portion of the total consideration payable in respect of the disposal of the land and the plantation as in the opinion of the Commissioner represents the consideration payable for the plantation.

11. (1) In the determination of the taxable income of any farmer there shall be allowed as a deduction —

- (a) any expenditure incurred by such farmer during the year of assessment in respect of the establishment and maintenance of a plantation;
- (b) any expenditure incurred by such farmer prior to the first day of July, 1949, in respect of the establishment and maintenance of any plantation or the cost of acquisition of any plantation purchased by such farmer whether before or after the first day of July, 1949:

Provided that —

- (i) any deductions allowed under this item in respect of any plantation shall not in respect of any year of assessment exceed the gross income derived by such farmer in such year for such plantation;
- (ii) the aggregate of the deductions allowed in terms of this item or by virtue of any other provision of this or any previous law, in respect of plantations shall not exceed the amount of such expenditure or such cost of acquisition.

(2) For the purpose of calculating the cost of acquisition of any plantation the pro-visions of paragraph 10(2) shall apply *mutatis mutandis* in the case of a plantation acquired by any farmer with the land on which it is growing.

(3) For the purpose only of calculating the rates of normal tax payable in respect of any year of assessment by a farmer whose income for such year includes income derived from the disposal of a plantation or forest produce there shall (if the Commissioner is satisfied that such disposal forms part of the normal farming operations of the farmer concerned) be deducted from the taxable income of such farmer in the amount by which the taxable income derived by him in such year from the disposal of a plantation and forest produce exceeds the annual average taxable income derived by him from such source over the three years of assessment immediately preceding such year of assessment:

Provided that —

- (a) the Commissioner's determination as to what portion of a farmer's taxable income is derived from the disposal of plantation and forest produce shall be final and conclusive;
- (b) in no case shall the rate of tax be less than that applicable to the first Emalangeni of taxable income and that nothing in this paragraph shall be construed as relieving any farmer from liability for taxation under this Order upon any portion of his taxable income.

12. For the purposes of paragraphs 10 and 11 —

“forest produce” means anything which is derived from trees and includes trees, timber, wood, bark, leaves, seeds, gum, resin and sap.

“plantation” means any forest of artificially established trees as ordinarily understood and includes any natural extension of such trees.

SECOND SCHEDULE

AMOUNTS TO BE DEDUCTED OR WITHHELD BY EMPLOYERS IN RESPECT OF NORMAL TAX

(Under section 58)

PART I

Interpretation.

1. In this schedule unless the context otherwise requires —

“employee” means any person (other than a company) who in respect of an employment, office or appointment, receives remuneration from an employer or to whom remuneration accrues;

“employees' tax” means the tax which an employer is required or requested to deduct or withhold from remuneration paid or payable to an employee;

“employees' tax certificate” means a certificate required to be issued by an employer in terms of paragraph 13;

“employer” means any authority or person (including any person acting in a fiduciary capacity or in his capacity as a trustee in an insolvent estate, an executor or an administrator of a benefit fund, pension fund, provident fund, retirement annuity fund or any other fund) who pays or is liable to pay to any person other than a company any amount by way of remuneration, and any company;

“remuneration” means any amount of income which is paid or is payable to any person by way of any salary, leave pay, allowance, wage, overtime pay, bonus, commission, fee, emolument, pension, superannuation

allowance, retiring allowance or stipend, and whether or not in respect of services rendered, including an amount referred to in section 7(a), (b) or (c), or the annual value of such benefit or benefits referred to in section 7(f) as the Commissioner may, from time to time, determine in respect of a year of assessment — (Amended A.5/1988.)

- (a) any amount paid or payable to any person in respect of services rendered or to be rendered by him as a domestic or private servant if such amount does not exceed the amounts qualifying for exemption under section 12(3); (Amended A.5/1988.)
- (b) any annuity under an order of divorce or decree of judicial separation or under any agreement of separation;

“representative employer” means in the case of —

- (a) any company, the public officer of such company, or, in the event of such company being placed in liquidation or under judicial management, the liquidator or judicial manager, as the case may be;
- (b) any local authority or like authority or any body corporate or unincorporate (other than a company or a partnership) any manager, secretary, officer or other person responsible for paying remuneration on behalf of such council, board, authority or body;
- (c) a person under legal disability, any guardian, curator, administrator or other person having the management or control of the affairs of the person under legal disability; or
- (d) any employer who is not ordinarily resident in Swaziland, any agent of such employer having authority to pay remuneration:

Provided that nothing in this definition shall be construed as relieving any person from any liability, responsibility or duty imposed upon him by this Schedule.

PART II

EMPLOYEES' TAX

EMPLOYERS TO DEDUCT TAX

2. (1) Every person (whether or not registered as an employer under paragraph 15) who pays or becomes liable to pay any amount by way of remuneration to any employee on or after the first day of March, 1967, shall, unless the Commissioner has granted authority to the contrary, deduct or withhold from such amount by way of employees' tax an amount which shall be determined as provided in paragraphs 9, 10, 11 or 12, as the case may be, in respect of the liability for normal tax of such employee, and shall pay the amount so deducted or withheld to the Commissioner within seven days after the end of the month during which the amount was deducted or withheld, or in the case of a person who ceases to be an employer, within seven days after the day after which he ceases to be an employer, or in either case within such further period as the Commissioner may approve. (Amended A.6/1994.)

(2) An employer may, at the written request of any employee, deduct or withhold from any amount of remuneration an amount by way of employees' tax greater than that required to be deducted or withheld in terms of sub-paragraph (1), and shall remit such amount to the Commissioner, and the provisions of this Schedule relating to employees' tax shall, *mutatis mutandis*, apply in respect of such amount.

(3) For the purposes of this paragraph, “month” means calendar month.

(4) An amount required to be deducted or withheld from any amount of remuneration under this Schedule by way of employees' tax shall be calculated on the balance of such amount of remuneration remaining after deducting any current contribution by the employee concerned to any pension fund (excluding so much of such contribution to a pension fund not established by law as is made at a rate exceeding the sum specified in section 14(1)(i)) which is calculated with reference to such amount of remuneration or to a portion of such amount or to the period in respect of which the amount of remuneration is paid or payable and which the employer is, *vis-a-vis* the employee concerned, entitled or required to deduct or withhold from such amount of remuneration. (Amended A.6/1991.)

3. (1) The liability of any employer to deduct or withhold any amount of employees' tax in terms of paragraph 2 shall not be reduced or extinguished by reason of the fact that the employer has a right or is otherwise than in terms of any law under an obligation to deduct or withhold any other amount from the employees' remuneration, and such right or obligation shall, notwithstanding anything in any other law, for all purposes be deemed to have reference only to the amount of the remuneration remaining after the amount of the employees' tax referred to in such paragraph has been deducted or withheld.

