

The Income Tax Act, 1986

In the Name of Allah, the Gracious, the Merciful

Chapter I

Preliminary Provisions

Title and commencement

1 This act may be cited as the, "Income Tax Act, 1986", and shall come into force, as from the date of signature; provided that it shall apply to the basis year 1985.

Interpretation

2 In this Act, unless the context otherwise requires, :-

"Accountancy period", means, in respect of any person, the period for which his business accounts are settled;

"Agent", includes, in respect of any non-resident person, or any partnership, wherein any partner is a non-resident person :-

1 any person who has a general power of attorney from such non-resident person, or aforesaid partnership, and exercises such power of attorney regularly, to negotiate and conclude contracts, or who has stored goods, from which he meets purchase demands;

2 any person, in the Sudan, who obtains, through such non-resident person, or such partnership, profits, or any income derived from the Sudan;

"Approved accountant", means any person whom the Minister permits, in writing, to work as an approved accountant, with respect to this Act;

"Assessment", includes additional assessment;

"Assessment year", means the twelve months which commence on the 1st of January of any year subsequent to the basis year;

"Basis period", means, with respect to the assessment year, the period of twelve months preceding the assessment year, or any part of such period;

"Business", includes any trade, profession, craft, agriculture, industry, mining of metals, or any wealth from land, or water and does not include a post;

"Chambers", means the Taxation Chambers;

"Competent court", means the court competent to hear administrative contests, in accordance with Civil Procedure Act, 1983, or any other law which may replace the same;

"Domiciled", means the person who adopts the Sudan, as a place of residence, and his intention to be domiciled therein is clear;

"Full-time manager", means the company manager, who is required to exert most of his time to serve such company in an administrative technical field;

"Income", includes any revenue derived from practising any business, or post, and includes also any return which actually or by implication accrues to the owner thereof from selling any goods, or property concerning the business,

other than capital revenues;

“Loss” , with respect to business profits, means the loss calculated in a way similar to the way in which the profits are calculated;

“Minister” , means the Minister of Finance and National Economy ;

“Order” , means an order published in the Gazette;

“Person” , includes any company, whether public, or private, any guardian, public corporation, or institution, partnership or any group of persons;

“Resident in the Sudan” , upon application, with respect to the basis period, upon :-

3any individual, means such individual is resident in the Sudan, with the exception of such temporary period of absence, as the Under-Secretary of the Chambers may deem that it is reasonable and deem the individual resident in the Sudan where :-

1he is present in the Sudan, for a period, or periods exceeding in total one hundred and eighty days, of basis period;

2he remains present in the Sudan in the aforesaid basis period, and in both previous basis periods for a period exceeding, in total, twelve months;

4every person who is not an individual, means that supervision of the business of such person and management thereof are exercised, in the Sudan, in the aforesaid basis period, and reference, in this Act, to (resident), or (non-resident), in respect of any person, means that such person is resident in the Sudan, or non-resident therein, as the case may, in the basis period;

“Tax” , means the income tax levied under the provisions of this Act;

“ Under-Secretary of the Chambers” , means the Under-Secretary of the Taxation Chambers.

Chapter II

Management

Power and responsibility of the Chambers for management, collection and otherwise

3. (1) Without prejudice to the provisions of this Act, the Under-Secretary of the Chambers shall implement such provisions and collect the taxes levied thereunder, and be responsible therefor and for all the matters relating thereto.

3The Minister may approve the practice, by any of the Taxation employees, after leaving service, of the profession of taxation expert, including preparing accounts, as may be specified by the Regulations; on condition that the qualifications of such employee shall not be less than university level, with experience not less than fifteen years in the field of the profession.

4The Under-Secretary of the Chambers shall appoint employees of the Chambers, in accordance with the public service laws.

5 Without prejudice to the provisions of any other law, there shall not be sustained any personal responsibility, by the Under-Secretary of the Chambers, or the officials of the Chambers, for any act, or mistake done thereby in good faith, in the course of practice thereby, of the powers assigned thereto under the provisions of this Act.

Delegation of powers

4. The Under-Secretary of the Chambers may authorise any of the university-graduate officials of the Chambers, as to such restrictions, as he may deem fit, to practise any of the powers conferred thereupon under the provisions of this Act.

Secrecy of official information

5. (1) Every one of the taxation officials in the Chambers, who implements the provisions of this Act, shall give due regard to the secrecy of all the documents and information relating to the income of any person, and all the instructions, in the course of performance of his duties, and deal with the same on the basis that they are confidential; provided that nothing in this section shall prevent any official from disclosing any document, or any information connected with the income of any person and any secret instructions connected with the implementation of the provisions of this Act, to any other official, in the course of performance of his duties, or to any person authorized therefor by the Under-Secretary of the Chambers, or any court, or person for the achievement of the objects of this Act.

6 Taxation officials in the Chambers, before performing any duty under the provisions of this Act, shall take the oath on the (form) No.2 of Schedule IV hereto, before the Under-Secretary of the Chambers; provided that the Under-Secretary of the Chambers shall take such oath, before the Minister.

Penalty of offences committed by and affect officials

7 There shall be punished, with imprisonment for a term not exceeding ten years, or with fine not exceeding ten thousand pounds, or with both every official of the Chambers who :-

5 contravenes the provisions of section 5; or

6 demands, or takes for himself, or any other person directly , or indirectly any amount or any such favour of any type in connection with his duties under the provisions of this Act, as may by nature cause loss of taxation revenues by the State, or the possibility of the loss of the same, or may be in contravention of the provisions of this Act, other than any amount which he may be legally authorized to receive, and every person who abets any of the

officials of the Chambers, or attempts to abet him to do the same.

Form of notices , returns and otherwise

7. (1) The Under-Secretary of the Chambers may , from time to time, prescribe the form of any notice, income return, or any form, or other return which may be required for the purposes of this Act.

8The notices addressed, by the Under-Secretary of the Chambers, under the provisions of this Act, may be signed by any one of the officials of the Chambers who is authorized therefor, and every notice purporting to be signed, by order of the Under-Secretary of the Chambers, shall be deemed to be signed by an official who is authorized as aforesaid, unless the contrary is proved.

9Every income return, form, notice or other return, issued, served or addressed, from the Under-Secretary of the Chambers, under the provisions of this Act, shall sufficiently be officially authenticate, whenever the name of the Under-Secretary of the Chambers, or the official authorized therefor, or the title thereof is typed, stamped or written thereon.

Service of notices and otherwise

8. (1) Whenever this Act provides for the service of any notice, other document or direction, from the Under-Secretary of the Chambers, to any person, such notice, or other document shall be served, or addressed, to such person by sending the same by post addressed to his ordinary address, or the last known address thereof, or to any post office box hired in the name of such person, or his employer, or at the address shown in the last income return which he has presented, or has been submitted, on his behalf, to the Under-Secretary of the Chambers, or leaving the same at such address. Where he is a company, the service or direction may be by the registered address of the company.

10Whenever a notice, or other document has been served, or addressed by ordinary, or registered post, there shall be deemed, in case of non-proof of the contrary, that the service has been made at the time in which the notice is delivered, in the ordinary course of post. For proof of such service, it shall be sufficient to prove that the envelope containing the notice, or other document, has been addressed in accordance with the provisions of sub-section (1), and that the same has been placed in the post.

Chapter III

Levy of Tax

The income upon which the tax is levied

9. (1) Subject to the provisions of this Act, the tax shall be levied, for the assessment year, upon such income from the basis period, as may result out of :-

7the Sudan, in case of a resident, or non-resident person;

8any place outside the Sudan, in case of resident person;

provided that the said income shall relate to the following :-

9business profits;

10estates leases income;

11personal income;

regardless to that such person no longer owns, in the assessment year referred to, the source of such income; provided that the Minister may grant exemptions to any Sudanese, or resident alien, or domiciled in the Sudan , who has an income which falls under paragraph (b) and is subjected to tax, at the place from which he has derived the income outside the Sudan.