(2) Paragraph 2 shall apply in respect of all amounts payable by way of remuneration, notwithstanding any other law which provides that any such amount shall not be reduced or shall not be subject to attachment.

4. Any amount required to be deducted or withheld in terms of paragraph 2 shall be a debt due to the Government, and the employer concerned shall save as otherwise provided, be absolutely liable for the due payment thereof the Commissioner.

5. (1) Subject to sub-paragraph (6), any employer who fails to deduct or withhold the full amount of employees' tax as provided in paragraph 2 shall be personally liable for the payment to the Commissioner of the amount which he fails to deduct or withhold, and shall, subject to sub-paragraph (2) hereof, pay such amount to the Commissioner not later than the date on which payment should have been made if the employees' tax had in fact been deducted or withheld in terms of paragraph 2.

(2) If the employer has failed to deduct or withhold employees' tax in terms of paragraph 2 and the Commissioner is satisfied that the failure was not due to an intent to postpone payment of the tax or to evade the employer's obligations under this Schedule, the Commissioner may, if he is satisfied that there is a reasonable prospect of ultimately recovering the tax from the employee, absolve the employer from his liability under sub-paragraph (1).

(3) An employer who has not been absolved from liability as provided in sub-paragraph (2) shall have a right of recovery against the employee in respect of the amount paid by the employer in terms of sub-paragraph (1) in respect of such employee, and such amount may in addition to any other right of recovery be deducted from future remuneration which may become payable by the employer to such employee, in such manner as the Commissioner may determine.

(4) Until such time as an employee pays to his employer any amount which is due to the employer in terms of sub-paragraph (3), such employee shall not be entitled to receive from the employer an employees' tax certificate in respect of such amount.

(5) Any amount which an employer is required to pay in terms of sub-paragraph (1) and which he is entitled to recover from the employee in terms of sub-paragraph (3) shall, in so far as the employer only is concerned, be deemed to be a penalty due and payable by such employer.

(6) Sub-paragraph (1) shall not apply in respect of any amount or any portion of any amount of employees' tax which an employer has failed to deduct or withhold and in respect of which paragraph 17(3) applies.

6. (1) If an employer fails to pay any amount of employees' tax for which he is liable within the period allowed for payment thereof in terms of paragraph 2 he shall, in addition to any other penalty or charge for which he may be liable under this Order, pay a penalty equal to twenty per centum of such amount. (Amended A.7/1992.)

(2) The Commissioner may, if he is satisfied that the employer's failure to pay the amount of employees' tax was not due to an intent to postpone payment of such tax or otherwise evade his obligation under this Order and was not designed to enable the employee concerned to evade such employees' obligations under this Order, remit the whole or any part of the penalty imposed under sub-paragraph (1).

(3) The penalty imposed under sub-paragraph (1) shall be paid to the Commissioner when payment is made of the amount of employees' tax to which it refers or within such further period as the Commissioner may approve.

7. Any agreement between an employer and an employee whereby the employee undertakes not to deduct or withhold employees' tax shall be void.

8. An employee shall not be entitled to recover from an employer any amount deducted or withheld by the employer from the employees' remuneration in terms of paragraph 2.

Deduction tables.

9. (1) The Commissioner may from time to time, having regard to the rates of normal tax as fixed by law and to any other factors having a bearing upon the probable liability of taxpayers for those taxes prescribe deduction tables applicable to such classes of employees as he may determine, and the manner in which such tables shall be applied, and the amount of employees' tax to be deducted from any amount of remuneration shall, subject to sub-paragraph (3) and paragraphs 10, 11 and 12 of this Schedule, be determined in accordance with such tables, or, if sub-paragraph (3) is applicable, in accordance with such sub-paragraph. (Amended A.6/1994.)

(2) Any tables prescribed by the Commissioner in accordance with sub-paragraph (1) shall come into force on such date as may be notified by the Commissioner in the Gazette, and shall remain in force until withdrawn by the Commissioner.

(3) The amount to be deducted or withheld in respect of employee's tax from any lump sum to which the proviso to paragraph (b) of the definition of "gross income" applies or any other lump sum to which the employee is entitled by virtue of the employee's agreement of employment, shall be ascertained by the employer from the Commissioner before paying out such lump sum, and the Commissioner's determination of the amount to be so deducted or withheld shall be final. (Amended A.10/1991.)

10. (1) If the Commissioner is satisfied that the circumstances warrant a variation of the basis provided in paragraph 9 for the determination of amounts of employees' tax to be deducted or withheld from remuneration of employees in the case of any employer, he may agree with such employer as to the basis of determination of such amounts to be applied by such employer, and the amounts to be deducted or withheld by such employer in terms of paragraph 2 shall, subject to paragraphs 11 and 12, be determined accordingly.

(2) Any agreement made in terms of sub-paragraph (1) shall remain in force indefinitely, but the Commissioner or the employer concerned may give notice of termination thereof and upon the expiry of a period of three months from the date of such notice such agreement shall terminate.

11. In order to alleviate hardship to an employee due to illness or other circumstances or to correct any error in regard to the calculation of employees' tax, whether arising from the furnishing to an employer by an employee of a false or incorrect return of personal particulars or otherwise, or if the employee has in terms of paragraph 12(2) applied to the Commissioner for the issue of a directive to his employer, to enable the employer to deduct or withhold the correct amount by way of employees' tax, the Commissioner may, having regard to the circumstances of the case, issue a directive to the employer concerned authorising the employer to refrain from deducting or withholding any amount under paragraph 2 by way of employees' tax from any remuneration due to the employee or to deduct or withhold by way of employees' tax a specified amount or an amount to be determined in accordance with a specified rate or scale, and the employer shall comply with such directive.

11A. (1) When, at the end of the tax year, there becomes known the amount of remuneration received by or accruing to any employee who was in continuous employment with the same employer in respect of such year of assessment, the employer concerned shall calculate and determine the amount of normal tax for which such employee is actually liable in respect of such year of assessment, and, subject to the provisions of paragraph 2(4) and to the applicable normal tax rates as prescribed, make the required adjustments to the amount of employees' tax deductible or withholdable in respect of such employee.

(2) (i) Where at the end of any tax year, the employees' tax actually deducted or withheld from any remuneration paid or payable by an employer to an employee during any tax year exceeds the amount required to be deducted or withheld in terms of subparagraph (1) above, the employer shall repay to such employee the amount of such excess.
(ii) Any amount of employees' tax which has been repaid by an employer to an employee under subparagraph (i) above may be deducted from any subsequent payment of employees' tax due by the employer.