11Notwithstanding any special provisions in any other law granting an exemption from tax, to any person, tax shall be levied upon the profits resulting from any commercial activity . In this sub-section, “commercial activity” , means any business of dealing into a commodity, or rendering a service for the purpose of profit .

12The provisions of sub-section (2) shall not apply to any commercial activity under the Zakat Act, 1990 and the Islamic Trusts Act, 1996.

13The Minister of Finance and National Economy may, after consultation with the Minister of Social Planning reimburse the amounts collected from the tax of the income of the profits of the commercial activity of any legally registered charitable body.

Provisions pertaining to business profits

14For the purposes of business profits mentioned in paragraph (a) of the proviso set out in section 9 :-

12such profits shall include :-

3the profits resulting out of any business, for any period, in which such business has been practised;

4the profits resulting out of any title, instrument or licence which may be granted to a person for the use, or possession of any assets, whether in kind or otherwise, other than such as may result out of land, or premises;

5any income, or profit resulting out of such as may have been received actually, or by implication, other than the dividend of share profits received out of profits subject to tax under this Act;

(b) such profits shall not include the capital business profits, subject to the provisions of the Capital Profits Tax, 1986.

Provisions pertaining to income from estates leases

11. For the purposes of estates leases income mentioned in paragraph (b) of the proviso set out in section 9, the estates leases include any basic rent, or other consideration which may be paid for the use of land, or premises, or the possession thereof, whether situated in the Sudan, or any other place, and includes, in case of lease of furnished premises, the rent due in full.

Provisions pertaining to personal income

12. (1) For the purposes of personal income mentioned in paragraph (c) of the proviso set out in section 9, such income shall include :-

13the income resulting out of any post, or services rendered , other than the services rendered by the owner of the business, in order to perform his business, and not allowed to be deducted under paragraph (f) of section 20 ;
14any amount which is deemed as personal income under the provisions of this Act.

15The income, from any post exercised, or services rendered in the Sudan, shall be deemed as resulting, from the Sudan, within the meaning set act in paragraph (a) of the proviso set out in section 9, whether received, or not received in the Sudan.

Income of minor sons subjected to tax

13. (1) Tax shall be levied upon the total income of the individual resulting out of any activity subject to tax, and the income of minor sons shall be subject to tax as part of the income of the parent, with the exception of pension and inheritance.

16For the purposes of sub-section (1), a son shall be deemed minor, where his age is less than eighteen.

Income received by the trustee or executor
of legacy or administrator of estate

17For the purposes of this Act, every income subject to tax, and received, in the basis period, by a person, in his capacity as a trustee, an executor of a legacy or administrator of an estate, shall be deemed :-

15as to such amount, as it may accumulate into for the benefit of the beneficiary of trust, or estate, as the case may be, where he is an individual, the income of such beneficiary person, in the basis period referred to, and shall be subject to the tax levied thereon as business profits, estates lease income, or personal income, as to the nature of the income received by the trustee the executor of the legacy, or administrator of the estate;

16as to such amount, as it may accumulate into, for the benefit of a person exempted from tax, as income of such person;

17as to such amount, as it may accumulate into, as set forth in paragraphs (a) and (b), as income of such trustee, executor of legacy or administrator of the estate, as the case may be, and be deemed as income out of business profits subject to the tax levied thereon in such capacity.

Non-compatibility between accountancy
period and basis period

15. (1) Where there is a person who settles the accounts of his business for a

period of twelve months not terminating on the 31 st of December, there shall be within his income, for any basis period, for the purpose of verifying his income for any basis period, the income of any accountancy period terminating on a day other than such day, subject to such settlements, as the Under-Secretary of the Chambers may deem fit, in case of a person not being an individual, with respect to all the income subject to tax under section 9, and in case of an individual, with respect to his business profits, on the basis that it is the income of the basis period within which such period terminates.

(2) Where there is a person who settles the accounts of his business for a period which exceeds, or is less than twelve months, the Under-Secretary of the Chambers, together with conducting such settlement, as he may deem fit, may deem the income of the aforesaid accountancy period, as income of the basis period, within which the accountancy period terminates, and the tax shall be levied on this basis.

Transactions arranged to evade levy of tax

16. (1) Where the Under-Secretary of the Chambers has reasonable grounds to believe that the basic object, or one of the basic objects, for which any transaction has been made, whether before, or after the coming into force of this Act, is to evade the levy, or decrease of the tax for the assessment year, he may where he deems the same just and reasonable, order the conduct of such settlements, as he may deem fit, with respect to subjection to tax, in such way as may avoid the tax evasion, or decrease, which would have otherwise be affected by the transaction. Nevertheless this sub-section shall not apply to any transaction, the basic object, or one of the basic objects of which is that the business transacted, by an individual, or partnership is to vest into a company, resident and established for this object.

18 Without prejudice to the generality of the powers conferred under sub-section (1), such powers shall include :-

18 the levy of tax, upon persons not subject, save for the settlement, to any tax, or to the same amount of tax;

19 the levy of a tax of higher value than what may be levied without settlements .

Chapter IV

Exemptions

Exemption of a particular income from tax

17. (1) Notwithstanding any provision, to the contrary, in this Act, and subject to any special provision, in any other law, there shall be exempted from tax, the income set forth in Schedule I hereto, to such extent, as may be specified therein .

19 The Minister, upon a recommendation, by the Under-Secretary of the Chambers, may prescribe, by an order to be made thereby, :-

20 the exemption of any income , or any type of income from tax, to such

extent, as may be set forth in such order;

21subject to the provisions of the Investment (Encouragement) Act, 1990, the revocation of the exemption from tax granted under sub-section (1), with respect to any income, whether generally, or to such extent, as may be set forth in the order.

Accordingly this Act shall apply, with respect to such income, or type of income, as may be set forth in such order, as if the same, as the case may be, has not been set forth in Schedule I hereto.

Chapter V

Verification of the Income subject to Tax

Types of allowed and non-allowed deduction

18. (1) Subject to the provisions of this Act, and in order to verify the income of any person subject to tax, for any basis period, with respect to incomes set forth in section 9 :-

22there shall be deducted all the expenditure incurred, in the aforesaid basis period, which are such expenditure, as such person may have incurred totally in obtaining such income not otherwise, and may be of such expenditure as deduction is not allowed to be made there out, under sub-section (2). Where any income has, under section 15, been deemed in an accountancy period terminating on a day other than the last day of the basis period referred to, as income for such period, the expenditure incurred within the said accountancy period shall be deemed as expenditure incurred within the said basis period;

23with the exception of personal income, Zakat paid for the accountancy period referred to shall be deemed from the expenditure which has to be deducted, after proof of payment thereof, to the Zakat Chambers . 1

20With regard to incomes referred to in sub-section (1), deduction shall not be allowed, with respect to :-

24any expenditure which such person has not spent in whole, in obtaining the income not otherwise;

25any expenditure out of capital, or any loss, decrease or covering the capital;

26any such expenditure , or losses, as may be covered under any insurance, contract, or compensation;

27any expenditure spent on the living of his family, abode or any other personal or household purpose;

28any income tax similar, in nature, to income tax paid for the income, other than the post income tax, or employment of foreign experts; on condition that the same shall be subject to tax, under the provisions of this Act, as income for the person, on whose behalf the same has been paid;

29any expenditure other than that which the Under-Secretary of the Chambers

deems that sufficient consideration has been given thereon;

30the costs of directors, including the income which is subject to tax under section 12(1) (a) in whole, up to the limit by which such costs exceed 500.000 five hundred thousand Sudanese pounds, or 5% of the assessed business profits, whichever is the greater, for every director, before deducting such costs, in case where the company has achieved profit. Where there is loss, the costs allowed to be deducted shall be specified, as to such amount, as the Under-Secretary of the Chambers may prescribe; provided that the full-time directors shall not exceed two;

31all the allocations and reserves, with the exception of the allocations allowed by this Act, or the regulations made thereunder;

32any borrowing cost (if any) which is paid, unless the same is :-

(i) subject to tax, under the provisions of this Act, being income of the person to whom it has been paid;

(ii) subject to tax, had the person not been exempted from the tax thereon;

(iii) paid to a bank for a loan used by such person to achieve the income, subject to tax, under the provisions of this Act;

(iv) paid to a body outside the Sudan, for a loan used with intent to obtain an income subject to tax, under the provisions of this Act.