(3) If the amount of employees' tax actually deducted or withheld from any remuneration paid or payable by an employer to an employee during any tax year is less than the amount required to be deducted or withheld in terms of subparagraph (1), then the employer shall pay the shortfall to the Commissioner and recover such amount from the employee.

(Added A.6/1994.)

Employees to furnish returns of personal particulars to employers.

12. (1) Subject to sub-paragraph (2), every employee shall furnish his employer with a return of personal particulars in such form as the Commissioner may prescribe, and shall furnish a fresh return within seven days of the date which any change in the particulars previously furnished occurs:

Provided that until a new return is received or a directive is received from the Commissioner in terms of paragraph 11, the employer shall regard the latest return submitted to him by the employee concerned as correct, and shall continue to determine the amounts to be deducted or withheld by way of employees' tax in accordance with the particulars disclosed therein.

(2) If for any reason an employee does not wish to furnish the return referred to in sub-paragraph (1), he may instead apply to the Commissioner in such form as the Commissioner may prescribe for the issue of a directive to his employer and in such case the Commissioner may in his discretion issue a directive to the employer as provided in paragraph 11.

(3) If an employer has not at any time received any return of personal particulars whatsoever from an employee as required by sub-paragraph (1), or has not in respect of such employee received a directive from the Commissioner as provided in paragraph 11, he shall, until such return or directive is received, deduct or withhold employees' tax under paragraph 9 or 10, as the case may be, at the rate applicable to a person who is not a married person and who is not entitled to have any child taken into account in the determination of the amount of employees' tax to be deducted or withheld.

(4) If the latest return of personal particulars furnished by any employee to his employer in terms of sub-paragraph (1) discloses that the employee is a divorced person the employer shall, until he has in respect of such employee received a directive from the Commissioner issued under paragraph 11, deduct or withhold employees' tax under paragraph 9 or 10, as the case may be, at the rate applicable to a person who is not a married person and with due regard to the number of children of the employee disclosed by such return who will not have attained the age of eighteen years on the last day of the employees' year of assessment during which the employees' tax is deducted or withheld.

Furnishing and obtaining of employees' tax certificates.

13. (1) Subject to paragraphs 5 and 17 every person who during any year of assessment deducts or withholds any amount by way of employees' tax as required by paragraph 2 shall, within the time allowed by sub-paragraph (2) hereof, deliver to each employee or former employee to whom remuneration has during the period in question been paid or become due by such person, an employees' tax certificate, in such form as the Commissioner may prescribe or approve, which shall show the total remuneration of such employee or former employee and the sum of the amounts of employees' tax deducted or withheld by such person from such remuneration during such period, excluding any amount of remuneration or employees' tax included in any other employees' tax certificate issued by such person unless such other certificate has been surrendered to such person by the employee or former employee and has been cancelled by such person and dealt with by him as provided in sub-paragraph (10).

(2) The employees' tax certificate referred to in sub-paragraph (1) shall be delivered —

- (a) if the person who is required to deliver the certificate has not ceased to be an employer in relation to the employee concerned, within fourteen days after the end of the period to which the certificate relates;
- (b) if such person has ceased to be an employer in relation to the employee concerned but has continued to be an employer in relation to other employees within fourteen days of the date on which he has so ceased;
- (c) if such person has ceased to be an employer within seven days of the date on which he has so ceased; or
- (d) within such further period as the Commissioner may approve in any particular case.

(3) For the purposes of sub-paragraph (2), a person shall, if the Commissioner having regard to the circumstances of the case so directs, be deemed not to have ceased to be an employer in relation to any of his casual employees who is likely from time to time to be re-employed by such person.

(4) Notwithstanding sub-paragraphs (1) and (2), any person who has deducted or withheld employees' tax from remuneration of any employee shall as and when required by the Commissioner deliver to such employee an employees' tax certificate, in such form as the Commissioner may approve, which shall show the total remuneration of such employee or former employee and the sum of the amounts of employees' tax deducted or withheld by such person from such

remuneration during any period specified by the Commissioner, but excluding any amount of remuneration or employees' tax included in any other employees' tax certificate issued by such person unless such other certificate has been surrendered to such person by the employee or former employee and has been cancelled by such person and dealt with by him as provided in sub-paragraph (10).

(5) It shall be the duty of any employee or former employee who has not received an employees' tax certificate within the time allowed by sub-paragraph (2) forthwith to apply to the employer for such certificate.

(6) Every taxpayer shall, when rendering a return of income under section 33 attach to such return all employees' tax certificates in his possession which disclose information in respect of the year of assessment to which the return relates.

(7) It shall be sufficient compliance with sub-paragraph (1) or (4) in regard to the delivery of any employees' tax certificate to any employee or former employee if such certificate is delivered to the employees' authorised agent or the representative taxpayer in respect of the remuneration shown in such certificate or, if delivery cannot conveniently be effected by personal delivery, if such certificate is sent to the employee or former employee or such agent or representative taxpayer by registered post.

(8) An employer may at the request of the employee or former employee issue a duplicate employees' tax certificate, but any such duplicate shall be clearly marked as such and shall disclose full details of the original certificate.

(9) Unless authorised thereto by the Commissioner no duplicate employees' tax certificate may be issued by an employer otherwise than as provided in sub-paragraph (8).

(10) Any cancelled or spoiled employees' tax certificate shall not be destroyed by the employer concerned but shall be retained by him until the Commissioner requires it to be surrendered to him.

(11) The Commissioner shall control the issue to employers of stocks of unused employees' tax certificates and may prescribe conditions in regard to the manner in which such unused certificates may be used or as to the surrender of unused stocks of such certificates and every employ shall account to the Commissioner for used, unused, cancelled or spoiled certificates as and when required by the Commissioner.

(12) In the case of any employer who has a mechanised accounting system the Commissioner may, subject to such conditions as he may impose, approve the use by such employer of employees' tax certificates in a form other than the form prescribed for general use and, if any such employer fails to comply with the conditions imposed by the Commissioner, the Commissioner may withdraw his consent for the use of such certificates and the employer shall forthwith or from any date specified by the Commissioner cease to use such certificates, and shall within such period as the Commissioner may prescribe surrender to the Commissioner all unused stocks of such certificates.

(13) Every person who ceases to be an employer shall, unless the Commissioner otherwise directs, within fourteen days of his ceasing to be an employer surrender to the Commissioner all unused employees' tax certificates in his possession.

(14) If any person fails to surrender any unused employees' tax certificates as required by sub-paragraph (12) or (13), any officer engaged in carrying out his Order, who has in relation to such person been authorised thereto by the Commissioner by telegram or other writing, may, without previous notice, at any time during the day enter any premises whatsoever and on such premises search for and seize such certificates and, in carrying out such search, open or cause to be removed and open any article in which he suspects any such certificate to be contained.

(15) For the purposes of this Schedule any employees' tax certificate on which appears the name or any trade name of any employer shall, until the contrary is proved, be deemed to have been issued by such employer if such certificate is in a form approved by the Commissioner for general use and was supplied by the Commissioner to such employer for use by him or is in a form approved by the Commissioner under sub-paragraph (12) for use by such employer.

Employers to keep records and furnish returns.

14. (1) Every employer shall in respect of each employee maintain a record showing the amounts of remuneration paid or due by him to such employee and the amount of employees' tax deducted or withheld from each such remuneration, and such record shall be retained by the employer and shall be available for scrutiny by the Commissioner.

(2) Every employer shall when making any payment of employees' tax submit to the Commissioner a declaration in such form as the Commissioner may approve showing, in addition to other information that may be required, the total amounts included in such payment in respect of employees resident in Swaziland and employees resident outside Swaziland.

(3) Every employer shall —

- (a) in respect of each year of assessment;
- (b) if he ceases to carry on any business or other undertaking in respect of which he has paid or become liable to pay remuneration to any employee or otherwise ceases to be an employer, in respect of the period from the first day of July immediately preceding the date on which he has ceased to carry on such business or other undertaking or to be an employer, as the case may be, to the date on which he has so ceased to carry on such business or undertaking or to be an employer, as the case may be,

within fourteen days after the end of the year of assessment or period in question, or within such longer time as the Commissioner may approve, render to the Commissioner a return, in such form as the Commissioner may approve, showing the names and addresses of all the persons who during such period were employees in relation to such employer and the total remuneration paid to or accrued to each employee in respect of such period and the total amount of employees' tax deducted or withheld from the remuneration of each such employee during such period.

(3A) Notwithstanding the provisions of paragraph 19(1)(i), any employer who fails to comply with the provisions of paragraph 14(3) shall, while such failure to comply continues, be liable to a penalty not exceeding thirty Emalangeni for each day during which the failure continues. (Added A.9/1988; A.7/1992.)

(4) The Commissioner may call upon any employer to allow an auditor to examine his records to verify the accuracy with the employees' tax certificates.

Registration of employers.

15. (1) Every person who becomes an employer after the date of commencement of this Order or who, being an employer before such date has not applied for registration under paragraph 15 of the Second Schedule to the repealed Act shall apply for registration in such form as the Commissioner may require within fourteen days of becoming an employer or within fourteen days of the date of commencement of this Order, as the case may be, or in either case within such further period as the Commissioner may allow.

(2) Every person who has applied for registration under paragraph 15 of the Second Schedule to the repealed Act shall be deemed to be registered for the purpose of this paragraph.

(3) Every person who has applied for registration under sub-paragraph (1) shall, within fourteen days after changing his address or ceasing to be an employer, notify the Commissioner in writing of his new address or of the fact of his having ceased to be an employer, as the case may be.

Liability of representative employers and others.

16. (1) Every representative employer shall as regards the remuneration which he pays or is liable to pay to any employee in his representative capacity, be subject in all respects to the same duties, responsibilities and liabilities under this Schedule as if such remuneration was remuneration paid or liable to be paid by him in his personal capacity.

(2) Any employees' tax or interest on employees' tax or any penalty imposed under this Schedule shall be recoverable from the person who in terms of paragraph 11 is an employer by virtue of his having paid or become liable to pay remuneration in a fiduciary capacity, or in his capacity as a trustee in an insolvent estate, an executor, or an administrator of a benefit fund, pension fund, provident fund, retirement annuity fund or any other fund, or from the representative employer, but to the extent only of any assets belonging to the person, body, trust estate or fund represented or administered by him which may be in his possession or under his management, disposal or control, and sections 46 and 47 shall *mutatis mutandis* apply in the case of such first-mentioned person or representative employer, as if he were a representative taxpayer.

(3) The executor of the estate of any deceased employer or the trustee of the insolvent estate of any employer shall fulfil such obligations of the deceased or insolvent employer under paragraphs 13 and 14 as arise in consequence of that

employer ceasing to be an employer because of his death or insolvency, or as have not been fulfilled by such employer before his death or insolvency.

PART III

GENERAL

Employees' tax to be set off against tax liability.

17. (1) Subject to the provision of paragraph 11A, there shall be set off against the liability of the taxpayer, in respect of normal tax due by the taxpayer and payable under Part VII of this Order, the amounts of employees' tax deducted or withheld by the taxpayer's employer during any year of assessment for which the taxpayer's liability for normal tax has been assessed by the Commissioner, and if — (Amended A.6/1994.)

- (a) the sum of such amounts of employees' tax exceeds the amount of the taxpayer's total liability for such taxes, the excess amount shall be refunded to the taxpayer;
- (b) in the case of any taxpayer, the taxpayer's total liability for such tax exceeds the sum of such amounts of employees' tax, the amount of the excess shall be payable by the taxpayer to the Commissioner.

(2) The burden of proof that any amount of employees' tax has been deducted or withheld by his employer shall be upon the taxpayer and any employees' tax certificate shall be *prima facie* evidence that the amount of employees' tax reflected therein has been deducted by the employer.

(3) If the Commissioner is satisfied that the amount or any portion of the amount of employees' tax shown in any employees' tax certificate has not been deducted or withheld by the employer and the amount of employees' tax shown in such tax certificate has been applied as provided in sub-paragraph (1), the employer and the employee shall be jointly and severally liable to pay the Commissioner the amounts which should not have been so applied and such amount shall be recoverable under this Order as if it were tax.

(4) An employer who has, under sub-paragraph (3), paid the Commissioner an amount which has, but should not have, been applied under sub-paragraph (1), may, if the amount was shown or included in the certificate because of a *bona fide* error, recover it from the employee concerned, and in such case sub-paragraph 5(3) shall, *mutatis mutandis*, apply.

(5) No employees' tax certificate shall be issued by the employer in respect of any amount recovered by him from the employee in terms of sub-paragraph (4), nor shall any such amount be included in any return rendered in terms of paragraph 14(3).

(6) if the Commissioner is satisfied that the employee to whom an employees' tax certificate refers was directly or indirectly responsible for an incorrect amount being shown on such certificate, he may absolve the employer from the liability imposed upon him by sub-paragraph (3), and in such case the employee shall be solely liable under that sub-paragraph.

18. No refund of any amount of employees' tax shall be made to the taxpayer concerned otherwise than as provided in paragraph 17.

Offences.

19. (1) A person shall be guilty of an offence and liable on conviction to a fine of one thousand Emalangeni or imprisonment for twelve months, or both, if he — (Amended A.7/1992.)