(j) incentives, grants and rewards granted to employees, save within the limits of the annual salary.

Chapter VI

Verification of Business Profits

Types of particular income subject to tax

21For verifying the business profits of any person, for the basis period :-

33where upon the assessment of the business profits, for any accountancy period, any expenditure, losses, bad debt which is acknowledged, or deduction has been made, in consideration of any reserve, or allocation, to meet any indebtedness, any bad debt which is assessed and, in a subsequent year, all or part of such expenditure, losses, bad debt has been recovered, or all, or part of such indebtedness has been discharged, or such reserve or allocation has become unnecessary, every amount which has been recovered, discharged or become unnecessary as a reserve, or allocation shall be deemed to be profits of the business, for the accountancy period, in which recovery, or discharge has been made and become unnecessary;

34where Schedule II hereto includes a provision of deduction of a budget for ballancing, or deeming an amount as a commercial revenue, for any accountancy period, the value thereof shall be deemed as a revenue of the business for such period.

Particular amounts to be deducted

22Upon verifying such business profits of any person, for a basis period, as

may be subject to tax, under paragraph (b) of the proviso set out in section 9, and without prejudice to the generality of the provisions of section 18(1), the following amounts shall be deducted :-

35the rent due for payment for land or premises, as to such extent as such person may occupy the same, for the purposes of gaining the said business profits;

36the amounts due for payment, for the maintenance of premises, or machinery, or renovation of equipment, or utensils, which are not counted within capital expenditure, and are not for which depreciation deduction is conducted under Schedule II hereof; and there shall be required that the same shall be used in producing the said business profits;

37the donations, monetary and in kind :-

(i) monetary donations : monetary donations made to the public treasury of the State and the donations paid to any government body, upon call for donations, from the Government ; on condition that the object of such donation is to cover aspects of expenditure the government body, or the Government shall cover out of the public treasury, whatever the value of the donations may be, and donations paid in money for the public interest, and gifts in kind purchased and gifted to government bodies, training and scientific research centres, such as apparatuses, equipment and books; provided that the total amount donated shall not exceed 10%, of the net profits, or two hundred thousand pounds, whichever is the greater, and there shall be required, for deduction of such monetary donations, that accurate audited accounts, or a return acceptable to the Under-Secretary of the Chambers, under section 38 shall be presented;

(ii) donations in kind : the following donations in kind shall be deducted, as to the following conditions :-

the total of the amount deducted shall not exceed 50% of the total cost of the project;

deduction shall be made within two consecutive years, at the rate of 25% for each year;

deduction shall commence after delivery of the project donated to the State; the cost of the project shall be evaluated in the year of delivery of the project;

the losses resulting from the donations in kind shall not be transferred after the two years of deduction;

the Minister's approval shall be mandatory;

38salaries of relatives, as the Under-Secretary of the Chambers may deem just and reasonable;

39(i) the debts incurred thereby, for the production of the business profits, which are deemed, by the Under-Secretary of the Chambers, as has become bad debts;

(ii) the doubtful debts, incurred thereby, for producing the business profits, as to such amount, as may convince the Under-Secretary of the Chambers, that they have become bad debts, during the aforesaid basis period.

The bad or doubtful debt shall be deemed as a revenue of the indebted person, in the accountancy period, in which the debt has become bad or doubtful;
40the costs of the businessman, or men, in case of presenting accurate audited accounts, or return, in accordance with the provisions of section 38, as follows :-

(i) 500,000 pounds for each of the businessmen, or 10% of the profits, whichever is the greater, with a maximum of one million pounds, in case of non-liberal professions;

(ii) 500,000 pounds for each of the businessmen, or 10% of profits, whichever is the greater in case of liberal professions;

41subject to the provisions of section 18(2) (f), any amount which has been subscribed with, in the aforesaid basis period, to any post-service benefits fund, or savings fund, or pension, as the Under-Secretary of the Chambers may approve or be established particularly for payment of pensions, or other similar privileges, to employees, upon retirement from their service, or to their dependents upon death thereof;

42any deducted amounts which are provided for in Schedule II hereto, for the said basis period;

43any amount due for payment, in the said basis period, as rent, payments;

44subject to the provisions of section 18(2) (i), the amounts due for payment, as borrowing cost (if any), for any money borrowed thereby, whenever the Under-Secretary of Chambers is convinced that such cost has been due for funds used in producing the business profits;

45any such other aspects of deduction, as the regulations may prescribe.

Way of treating losses

23Where any person incurs losses, during any basis period, upon performing any business the profits of which are subject to tax, the value of such losses shall be transferred, and deducted upon verifying the business profits of such person, for the immediately next basis period, and subject to tax, and any increase, to such losses, beyond the amount to be deducted, shall be transferred and deducted upon verification, out of the business profits for the immediately next basis period, and likewise for the next basis periods, provided that :-

46no part of losses shall be transferred, for a period exceeding five years, after the termination of the basis period, in which the losses occurred;

47the total of the value deducted, out of the business profits, with respect to any said losses shall in no case exceed the value of the losses;

48no deduction shall be allowed, under this section, unless such person keeps the adequate records and books of accounts referred to in section 39(3) (a) and submits accounts for each basis period, certified by an approved accountant;

49where the person ceases to submit certified audited accounts, by reason of force majeure :-

(i) his entitlement to continue transferring losses to the next years shall

not lapse;

(ii) where losses occur, during the period of leasing to submit the accounts, by reason of the continuance of the force majeure, such losses shall be assessed, as the Under-Secretary may deem fit, and transferred in accordance with the conditions set out in this section;

50where the person does not submit, for the basis period, accounts certified by an approved accountant, and submits a return, in accordance with the provisions of section 38, the Under-Secretary of the Chambers may assess such losses, or deduct them, in the basis period, in which the losses occurred, and the same shall not be transferred, to the next years.

Verification of business profits in respect of particular Non-resident persons

22. (1) Where a person is non-resident and performs, in the Sudan, a business including industry, agriculture, production, harvesting any crop, or products whether from the earth, or water, and sells the same outside the Sudan, or sells it on condition of delivery outside the Sudan, whether the contract of sale has been concluded in the Sudan, or outside it, or used thereby in any business he performs out side the Sudan. In such cases, the profits resulting out of such business, which is performed in the Sudan, shall be deemed to be the same value which accrues, where such crop, or product is sold wholesale, in the most favourable conditions. With respect to this sub-section the wholesale price of any goods sold shall be verified, by deducting a value equivalent to 2% of the total proceeds of sale, or any other percentage, as the Minister may prescribe, by an order from him; provided that the total deducted amounts shall not exceed, in any basis period, upon verifying the wholesale price, the total business profits obtained from such sales which have been verified before such deduction.

24Where a non-resident person performs business with a resident person who is closely connected with him, and such business is arranged in such way, as the resident person does not derive profits, or derives profits which are less than ordinary profits which are expected to be obtained, out of such business, had such close connection been non-existent, in this case, the business profits which are obtained by such resident person shall be deemed to be of such value, as may be expected to be obtained, had such business been performed by independent persons each of whom works alone.

Business profits derived from insurance business

23. (1) Notwithstanding any of the provisions of this Act, this section shall apply, with intent to verify the business profits derived, by any person, from performing insurance business, in the Sudan, and in relation to this Act, a mutual insurance company shall be deemed to be performing insurance business,

and the surplus thereof shall be verified and the same shall include the transactions concluded with members and otherwise together, as shown in this section, in order to verify the business profits, and the profits of the same shall be deemed to be business profits subject to tax under this Act.