- (a) makes or becomes liable to make any payment of remuneration and fails to deduct or withhold therefrom any amount of employees' tax or to pay such amount to the Commissioner as and when required by paragraph 2;
- (b) uses or applies any amount deducted or withheld by him by way of employees' tax for purposes other than the payment of such amount to the Commissioner;
- (c) makes or issues or causes to be made or issued or knowingly possesses or uses or causes to be used any employees' tax certificate which is false;

- (d) without just cause shown by him, fails to comply with any directive issued to him by the Commissioner in terms of paragraphs 9(3) and 11; (Replaced A.6/1994.)
 - (e) furnishes to his employer or the Commissioner a false or misleading return of personal particulars or gives any false information or misleads his employer in relation to any matter affecting the amount of employees' tax to be deducted in his case;
 - (f) fails or neglects to deliver to any employee or former employee any employees' tax certificate as required by paragraph 13;
 - (g) fails to comply with any conditions prescribed by the Commissioner in terms of paragraph 13(11) in regard to the manner in which employees' tax certificates may be used or as to the surrender of unused stocks of such certificates, or to account for used, unused or spoiled employees' tax certificates when required by the Commissioner under such paragraph or on ceasing to be an employer fails to surrender unused employees' tax certificates in his possession as required by sub-paragraph (13) of such paragraph;
 - (h) fails to comply with any condition prescribed by the Commissioner by which he is bound in terms of paragraph 13(12);
 - (i) fails or neglects to maintain any record as required by paragraph 14 or to retain such record for a period of five years from the date of the last entry therein or to furnish to the Commissioner any declaration as required by such paragraph;
 - (j) fails or neglects to apply to the Commissioner for registration as an employer as required by paragraph 15(1) or having so applied fails or neglects to notify the Commissioner of any change of address or the fact of his having ceased to be an employer as required by sub-paragraph (2) of such paragraph;
 - (k) alters any employees' tax certificate made or issued by any other person or authority or falsely pretends to be the employee named in any employees' tax certificate or for his own advantage or benefit obtains credit with respect to or payment of the whole or any part of any amount of employees' tax deducted or withheld from remuneration received by another person; or
 - (l) not being an employer and without being duly authorised by any person who is an employer, issues or causes to be issued any document purporting to be an employees' tax certificate.
- (2) For the purposes of sub-paragraph (1)(b), an amount which has been deducted or withheld by any person from remuneration shall, until the contrary is proved, be deemed to have been used or applied by such person for purposes other than the payment of such amount to the Commissioner if such amount is not paid to the Commissioner within the period allowed for payment under paragraph 2.

Recovery of employees' tax, penalty, additional tax and interest.

20. Any amount of employees' tax, penalty or additional tax payable in terms of this Schedule, and any amount of interest payable in terms of section 58 shall, when it becomes due or is payable, be a debt due to the Government and may be recovered by the Commissioner in the manner prescribed in section 61 for the recovery of tax and interest due or payable under this Order.

THIRD SCHEDULE

(Replaced A.9/1988; A.6/1991; A.6/2000.)

RATES OF NORMAL TAX

PART I

For the purposes of section 6(3), the rates of tax to be levied in the year of assessment shall —

- (a) in the case of all companies, be thirty cents for each Lilangeni of taxable income;
- (b) in the case of persons (other than companies) as prescribed in Part II;

- (c) in the case of persons (other than companies) who, during the year of assessment were not ordinarily resident in Swaziland, the rate of tax to be levied shall not reduce the total tax payable below an amount equal —
 - (i) to ten cents of each Lilangeni of his taxable income; and
 - (ii) to three cents of each Lilangeni of such part where any part of his taxable income consists of pension;
- (d) in the case of a trustee, be thirty-three cents for each Lilangeni of taxable income; and
- (e) in the case of dividends received by or accrued to or in favour of any individual from any company shall be taxed at the rate of ten cents for each Lilangeni of taxable income.

PART II

RATE OF NORMAL TAX IN THE CASE OF PERSONS OTHER THAN COMPANIES

(Added A.11/1982; Amended A.11/1985; A.7/1989; Replaced A.7/1992; A.6/1994; A.6/2000.)

<i>Taxable Income</i>		<i>Rate of Tax</i>
<i>Exceeds</i>		<i>But does Not Exceed</i>
E	E	E
0	14 000	0%
14 000	20 000	12% of the excess over 14 000
20 000	30 000	720 +19% of the excess over 20 000
30 000	36 000	2 620 +26% of the excess over 30 000
36 000	41 800	33% of the excess over 36 000

FOURTH SCHEDULE

(Added A.11/1985.)

PROVISIONAL PAYMENTS IN RESPECT OF NORMAL TAX

(Under Section 58A)

Definitions.

1. For the purposes of this Schedule, unless the context otherwise requires —

“provisional tax” means any payment required to be made in terms of paragraph 2.

“provisional taxpayer” means —

- (a) any person (other than a company or a person referred to in sub-paragraph (1) of paragraph 3) who derives by way of income any amount which does not constitute remuneration in terms of the definition of that expression as contained in the Second Schedule to this Order.
- (b) Unless the Commissioner in a particular case otherwise directs, any director of a private company if such director is ordinarily resident in Swaziland or such company is managed and controlled or has its registered office in Swaziland.
- (c) Any company.
- (d) Any person who is notified by the Commissioner that he is a provisional taxpayer.

Payment of Provisional Tax.

2. (1) Every provisional taxpayer shall, in the manner provided in this Part, make payments (called provisional tax) to the Commissioner in respect of his liability for normal tax in respect of every year of assessment.

(2) Where for the purpose of determining any amount of provisional tax required to be paid by any provisional taxpayer in respect of any year of assessment the liability of such taxpayer for normal tax is required to be estimated in respect of such year, such liability shall be deemed to be the amount of normal tax which, calculated at the relevant rate referred to in sub-paragraph (3), would be payable by the provisional taxpayer in respect of the amount of taxable income estimated by such taxpayer in terms of paragraph 4(1) during the period prescribed by this Schedule for the payment of the said amount of provisional tax, or any extension of such period granted in terms of paragraph 11(2), or if the amount so estimated has been increased by the Commissioner in terms of paragraph 4(3), the amount of normal tax which, calculated at the said rate, would be payable by the provisional taxpayer in respect of the amount of taxable income as so increased, or if the Commissioner has estimated the provisional taxpayer’s taxable income in terms of paragraph 4(2) the amount of normal

tax which, calculated at the said rate, would be payable by the provisional taxpayer in respect of the amount of taxable income so estimated.

(3) For the purposes of any calculation of normal tax under sub-paragraph (2), the rate at which such tax is to be calculated shall be the relevant rate which on the date of payment of the provisional tax in question is in force in respect of the year of assessment in respect of which such provisional tax is required to be paid under this Schedule, or if at the said date the rate has not been fixed, the relevant rate in respect of that year foreshadowed by the Minister in his budget statement, or if at that date the rate has not been so fixed or so foreshadowed, the relevant rate which is in force in respect of the latest preceding year of assessment.

(4) The Commissioner may from time to time, having regard to the prevailing rates of normal tax of foreshadowed by the Minister in his budget statement to the rebates applicable under section 8 of this Order, and to any other factors having bearing upon the probable liability of taxpayers for normal tax, prescribe tables for optional use by provisional taxpayers falling within any category specified by the Commissioner, or by provisional taxpayers generally for the purpose of estimating the liability of such taxpayers for normal tax, and the Commissioner may prescribe the manner in which such tables shall be applied.

(5) Any tables prescribed by the Commissioner in accordance with sub-paragraph (4) shall come into force on such date as may be notified by the Commissioner in the Gazette and shall remain in force until withdrawn by the Commissioner.

(6) Sub-paragraphs (2) and (3) shall not apply where the liability of a provisional taxpayer for normal tax is estimated in accordance with any tables prescribed for his use under sub-paragraph (4) and not withdrawn under sub-paragraph (5).

Exemptions.

3. There shall be exempt from payment of provisional tax in respect of any period in respect of which provisional tax would, but for this item, be payable; any person (other than a company or a director of a private company) who satisfies the Commissioner that apart from any taxable income which he may derive by way of remuneration, as defined in the Second Schedule to this Order, he will not during that period derive any taxable income in excess of one thousand Emalangeni.

Estimates of taxable income to be made by provisional taxpayers.

4. (1) (a) Every provisional taxpayer (other than a company) shall, during every period within which provisional tax is or may be payable by him as provided in this Part, or any extension of such period granted in terms of paragraph 11(2), submit to the Commissioner, in such form as the Commissioner may prescribe, an estimate of the total taxable income which will be derived by the taxpayer in respect of the year of assessment in respect of which provisional tax is or may be payable by him.
- (b) Every company which is a provisional taxpayer shall, during every period within which provisional tax is or may be payable by it as provided in this Part or any extension of such period granted in terms of paragraph 11(2), submit to the Commissioner, in such form as the Commissioner may prescribe, estimates of the total taxable income which will be derived by the company in respect of its financial year.
- (c) The amount of any estimate so submitted by a provisional taxpayer (other than a company) during the period referred to in paragraph 7(1)(a) or 8(1) any extension of such period granted in terms of paragraph 11(2), or by a company (as a provisional taxpayer) during the period referred to in para-graph 9(a)(i) or any extension of such period granted in terms of para-graph 11(2), shall, unless the Commissioner, having regard to the circum-stances of the case, agrees to accept an estimate of a lower amount, not be less than the basic amount applicable to the estimate in question, as contem-plated in item (d).
- (d) The basic amount applicable to any estimate submitted by provisional taxpayer under this paragraph shall, for the purposes of this paragraph and paragraph 5, be deemed to be in respect of:
- (i) an estimate submitted by a provisional taxpayer (other than a com-pany) under item (a), the taxable income of the taxpayer, as assessed by the Commissioner, for the latest preceding year of assessment in relation to such estimate; or

- (ii) as respects an estimate submitted by a company under item (b), the taxable income of the Company as assessed by the Commissioner, for the latest preceding year of assessment in relation to such an estimate.
- (e) For the purposes of item (d), the latest preceding year of assessment in relation to any estimate under this paragraph shall be deemed to be the latest of the years of assessment —
- (i) preceding the year of assessment in respect of which the estimate is made; and
 - (ii) in respect of which a notice of assessment relevant to the estimate has been issued by the Commissioner not less than twenty-one days before the date on which the estimate has been submitted to the Commissioner.
- (2) If any provisional taxpayer fails to submit any estimate as required by sub-paragraph (1), the Commissioner may estimate the taxable income which is required to be estimated, and such estimate shall be final and conclusive.
- (3) The Commissioner may call upon any provisional taxpayer to justify any estimate made by him in terms of sub-paragraph (1), or to furnish particulars of his income and expenditure or any other particulars that may be required and, if the Commissioner is dissatisfied with the said estimate he may increase the amount thereof to such an amount as he considers reasonable, and the estimate as increased shall be final and conclusive.
- (4) Any estimate made by the Commissioner under sub-paragraph (2) or (3) shall be deemed to take effect in respect of the relevant period within which the provisional taxpayer is required to make any payment of provisional tax in terms of this Part, or within any extension of such period granted in terms of paragraph 11(2).

Additional tax in the event of taxable income being under-estimated.

5. (1) If the final or last estimate of his taxable income made in terms of para-graph 4(1)(a) or (b) by a provisional taxpayer in respect of any year of assessment discloses an estimated amount of taxable income which is less than ninety percent of the amount of the actual taxable income in respect of which the estimate was made, as finally determined for that year under this Order, and which is also less than the basic amount applicable to the estimate in question, as contemplated in paragraph 4(1)(d), the taxpayer shall, subject to sub-paragraphs (2), (3) and (4) be required to pay to the Commissioner, in addition to the normal tax chargeable in respect of his taxable income for such year of assessment, an amount by way of additional tax equal to twenty percent of the difference between the amount of normal tax as calculated in respect of the amount of taxable income as so disclosed and the lesser of the following amounts, namely —
- (a) the amount of normal tax calculated, at the rates applicable in respect of the said year of assessment, in respect of a taxable income equal to ninety percent of the said actual taxable income; and
 - (b) the amount of normal tax calculated in respect of a taxable income equal to the said basic amount, at the rates applicable in respect of that year.
- (2) Where the Commissioner is satisfied that the amount of any estimate referred to in sub-paragraph (1) was not deliberately or negligently understated and was calculated with due regard to the factors having a bearing thereon, the Commissioner may in his discretion remit the additional tax or part thereof.
- (3) Sub-paragraph (1) of this paragraph shall not apply in relation to any final or last estimate referred to in that sub-paragraph if the Commissioner has under the provisions of paragraph 4(3), increased such final or last estimate.
- (4) Any decision of the Commissioner in the exercise of his discretion under sub-paragraph (2) shall be subject to objection and appeal.

Additional tax in the event of failure to submit an estimate of taxable income timely.