25In case the insurance company performing life insurance, together with performing insurance business of any other type, life insurance business performed by the company shall be treated as business separate from any other type of the insurance business it performs .

26The business profits derived from any accountancy period of the insurance business (other than life insurance) which is performed by any insurance company, in the Sudan , whether mutual insurance company, or owned by the owner thereof, shall be the resultant value, after :-

51taking, for the said accountancy period an amount representing :-

- (i) the value of the total received, or due instalments, to cover the risks in the Sudan, minus such instalments, as may have been rebated to the insured person, and those paid for re-assurance, in connection of such business;
- (ii) the value of any other income out of such business, other than such income resulting from investment, as may be received, or due in the Sudan, and the same shall include any commission, or expenses allowance, on the part of the re-assurance, in connection with re-assurance of the risks in the Sudan;
- (iii) part of the income thereof of investment at a percentage, between the value referred to in sub-paragraph (i), and the total received, or due instalments

52deducting, from such amount, a reserve value for the risks, which are still existing, for such business, at the end of such year, at the percentage applied by the company to the business thereof, in insurance generally; however, there shall be added, to such amount, the reserve deducted, to meet the risks which have not elapsed, at the end of the previous year;

53deducting, from the amount resulting from application of paragraphs (a) and (b), :-

- (i) the value of the claim accepted in the aforesaid accountancy period, and connected with such business, minus any value recovered thereof under re-assurance;
- (ii) the value of branches and agencies expenditure, spent in the said basis period, and connected with such business;

6part of the expenditure of the headquarters of such company, as the Under-Secretary of the Chambers may deem just and reasonable;

provided that such company may, where it desires, deem the profits of the business thereof, derived from the insurance business, for any accountancy period, as the surplus, if any, of the total value of the received, or due instalments, from the accountancy period referred to, for such risks, in the Sudan, as may not exceed one thousand pounds, and there shall be no forsaking of such choice, save upon the approval of the Under-Secretary of the Chambers,

subject to such settlements, as he may deem just and reasonable.

27The business profits derived, from any accountancy period of life insurance business, which is performed, by any insurance company, in the Sudan, whether mutual insurance company, or owned by the owners thereof, shall be the resulting after :-

54taking the same proportion out of the income of investment into the life insurance fund, between the instalments received, in the Sudan, with the addition of the instalments, received outside the Sudan, and relating to persons resident in the Sudan, at the time of writing the insurance policies, and the total of the received instalments, or where the Under-Secretary deems the same just and reasonable, the proportion, between the actuary indebtedness thereof, for its business in life insurance, in the Sudan, and the actuary indebtedness for all the business thereof, in life insurance;

55deducting, from the value resulting from applying paragraph (a), life insurance expenditure of the branches and agencies in the Sudan, and part of the expenditure of the headquarters of such company, as the Under-Secretary of the Chambers may deem just and reasonable.

Business profits of particular projects

28Where a person performs business relating to a particular project, by the nature of which it is possible to determine the profits of the business thereof, pending completing execution of the contract, or completing other arrangements connected with the business, the Under-Secretary of the Chambers, where he deems the same just and reasonable may :-

56deem the business profits derived therefrom as if they have accumulated by a regular way, from day to another, within the period in which such business has been performed;

57specify a preliminary percentage of 3% of the total payments, or as he may deem fit, as a percentage paid under the account of the tax, pending settlement of profits, upon completing execution of the contract, or the other

Chapter VII

Verification of Estates Leases Income

Particular allowed aspects of deduction

25. (1) Upon verifying the estates leases income of any person, which is collected from any land, or premises, in any basis period, there shall be deducted, from the rent of the estates collected by such person, with respect to such period:-

58where such person himself hires such land, or premises, the value of the rent of the estates which he has paid therefor, with respect to such period;

59where such income is derived, by any individual, from a lodging, the value of the rent paid by such individual, to occupy a lodging, which is the only

place of his abode;

60with respect to repairs, maintenance, management or insurance of such land, or premises, the person may choose one of the two following ways, and he shall not forsake the same, save upon the approval of the Under-Secretary of the Chambers, and after ascertainment that the object of forsaking is not tax evasion :-

(i) in case of the person presenting approved audited accounts, the actual expenditure set out in this paragraph, in whole, as may be entered on the accounts, after verification of the accuracy thereof, including :-
management expenditure, as the Under-Secretary of the Chambers may prescribe; depreciation of the premises, the furniture and the equipment belonging thereto;

(ii) in case of presenting an accurate return, in accordance with the provisions of section 38, thirty-five per cent. of the total income for the expenditure set out in this paragraph; provided that where the person is required, in pursuance of the terms of any agreement, to only incur part of the total expenditure of such repairs, maintenance, insurance or management, or not required to do any thing thereof, the allowed deduction, under this paragraph, shall be such part of the percentage, or nothing thereof, as the case may be ; 2

61the value which he pays, in such period, for the rates levied upon such land, or premises, and in case of land, or premises situated in a country outside the Sudan, for any taxes of similar nature collected thereon, in such country;

62the borrowing cost paid for any mortgage (if any) as a security for payment of any loan, or part thereof, as he may have borrowed for the purchase of such land , or premises, which shall be treated as follows :-

(i) deducting the value of borrowing cost paid thereby in such period;
(ii) the value of the borrowing cost paid during the years of building, in such way as may be deemed as if paid in the year of completing building, and deducting the same within ten years, commencing, as from the year of completing building ;

63any such other deduction, as the regulations may prescribe .

Chapter VIII

Verification of Personal Income

Provisions pertaining to posts

26. (1) For the purposes of section 12(1) (a), the revenue which shall be taken into consideration, upon verification of the personal income subject to tax, shall include the following :-

64any wages, salary, sick leave pay, pay in lieu of leaves, costs, commission, grant, gratuity, living, or travel allowance, or any other allowances received with respect to the post, or the services rendered, in the basis period in which they are received; provided that whenever the Under-Secretary of the

Chambers is convinced that any allowance received as aforesaid, as recovery of a value spent in whole, and only spent in obtaining the income of whoever received such amounts, for the business, or services rendered. In this case such spent allowance and value shall be excluded from the personal income account;

65the value of any benefit, favour or facility, of whatever nature, as may be granted with respect to the post, or rendered services, with the exception of :-

- (i) the value of travels between the Sudan and any place outside the Sudan, which the employer provides to the employee (and such term shall include a relative of such employee, or where the employer is a company, it shall not include a member of the board of directors, or a relative thereof) who is not resident in the Sudan, or to the wife or son of such person;
- (ii) the value paid by the employee in respect of an employee, as subscription to such retirement fund, or savings fund for pension, as the Under-Secretary of the Chambers may approve, and established for the prescription of pensions, or similar privileges for the employees, upon retirement from service, or to their families, upon the death thereof;
- (iii) such as may be incurred by the employee, for any medical services he renders, for an employee, not a relative of his, or where the employer is company, for a person not a member of the board of directors, or a relative of any member.

For the purposes of this paragraph, the value of the places provided, by the employer, to accommodate his employees, shall be the annual value thereof, and the value of any other benefit, favour or facility shall be the value incurred by the employer, or the value thereof, in the market, whichever is the greater, and any value entered, onto the credit account of the employee, in the books of the employer, in such circumstances, as the employee may able to withdraw amounts, from such account, or use such account in another way, in any aspect, shall be deemed as received for the purposes of this Act.

Provisions pertaining to income from occupying, by an employee, of places for the purposes of accomodation

29For the purposes of section 26(b), the annual value of the places provided by the employer, with the exception of the value of furniture, or contents provided therewith shall be a value equal to a percentage of the income of the post, to be prescribed by the Under-Secretary of the Chambers, or in case of a member of the board of directors of the company, the market value of such places; provided that where the employee occupies such places in part of the basis period only, or by payment of the rent of such places, in such period, the value which is verified under the aforesaid provisions shall be decreased to such extent, as the Under-Secretary of the Chambers may deem just and reasonable.