6. (1) Subject to sub-paragraphs (2) and (3), where any provisional taxpayer is liable for the payment of normal tax in respect of any amount of taxable income derived by him during any year of assessment and he has not on or before the last day of that year or, if the period for the final or last payment of provisional tax by him in respect of such taxable income has under paragraph 11(2), been extended to a date later than the end of such year, on or before such date, submitted to the Commissioner an estimate of such taxable income as required by paragraph 4(1), the taxpayer shall, unless the Commissioner has estimated the said taxable income under paragraph 4(2), be required to pay to the Commissioner, in addition to the normal tax chargeable in respect of such taxable income, an amount by way of additional tax equal to twenty

percent of the amount by which the normal tax payable by him in respect of such taxable income exceeds the sum of any amounts of provisional tax paid by him in respect of such taxable income within any period allowed for the payment of such provisional tax under this part or within any extension of such period under paragraph 11(2) and any amounts of employees tax deducted or withheld from his remuneration by his employer during such year. (Amended A.7/1992.)

(2) The Commissioner may, if he is satisfied that the provisional taxpayer's failure to submit such an estimate timeously was not due to an intent to evade or postpone the payment of provisional tax or normal tax, waive or remit the whole or any part of the additional tax imposed under sub-paragraph (1).

(3) Any decision of the Commissioner in the exercise of his discretion under sub-paragraph (2) shall be subject to objection and appeal.

Payments of provisional tax by provisional taxpayers (other than companies), whose income is not normally derived wholly or mainly from farming.

7. (1) Subject to sub-paragraph (2), provisional tax shall be paid by every provisional taxpayer (other than a company) in the following manner, namely —

- (a) within the period of six months, reckoned from the commencement of the year of assessment in question, one half of an amount equal to the total estimated liability of such taxpayer (as determined in accordance with paragraph 2) for normal tax in respect of that year, less the total amount of any employee's tax deducted by the taxpayer's employer from the taxpayer's remuneration during such period; and
- (b) not later than the last day of the year of assessment in question, an amount equal to the total estimated liability of such taxpayer (as finally determined in accordance with paragraph (2) for normal tax in respect of that year, less the sum of any employee's tax deducted by the taxpayer's employer from the taxpayer's remuneration during such year and the amount paid in terms of item (a).

(2) If the Commissioner has in terms of the proviso to section 33(13) of this Order agreed to accept accounts from any provisional taxpayer in respect of any year of assessment drawn to a date falling to a date before or after the end of such year, the period referred to in item (a) of sub-paragraph (1) shall, notwithstanding that sub-paragraph, be reckoned from such date as the Commissioner upon application of the taxpayer and having regard to the circumstances of the case may approve, and in such case the last day of such year of assessment shall for the purposes of item (b) of that sub-paragraph be deemed to be the day preceding the first anniversary of the said date.

(3) This paragraph shall not apply in the case of any provisional taxpayer in respect of whom the Commissioner has under item (a) of paragraph 12 directed that paragraph 8 shall apply.

Payment of provisional tax by provisional taxpayers (other than companies) whose income is normally derived wholly or mainly from farming.

8. (1) Every provisional taxpayer (other than a company) whose income is normally derived wholly or mainly from farming and in respect of whom the Commissioner has directed that this paragraph shall apply, shall not later than the last day of the year of assessment in question, pay by way of provisional tax an amount equal to the total estimated liability of such taxpayer (determined under paragraph 2) for normal tax in respect of that year, less the sum of the amounts of any employee's tax deducted by the taxpayer's employer from the taxpayer's remuneration during that year.

(2) If the Commissioner has in terms of the proviso to section 33(13) of this Order agreed to accept from any provisional taxpayer referred to in sub-paragraph (1) in respect of any year of assessment drawn to a date falling before or after the end of such year, the Commissioner may upon the application of the taxpayer direct that the last day of such year of assessment shall for the purposes of sub-paragraph (1) be deemed to be such day of the Commissioner having regard to the circumstances of the case fixes.

Provisional tax payments by companies.

9. Provisional tax shall be paid by every company which is a provisional taxpayer in respect of the liability of the company for normal tax on taxable income in the following manner —

- (i) within six months of the commencement of the financial year in question, one half of an amount equal to the total estimated liability of such company (as determined under paragraph 2) for normal tax in respect of that year on taxable income so derived; and
- (ii) not later than the last day of the financial year in question, an amount equal to the total estimated liability of such company (as determined under paragraph 2) for normal tax in respect of that year on taxable income so derived, less the amount paid in terms of sub-paragraph (i) of this paragraph.
- (iii) Within the period ending six months after the last day of that year, an amount equal to the total estimated liability of such company (as finally so determined) for normal tax in respect of that year less the sum of the amounts paid under subparagraphs (i) and (ii). (Added A.6/1994.)

Phasing-in of provisional payments.

9A. (1) Notwithstanding paragraphs 7 and 9, the provisional tax by provisional taxpayers (other than farmers) payable —

- (i) during the year ended thirtieth June 1986, shall be at the rate of one-tenth of the estimated liability as calculated under paragraph 2 for the first payment due under paragraphs 7(1)(a) and 9(i) at the rate of one-tenth of the estimated liability as calculated aforesaid for the second payment due under paragraphs 7(1)(b) and 9(ii); and
- (ii) during the year ended thirtieth June 1987, shall be at the rate of one fifth of the estimated liability, as calculated under paragraph 2 for the first payment due under paragraphs 7(1)(a) and 9(i) and at the rate of one-fifth of the estimated liability, as calculated aforesaid for the second payment due under paragraphs 7(1)(b) and 9(ii); and
- (iii) during the year ended thirtieth June 1988, shall be at the rate of three-tenths of the estimated liability, as calculated under paragraph 2 for the first payment due under paragraphs 7(1)(a) and 9(i), and at the rate of three-tenths of the estimated liability, as calculated aforesaid for the second payment due under paragraphs 7(1)(b) and 9(ii); and
- (iv) during the year ended thirtieth June 1989, shall be at the rate of two-fifths of the estimated liability, as calculated under paragraph 2 for the first payment due under paragraphs 7(1)(a) and 9(i), and at the rate of two-fifths of the estimated liability, as calculated aforesaid for the second payment due under paragraphs 7(1)(b) and 9(ii).

(Amended A.6/1987.)

(2) Notwithstanding paragraph 8, the payment of provisional tax by provisional taxpayers (other than companies) whose income is normally derived wholly or mainly from farming operations, payable —

- (i) during the year ended thirtieth June 1986 shall be at the rate of one-fifth of the estimated liability of the taxable income, as calculated under paragraph 4, for the payment due under paragraph 8(1); and
- (ii) during the year ended thirtieth June 1987, shall be at the rate of two-fifths of the estimated liability of the taxable income, as calculated under paragraph 4, for the payment due under paragraph 8(1); and
- (iii) during the year ended thirtieth June 1988, shall be at the rate of three-fifths of the estimated liability of the taxable income, as calculated under paragraph 4, for the payment due under paragraph 8(1); and
- (iv) during the year ended thirtieth June 1989, shall be at the rate of four-fifths of the estimated liability of the taxable income, as calculated under paragraph 4, for the payment due under paragraph 8(1).