Particular allowed aspects of deduction

30Without prejudice to the generality of the provisions of section 18(1), upon verifying the personal income of any person, for any basis period, there shall be deducted, from the total received, or deemed to have been received, in such period :-

66pension deductions, the deductions of an insurance fund, and the deductions of any other post-service benefits scheme;

67the gratuity received, upon termination of the contract of service;

68any such value, as may be deducted under Schedule II hereto;

69any such other deduction, as the Regulations may prescribe.

Chapter IX

Rates of Tax on Business Profits and Estates

Leases Income

Rates of tax on business profits

and estates leases income

29. (1) Tax shall be paid, on business profits, and on estates leases income, at the rates set forth in Sector (A) of Schedule III hereto; provided that where a person is subject to tax in the assessment year, for both business profits and estates leases income together, tax shall be paid at such rates, on the total business profits and estates leases income thereof.

31Where the Under-Secretary of the Chambers deems that the person mentioned in sub-section (1) directly, or indirectly controls the affairs of two, or more companies, or two, or more partnerships, as the case may be, such companies and partnerships shall be deemed one person, and for the purposes of paragraph (1) of Sector (A) of Schedule III hereto, and for the purposes of assessing, levy, recovery and drawback of the tax, the tax required to be paid shall be divided between such companies, or partnerships, at the proportion of value of the business profits and estates leases income in each of them, as the case may be; provided that any losses shall be treated as non-accrued profits for the purposes of this section.

Personal income tax rates

32The tax, on the personal income, shall be paid at the rates set forth in Sector (B) of Schedule III hereto; provided that where any person is subject to tax under this Act, with respect to :-

70personal income and business profits; or

71personal income and estates leases income and business profits.

In this case :-

(i) where the amount of income, other than personal income does not exceed one-quarter of the personal income, the tax shall be calculated, on the total income from all the sources at the rates set forth in Sector (B) of Schedule

III hereto;

(ii) where the amount of income, other than personal income exceeds one-quarter of the amount of personal income, the tax due shall be calculated at the rates set forth in Sector (B) of Schedule III hereto, on the personal income, and at the rates set for the in Sector (A) of such Schedule, on the income other than the personal income, in addition of the minimum limit exempted from tax, as the case may be.

Deduction with respect to taxation
of animals and otherwise

33Where a person has, in a basis period, with respect to any assessment year, paid :-

72animals, ushur or date palms tax, with respect to any source, from which he has obtained the business profits thereof in such period;

73land, or premises tax, with respect to any land, or any premises, from which he has obtained his estates leases income, or which he has occupied, in such period, during acquiring the business profits thereof.

There shall be deducted, by way of set off, for the purposes of collection, an amount equal to the total of such taxes, or the value of the tax due for payment under the provisions of this Act, which have been verified, before the application of this section, whichever is lesser than the tax due for payment, from such person, for the aforesaid assessment year.

Set off in tax previously deducted
from personal income

32. (1) Where a tax has been deducted, in any basis period, from the income of any person under this Act, there shall be deducted, by way of set off , for the purposes of collection, the value of the deducted tax, after proof of deduction, and payment thereof, to the Under-Secretary of the Chambers, form the tax due from such person, for the aforesaid assessment period; provided that where the tax deducted, from the income of any person, does not exceed twelve pounds, and the accrual of tax from such person, which has been verified under the other provisions of this Act, does not differ from the deducted amount, by more than two pounds, notwithstanding any other provisions, the accrual of the tax, from such person, shall be equal to the amount of the tax which has been deducted.

34Where any tax paid by any company, under section 66(2), from the income of any period, the amount of the tax paid shall be deducted, for the purposes of collection, from the tax required to be paid, for the assessment period pertaining to the same.

Double taxation prohibited

33. Where the Minister declares, by an order therefrom, that the arrangements

set forth in such order have been agreed upon with any foreign government, in order to strive to prevent double taxation, and that it is necessary that such arrangements are to have their effect, they shall have such effect notwithstanding any provision, in any other law, with respect to tax, to the extent that :-

74they provide that the :-

- (i) levy of tax, on the income derived from the Sudan, of persons non-resident in the Sudan;
- (ii) specification of the income attributed to such persons, the agencies or the commercial institutions thereof in the Sudan;
- (iii) specification of the income attributed to persons resident in the Sudan, who have special relations with non-resident persons.

Chapter X

Persons Subject to Assessment and Liability

For Other Persons

Income of non- resident persons

34. (1) The income of a non-resident person may be assessed, and the tax pertaining to him may be levied, on his agent in the Sudan.

(2) The master of any vessel, or pilot of any aircraft owned, or chartered by a non-resident person shall be deemed subject to tax, together with the non-exemption of any other agent, or agent to such non-resident person, with respect to this section.

Income of deceased person

35. There shall be subject to tax such accumulated, or received income, before the date of death of the deceased person, as the tax may be assessed and levied thereon, had it not been for the death, for the assessment year, and shall be assessed on the executor of his will, or the administrator of his estate and the heirs thereof, at the same rate of tax which would have been levied, had such income been assessed on such deceased person before his death.

Liability of the person on whom the income of another person has been assessed or paid a tax for another person and his discharge

36. (1) Every person, in whose name the income of another person has been assessed, and a tax levied thereon, shall be required, in connection with the assessment of such income, to perform every act this Act requires the same to be done, for the person whose income is subject to tax under the provisions thereof, and be liable to pay any tax levied thereon accordingly, within the

limits of any assets, of such other person, which may be in his possession, at the date of service of the assessment notice upon him, or vest in his possession after such date.

35 Every person liable, under this Act, for payment of tax on behalf of another person may retain, with him, such money as he may receive on behalf of such other person, which is sufficient to pay such tax, and he shall be discharged, as against any person whoever, as to any amount, as may have been paid, under the provisions of this Act .

Liability of manager of a corporate person and otherwise

36 Where any financial obligation has been imposed, under the provisions of this Act, upon any corporate person, such person shall be liable to satisfy such obligation, and the manager thereof shall execute the said obligation, within the limits of the funds and belongings of such person.

Chapter XI

Returns and Notices

Returns and otherwise

38. (1) Notwithstanding the provisions of Chapter II, the Under-Secretary of the Chambers may, by written notice to any person, require to be supplied, within such time, as may be specified in such notice, with the return of the income of any basis period preceding the period in which the notice has been served, including a full and accurate statement of the income of such person, and including such income, as may be deemed under the provisions of this Act an income subject to tax, as to such details, as may be required for the purposes of this Act. Such return shall include a statement signed by such person as upon whom assessment and levy of the tax may lie, that such return is full and accurate. Every person, from whom the presentation of a return is required, under the provisions of this section, for the income thereof, within a particular basis period, shall present approved audited accounts, within one month of the date of termination of the allowed return period; on condition that he shall show the same in his return .

37 In case of an executor of legacy, administrator of the estate of a deceased person, the liquidator of a resident company, a bankrupt or any person in respect of whom the Under-Secretary of the Chambers has reason to believe that he is about to leave the Sudan, the Under-Secretary of the Chambers may require him, by a written notice, to supply him with the income return at any time whether before, or after the termination of the basis period to which the return relates.

38 Every person subject to tax, for any assessment year, who has not been required, within three months of the termination of the basis period, to present a return of his income for such period, under sub-section (1), and to notify the Under-Secretary, within fourteen days after the termination of the

two months' period that he is subject to tax, and for the purposes of this section, there shall be deemed subject to tax :-

75all the companies, partnerships, trustees, executors of legacies and administrators of estates, whether resident, or non-resident, and all the non-resident individuals regardless to the value of the income thereof;

76all the resident individuals the total of whose income exceeds the minimum limit exempted in accordance with Schedule III hereto for any basis period.

39Where the business is performed by two, or more persons in a partnership, the Under-Secretary of the Chambers may, by written notice, require the resident partner having priority, or the partner who is one of resident partners :-

77the first one whose name is mentioned in the partnership contract; or

78where there is no written contract, the partner who is appointed by name, or initials alone, or by precedence over the other partners, in the usual name of the partnership ; or

79the first one whose name is mentioned in such return , as may be required under any law in the Sudan, for the registration of the business name, shall present, to him, within such period, as may be set forth in such notice, a return of the income of the partnership, which has been verified under the provisions of this Act, for any basis period, including full and accurate statement of such income and any details as may be required by the objects of this Act.

40The provisions of this section shall apply to any person subject to assessment with respect to the income of another person, in any capacity whatever as to such way, as they may apply to any person with respect to the income, to whom it may be due.

41The person who prepares any return and presents it under the provisions of this section shall set forth therein his address in the Sudan to which all the notices served under the provisions of this Act are sent.

42The tax due shall be paid, from the actual return, at the date fixed for presenting the return.

Accounts, accounts books and otherwise

39. (1) Were a person performs any business and prepares a return of income for any basis period, and the accounts of his business, for any accountancy period, have been prepared, or examined by another person, in his professional capacity, in this case such person shall present, with the aforesaid income return, a copy of such accounts signed by such other person, with the statement and nature of the accounts books and documents, from which the accounts have been prepared, and there shall be set forth also, in such accounts, :-

80where the accounts have been prepared by such other person, whether and with such reservations, if any, as he may deem such accounts represent an accurate and just picture of the gains and profits from such business, for such period,

together with recording the extent of his audit of the accounts books and documents presented thereto;

81where the accounts have been examined by such other person, he shall show the extent of such examination.

In this sub-section (accounts) mean the budget and statement of assets and liabilities, the trading accounts, the profits and losses account, the revenues and payments account and any other similar account of whatever description .

(2) Where it appears, to the Under-Secretary of the Chambers, that a person who performs business is subject to tax, the Under-Secretary may, by a written notice, require such person to present a copy of his accounts as defined in sub-section (1), to be prepared by an approved accountant.

43(a) Every person who is subject to tax shall keep the necessary accounts books to record the size of his activity subject to tax, and he shall keep, as a minimum, the daily, master and stock taking books authenticated by the Chambers before use thereof:-

(i) where his capital exceeds one million pounds;

(ii) where the total business profit of the commercial activity exceeds five million pounds;

(b) Where a person who appears to be subject to tax neglects, or refuses to keep such accounts records and books, as may be, in the opinion of the Under-Secretary, sufficient for the purpose of verifying the income of such person, the Under-Secretary of the Chambers may, by a written notice, require such person to keep such accounts records and books, as may be set forth in the notice .

44Every person who performs a business shall keep every accounts book and every document which may be necessary to explain any entry, on such book, which is connected with such business, for a period not less than six years, after the accountancy period to which the aforesaid accounts book, or document relates.

45Every person, who keeps, or preserves any accounts records and books, shall keep such records and books, in either Arabic, or English language.

Books presented and kept,
appearance and otherwise

46The Under-Secretary of the Chambers, for the purpose of obtaining full information, with respect to the income of any person, or class of persons, and notwithstanding any provision in any other law, may require any person, by a written notice, to :-

82present, for examination to be conducted by the Under-Secretary of the Chambers, at such time and place, as may be set forth in such notice, any accounts, or accounts books, lists of assets and liabilities and any other documents, as the Under-Secretary of the Chambers may deem necessary for such purpose;

83present forthwith any accounts, accounts books, or other documents, as the Under-Secretary of the Chambers may specify, in such notice, to retain the same therewith, for such reasonable period, as may be sufficient to examine them;

84appear at the time and place set forth in such notice, in order to interrogate him, with respect to the income thereof, or the income of any other person, or any transactions, or matters, as may appear to be connected with such income.

List of employer pertaining to salaries and otherwise

41. (1) Every employer who has, in a month of any basis period, paid salaries and allowances, to a person employed by him, for his post, or services rendered by such person, at a value which exceeds $1\div 12$ of the minimum limit exempted from tax, shall present, to the Under-Secretary of the chambers, on the thirty first of January immediately subsequent to such period, or before the same, a list on the said period, as to such form, as may be prescribed by the Under-Secretary of the Chambers, including the names and addresses of all the persons, to whom he has paid pensions for their previous service therewith, and the amount of pension which has been paid for each one of them; provided that such list may not include any class of persons, salaries or allowances, as the Under-Secretary of the Chambers may allow.

47For the purposes of this section, the reference set forth in sub-section (1), to :-

85salaries and allowances shall include all the salaries, benefits, favours and facilities referred to in section 26;

86persons employed with to a company shall include a member of the board of directors of such company;

48The Under-Secretary of the Chambers may require any employer, by written notice, to make all income returns pertaining to his employees, for any year prior to the period in which the notice has been served upon him, and send the same to the Under-Secretary of the Chambers, within such time, as may be specified in such notice.

49The Under-Secretary of the Chambers may require any person, by a written notice, to present thereto, within such time, as may be set forth in the notice, any statements, or other returns, with respect to any operations, or matters, as may be deemed, by the under-Secretary of the Chambers, to be of connection with verifying the income of such person, or any other person, for the income of whom such person is subject to assessment, or receives the income thereof.

Field determination

42. The Under-Secretary of the Chambers may, during work hours, or at any time he deems fit, enter business places and estate property to conduct field determination, and require any information, or explanations, in order to ascertain the implementation of the provisions of this Act.

Return deemed to be presented

by person of capacity

50 Every return, statement or form purported to be presented under the provisions of this Act, by any person, or on his behalf, shall, for all purposes be deemed, unless the contrary is proved, as presented by such person, or upon his permission, as the case may be, and every person who is signatory to such return, statement or form shall be deemed acquainted with all the particulars set forth therein.

Sanctions consequential to omission
of presenting returns

44. (1) There shall be imposed upon every person who :-

(a) is required to present an income return, under the provision of section 38, and omits to present the same, within the time specified therefor, a sanction of one hundred pounds, for each day on which such omission continues, or such as the Under-Secretary may deem fit; on condition that the sanction shall not exceed 5% of the total due tax;

(b) omits to give due regard to the provisions of section 41, or any written notice, under any of the two subsections (2), or (3) of section 39, or under section 40, a sanction of five thousand pounds, for each day on which such omission continues.

51 The Under Secretary of the Chambers shall assess the sanctions imposed upon any person, under the provisions of sub-section (1), at such periods, as he may specify, and served upon the defaulter, by a written notice, and all the provisions of this Act relating to appeal against assessments shall apply to such notice, as if it is a notice of assessment under the provisions of this Act, in such way that the grounds of appeal against the sanction included in such notice shall be restricted to :-

87 the fact of default in presenting the return, or presenting a copy of the audited accounts, or omission of keeping the required records and books;

88 the period in which such default continues; provided that where the person in default is not able to present the returns and audited accounts, due to his absence from the Sudan, or to his illness, or to another reasonable cause, the Under-Secretary of the Chambers may, in his discretion, forego such sanction wholly, or in part, whether before sending, such written notice, or after the same.

Additional tax in case of cheating
or wilful neglect

45. (1) Notwithstanding the provisions of section 44 and Chapter IX , there shall be imposed, upon every person, who in any assessment year :-

89omits to present a full and accurate return on income, or omits to send notification to the Under-secretary of the Chambers, in accordance with section 38; or

90presents an inaccurate return, for any income which has to be shown therein, by omitting therefrom any income, or mentioning therein an income lesser than the actual one, or deducting any value this Act does not allow the deduction thereof, in order to show the said income therein;

91delivers any inaccurate information, with respect to any matter, or thing which affects his subjection to tax, for the said year, whenever such omission, lapse, mentioning the income which is less than the actual one, deduction, or delivery of inaccurate information is due to any cheating, or wilful neglect, in addition to the value imposed, in accordance with the provisions of Chapter IX , an additional tax not exceeding double the value of the tax levied duly thereon, as the competent court may deem fit according to the degree of cheating, or wilful neglect.