Commissioner's discretion.

10. The Commissioner may absolve any provisional taxpayer from making payment of any amount of provisional tax payable in terms of paragraph 7(1)(a) or paragraph 8 or 9(i), if he is satisfied that the taxable income which may be derived by a taxpayer for the year of assessment in question cannot be estimated on the facts available at the time when payment of the amount in question has to be made.

Extension of time for payment of provisional tax.

11. (1) If after the end of any period within which provisional tax is payable in terms of this Schedule, the Commissioner has under paragraph 4(3) increased the amount of any estimate of taxable income submitted by any provisional taxpayer during such period, any additional provisional tax payable as a result of the Commissioner having made such increase shall, notwithstanding paragraphs 7, 8 and 9 be payable within such period as the Commissioner may determine.

(2) The Commissioner may, having regard to the circumstances of the case, extend the period within which any amount of provisional tax is to be paid, or may agree to accept payment of any such amount in equal or varying amounts.

Certain matters to be decided by the Commissioner.

12. The Commissioner's decision or direction in regard to the following matters shall be final and conclusive, namely —

- (a) the question whether any provisional taxpayer (other than a company) should from time to time pay provisional tax in the manner provided in paragraphs 7 or 8;
- (b) the question as to what amount of provisional tax should for the purposes of paragraph 7 or 8 be payable by any spouse whose return is separately assessed in terms of section 36(2) of this Order.

Penalty on late payments of provisional tax.

13. (1) If any provisional taxpayer fails to pay any amount of provisional tax for which he is liable within the period allowed for payment thereof in terms of paragraphs 7, 8, 9, or 11(1) or within such extended time the Commissioner may allow in terms of paragraph 11(2) he shall, in addition to any other penalty or charge incurred by him under this Order, pay to the Commissioner a penalty equal to twenty per cent of the amount not paid. (Amended A.7/1992.)

(2) The Commissioner may, if he is satisfied that the provisional taxpayer's failure to pay the amount of provisional tax was not due to an intent to evade or postpone payment of the tax, or otherwise evade or postpone payment of the tax, or otherwise evade his obligations under this Order, waive or remit the whole or any part of the penalty imposed under subparagraph (1).

Set off of provisional tax against tax liability of persons.

14. (1) There shall be set off against the liability of the taxpayer in respect of any normal tax due under this Order by the taxpayer, during any year of assessment, the amounts of provisional tax paid by the taxpayer, and,

- (a) if, in the case of any provisional taxpayer, the said amount of provisional tax exceeds the total liability for the said taxes, the Commissioner shall not be required to make any refund of the excess amount (or any portion thereof) standing to the taxpayer's credit, unless the Commissioner is satisfied, having regard to the circumstances of the case, that a refund of such excess amount (or a portion thereof) is warranted, and any amount (after the deduction of such excess amount refunded to the taxpayer) standing to the taxpayer's credit shall be set off against the taxpayer's liability for normal tax for which he is subsequently assessed by the Commissioner or may be set off in whole or in part against any amount of provisional tax which the taxpayer is required to pay under this Schedule; and
- (b) if, in the case of any taxpayer, the taxpayer's total liability for the aforesaid taxes exceed the sum of the said amounts of provisional tax, the amount of the excess shall be payable by the taxpayer to the Commissioner.

(2) Sub-paragraph (1) shall not be construed as requiring any amount of provisional tax paid in respect of any year of assessment to be set off against any liability of the taxpayer before the taxpayer's liability for normal tax in respect of that year is determined by the Commissioner or, where such last mentioned liability has not been determined by the Commissioner, before the expiration of the period determined by the Commissioner.

(3) If the Commissioner, purporting to act under this paragraph, pays to any person by way of refund any amount which was not properly payable to that person under those provisions or which was in excess of the amount due to such person by way of refund under those provisions, such amount or the excess, as the case may be, shall forthwith be repaid by the person concerned to the Commissioner and shall be recoverable by the Commissioner under this Order as if it were a tax.

Refund procedure compliance.

15. No refund of provisional tax shall be made to the taxpayer concerned otherwise than as provided for in paragraph 14.

Offences.

16. Any person who fails to submit to the Commissioner any estimate of his taxable income as required under paragraph 4 shall be guilty of an offence and liable on conviction to a fine not exceeding one thousand Emalangeni or to imprisonment for a period not exceeding twelve months, or both. (Amended A.7/1992.)

Recovery of provisional tax.

17. Any amount of provisional tax, penalty or additional tax payable in terms of this Schedule, and any amount of interest payable in terms of section 58A of this Order shall, when it becomes due or is payable, be a debt due to the Government and may be recovered by the Commissioner in the manner prescribed in section 61 of this Order.

THE INCOME TAX (CLEARANCE CERTIFICATES) REGULATIONS, 1985

(Under Section 69)

In exercise of the powers conferred by section 69 of the Income Tax Order, 1975 the Minister for Finance hereby makes the following Regulations:

Citation.

1. These Regulations may be cited as the Income Tax (Clearance Certificates) Regulations, 1988, and shall come into force on the 1st July, 1988.

Transactions for which and persons from whom tax clearance certificates are required.

2. The transactions requiring income tax clearance certificates and the persons from whom income tax clearance certificates shall be required shall be set out in the schedule hereto.

Revocation of Legal Notice No. 141 of 1985.

3. The Income Tax (Clearance Certificates) Regulations, 1985, are hereby revoked.

SCHEDULE

TRANSACTIONS REQUIRING INCOME TAX CLEARANCE CERTIFICATES AND PERSONS FROM WHOM
INCOME TAX CLEARANCE CERTIFICATES REQUIRED

Type of transactions	Persons from whom Income Tax are required.
(1) The issue, renewal, or transfer of any License (other than renewal of motor vehicle License), permit or similar document relating to any trade, business, profession or vocation.	Persons seeking issue, renewal or transfer of any License, permit or similar document.
(2) The transfer of immovable property or any endorsement to any title deed having the effect of transferring immovable property.	The transferor, or any person in whose name the endorsement is to be made.
(3) The registration or deregistration of companies.	In the case of registration the persons whose names are to be registered as directors or subscribers; in the case of deregistration by the company to be deregistered.
(4) The registration of motor vehicles in Swaziland.	Persons in whose name the motor vehicle is to be registered.
Type of transactions	Persons from whom Income Tax are required.
(5) The tendering for the provision of goods and services to the Government and parastatal body, in excess of E5,000.	Persons tendering for provision of goods or services to government or parastatal body.