52Whenever the omission, lapse, mentioning the income which is less than the actual one, deduction or delivery of inaccurate information has occurred, with respect to the income return, required to be presented under the provisions of this Act, from any person, on behalf of another person, such other person shall, in this case, be required to pay any additional tax levied under this section.

53The additional tax levied, under this section, shall be levied :-

92in any assessment made under the provisions of this Act; or

93in addition to any sanction which is due from such person, under the provisions of section 44; or

94whether the proceedings for any offence in contravention of the provisions of this Act have been commenced or not .

This additional tax shall be levied and collected, as if it is a tax levied under the provisions of this Act, in seclusion from the application of this Section .

Sanctions in case of non-compliance
with notice

46. There shall be imposed a sanction of 25,000 (twenty five thousand) pounds, or as the competent court may deem fit, after the facts of the subject are submitted thereto by the Under-Secretary of the Chambers, and such sanction shall be imposed and collected as if it is a tax levied under the provisions of this Act; provided that whenever any of the aforesaid persons is proved that he relies on a reasonable cause in such omission, inaccurate return or inaccurate information, as the case may be, the sanction shall not

be imposed thereon, every person who :-

95omits to present any document, to the Under-Secretary of the Chambers, within the period specified under the provisions of this Act, or any notice served upon him under such provisions, and he is bound to present; or

96omits to keep any records, books or accounts, as may be required by any notice served thereupon under the provisions of section 39(3); or

97omits to present any accounts, books or other documents, for examination, or to be satisfied, on the part of the Under-Secretary of the Chambers, as any notice served upon him, under the provisions of section 40(a) and (b) may require ;or

98omits to appear at such time and place, as may be required by any notice served thereupon, under the provisions of section 40(c) ; or

99omits to keep any accounts book which is necessary, or a document in contravention of the provision of section 39(4); or

100omits to answer any question legally addressed to him, or to present information required therefrom, under the provisions of this Act; or

101delivers any inaccurate statement in any list presented in response to any notice served thereupon, under the provisions of this Act; or

102delivers any inaccurate information, in connection with any matter, or thing which affects the subjection of any other person to tax.

Chapter XII

Assessments

Assessment functions of the Under-Secretary of the Chambers

47. (1) Subject to sub-sections (2) and (4) and the provisions of section 48, the Under-Secretary of the Chambers shall assess the income of any person subject to tax as soon as possible, after the expiry of the time allowed, under sections 38 and 39(4), to present the income return. He may seek the help of assessment committees to be appointed thereby, where he deems the same fit, and the opinion thereof shall be consultative .

54There shall be no need to make assessment for any person with respect to his personal income, for the assessment year, where the total tax deducted under any regulations made under this Act, from the personal income received thereby, in such basis period, as may appear to the Under-Secretary of the Chambers to be the same which has been levied in an assessment under the provisions of this Act, for such year; provided that the provisions of this sub-section shall not be interpreted, in such way, as may prevent the making of any assessment, for any person, with respect to his personal income, and assessment shall be made, with respect to the personal income of a person subject to assessment, where such person requests, by a written notice to the Under-Secretary of the Chambers, the making of assessment, within two years of the termination of the said assessment year.

55Wherever a person presents an income return, the Under-Secretary of the

Chambers may :-

103admit the return and assess the income thereof on the basis of the same, or where he has reason to believe that such return is inaccurate, he may evaluate the value of the income of such person as he may deem fit, and assess his income accordingly ;

104the Under-Secretary of the Chambers shall, in case of rejecting the return and the approved audited accounts, ground his rejection showing the inaccuracy of the same.

56Where the person does not present a return of income, whether or not the Under-Secretary of the Chambers requires the same from him, and the Under-Secretary of the Chambers deems that such person is subject to tax, he may, as he may deem fit, evaluate the value of income of such person, then assess his income accordingly, and such assessment shall not have an effect on the any obligations by which such person is bound otherwise than the aforesaid, under the provisions of this Act.

57(a) Notwithstanding the provisions of sections 38 and 39, the Under-Secretary of the Chambers may, in cases wherein it is difficult to follow the procedure provided for in sections 38, 39 and 47, assess the income of any person, by any of the following ways :-

105specifying a constant implied assessment for each basis year, for a number of the consecutive years; provided that the number of years shall not exceed five years, commencing from the year for which the same has been specified;
(ii) specifying a constant amount, at any time of any basis year, according to the available indications, and such amount shall be collected as a final tax, at the same time in which the assessment has been made,

(b) in such cases, as tax evasion may be feared , for any reason, the Under-Secretary of the Chambers may assess, during the basis period, the income subject to tax, and the tax shall be specified and collected, without prejudice to the sanctions provided for in this Act .

Persons about to depart, and
persons who have departed

58Whenever the Under-Secretary of the Chambers has reasonable ground to believe that any person may, within a short time, depart, or has departed, from the Sudan, and his absence is probably not temporary, and the tax has not been assessed on his income, for the assessment year, the Under-Secretary of the Chambers may, in this case evaluate, as he may deem fit, the value of income of such person, then assess the income thereof accordingly, without such assessment having any effect upon any obligations, by which such person may be bound otherwise than the aforesaid under the provisions of this Act .

Additional assessments made

59Whenever the Under-Secretary of the Chambers deems that the tax has been assessed for any person, whether with respect to the assessed income, or the

value of the tax, at a lesser value than that which has to be assessed therefor, the Under-Secretary of the Chambers may assess the income of such person, by assessing an additional value, as he may deem fit for what should have been assessed for such person .

Service of assessment notice

60The Under-Secretary of the Chambers shall give due regard to serve the notice of assessment upon every person he assesses his income, and he shall set forth, in such notice, the amount of the assessed income, and the value of the tax due, and show to such person his rights under section 55.

Period specified for making assessment

61Assessment, to be made for executors of legacies and administrators of estates of a deceased person, may be made at any time before the expiry of five years, after termination of the assessment year, to which the assessment relates; provided that :-

106in case of such assessment, as may be made for executors of legacies, or administrators of estates of a deceased person, with respect to the income, assessment shall be made , before the expiry of three years, after termination of the assessment year, during which such person has died ;

107where cheating, or wilful neglect has been committed, on the part of a person, or on his behalf, with respect to tax for the assessment year, the assessment may be made, with respect to the tax of the assessment year referred to, at any time to such extent, as in which the income is proved;

108no dispute shall be raised as to whether the assessment has been made after the time specified, in this section, for the making thereof, save by a valid contest presented under section 55, and by any contest to the competent court, which is consequential thereto.

Assessment records

52. (1) The Under-Secretary of the Chambers shall, as soon as possible, prepare the records of persons for whom tax has been assessed.

62Such records (referred to in this Act as the assessment records) shall include the name and address of every person, for whom the tax has been assessed, and the amount of the income, on which the tax due for payment thereby has been assessed .

63Where there has been prepared, in the assessment period, full copies at the Under-Secretary's office, of all the assessment notices and the notices amending the same to be as assessment records, for the purposes of this Act, every copy thereof shall be acceptable in any proceeding as evidence of the fact of assessment, and the particulars included therein and any amendment thereof.

Errors and otherwise which occur in notices

53. (1) No assessment and no instrument, or other document purporting to be issued, or authenticated under the provisions of this Act, shall be disqualified, nor shall it be deemed void, or avoidable for a defect in form, and no effect shall result by reason of fault, defect or omission therein, as long as the same is in substance and effect consistent with this Act, or in accordance with the object of the meaning thereof, and whenever there is shown therein the person for whom the tax is assessed, or whom the assessment affects, in accordance with the general object and connotation.

64The assessment shall not be contested, and shall not be affected :-

109by reason of fault with respect to :-

(i) the name of the person for whom the tax is assessed ; or

7the description of any income; or

8the value of the levied tax;

110by reason of difference, between the assessment and the served notice .

Chapter XIII

Contest

Appeals

Income tax committee

54. (1) The Minister, by an order, may form an income tax committee, to be constituted of a chairman, a deputy chairman and three other members at most, and have competence to consider and determine contests, under the provisions of section 58. The members of such committee shall be appointed, for a term not exceeding three years, to be shown in the appointment decision .

65The chairman of the committee and the deputy thereof shall be persons experienced in taxation laws.

66The Minister may relieve of membership any member of the committee, and appoint new members, whenever he deems the same necessary .

67The quorum of meeting of the committee shall be three members, other than the Chairman.

68In case of absence of the chairman, from any meeting, his deputy shall assume chairmanship of the committee .

69Without prejudice to the provisions of any other law, no personal responsibility shall result on the members of the income tax committee, for any act, or fault which may occur from the committee in good faith, in the course of, exercise thereby, of the powers assigned thereto, under the provisions of this Act.

70The Minister may appoint a clerk to assume the functions assigned thereto by the chairman of the committee .

71The Council of Ministers shall specify the emoluments and privileges of the chairman and members of the income tax committee, upon the recommendation of the Minister.

Notice of contest of assessment

55. (1) Subject to the provisions of section 6(3), every person who disputes an assessment made in respect of him, under the provisions of this Act may contest such assessment, by a written notice addressed to the Under-Secretary of the Chambers, on the form No. (1) of Schedule IV hereto, and such notice shall not be valid as a contest, unless :-

111there is mentioned therein accurately the grounds of contest of the assessment;

112he attaches his income (where he has not previously presented the same to the Under-Secretary of the Chambers);

113the notice of contest is received within thirty days, of the date of service of the assessment notice;

114no contest presented, by any company, shall be admitted, save where the same is supported by books and audited accounts;

Provided that where the Under-Secretary of the Chambers is convinced that the contesting person has not been able to send the notice, within such period, by reason of his absence, from the Sudan, illness or any other reasonable cause, and no unreasonable delay has been attributed thereto, the Under-Secretary of the Chambers, upon the request of the contesting person, and after he deposits, with the Under-Secretary of the Chambers, the value of the tax due, under the assessment, or any part thereof, as may be required by the Under-Secretary of the Chambers, and pays any sanction due under the provisions of section 63, may admit such notice, after the expiry of such period, and as such that admitted notice shall be deemed as a valid notice of contest.

72Any person who is aggrieved by the rejection, by the Under-Secretary of the Chambers, of the notice of contest, under the proviso of sub-section (1), may contest such rejection, before the court competent to apply all the provisions of this Act relating to contest of assessment, as to such extent, as may apply to any contest under this sub-section, and the competent court may confirm the rejection decision, or deem such notice as a valid notice of contest.

Agreement with the Under-Secretary of the Chambers upon assessment

56. (1) When a valid notice of contest is received, the Under-Secretary of the Chambers may consider the grounds of contest, as shown in the notice, and after his interrogating the contesting person as to what he may deem necessary to interrogate him thereon, under the provisions of sections 40 and 41, he may agree, with such person, upon the value of the income, and the valid tax due to be levied, then amend the assessment accordingly, and serve a notice upon such person including such amendment and the value of the tax due, and the contest shall be deemed to be determined for all the purposes of this Act.

73Where the contesting person does not agree, with the Under-Secretary of the Chambers, upon the value of assessment, under the provisions of sub-section

(1), he shall be entitled to refer the contest to the income tax committee, or the competent court, as the case may be, within thirty days of the issue of the decision of the Under-Secretary of the Chambers.

Grounds of contest of the decision of the Under-Secretary of the Chambers

57. (1) The contest, to the competent court, against the decision of the Under-Secretary of the Chambers, shall be restricted to one of the following two grounds, or both of them :-

115 that the person has no business subject to tax;

116 that the assessment is contrary to the provisions of the Act and the regulations made thereunder, in case of presenting audited accounts approved by an approved auditor.

74 Notwithstanding the provisions of sub-section (1), where the disputes arise against the assessment based upon audited accounts relating to material facts, the contest shall be submitted to the income tax committee.

75 The value of the suit shall be assessed by the amount of the tax subject of contest.

76 In cases other than those set forth in sub-section (1), the contest shall be submitted to the income tax committee, within thirty days of the date of service of the contesting person, with the decision of the Under-Secretary of the Chambers, on his contest presented under the provisions of section 55(1) .

Procedure of contest before the income tax committee

77 In every contest addressed to the income tax committee, under the provisions of section 57(3), the following provisions shall apply :-

117 without prejudice to the other conditions of the contest, the contest shall not be considered, before the income tax committee, save after payment of the contest fees the amount of which shall be specified by the regulations, and the committee may amend such fees, after considering the contest to be proportionate to the amendment, as to the value of the tax;

118 every contesting person shall appear before the income tax committee, either by himself , or through an agent, at such date and time, as may be specified for considering the contest;

119 the income tax committee may require, by a written notice, from any person to appear before them, to be questioned on any matter relating to the income included by the assessment which is contested, and they may require such person to present any books, document, or other record which is in his ownership, or under his disposal relating to such income;

120 the contest shall be heard in camera, and the committee shall summon the person contesting and the person against whom the contest is made, for the date of the sitting, or to send a note of his defences, supported by such documents and particulars, as he may deem necessary to rebut the contest;

121the burden of proof, that the contested assessment is exaggerated, shall be on the person whose income is assessed;

122the income tax committee may confirm, decrease, increase or order such as they deem fit, with respect of the assessment;

123the income tax committee shall serve a notice of the amendment and amount of the tax due, upon the contesting person; within one week of the decision thereof;

124where the decision of the income tax committee results in any amendment of the assessment of the contesting person, the assessment shall accordingly be amended, and the Under-Secretary of the Chambers shall serve upon the contesting person a notice explaining therein such amendment and the amount of the tax due;

125in case absence of the contesting person from the hearing sitting notwithstanding his being summoned therefor, the contest shall, after ascertainment of the fact of summons, be heard in default, and the decision shall be passed as if it has been passed in the presence of the contesting person; provided that he shall be notified of the decision .

The contest considered before
the competent court

59. (1) Any person served with a notice under the provisions of section 58(g) may contest the decision of the income tax committee, before the competent court, by a written notice to such court, a copy of which shall be sent to the Under-Secretary of the Chambers, within thirty days, after the date of his being served with the aforesaid notice.

78The Under Secretary of the Chambers, where he is not convinced with the decision of the income tax committee, may contest such decision, by a written notice, before the competent court, a copy of which shall be sent to the other party of the contest, within forty five days, after the date of his being served with the notice, under the provisions of section 58(g).

79No contest of the decision of the income tax committee shall be made, save where the contest is based upon a dispute on the interpretation of the law, or a dispute which mixes such interpretation with facts.

Procedure of contest before the
competent court

80The following provisions shall apply to every contest submitted to the competent court, under section 59 :-

126every contesting person shall appear before the competent court either personally, or by an advocate, at the day and time fixed for considering the contest;

127the burden of proof that the contested assessment is exaggerated shall lie

upon the person whose income is assessed;

128the judge may confirm, decrease, increase, cancel the assessment, or order with respect thereto, as he may deem fit .

129the expenses of contest shall be left to the absolute discretion of the competent court which considers the contest, and with respect to the court fees, the value of the suit shall be the value of the disputed tax;

130where the decision of the competent court results in any amendment of the assessment, the assessment shall accordingly be amended, and a notice shall be served upon the person whose income is assessed , wherein such amendment is shown;

131the judgement subsequent to the decision of the competent court which considered the contest shall have effect, with respect to the value of the tax due, under such assessment , as the competent court may have decided, as a judgement of payment of such value, whether the value of such tax has been shown into the judgement or not.

There shall not result, from presenting the contest to the competent court against the decision of the income tax committee, suspension of payment of the tax due in full.

The final form of the assessment

61. (1) The assessment, as made, agreed upon or specified by contest, as the case may be, shall be final and determined, whenever :-

132no valid notice of contest has been addressed under this Chapter against an assessment;

133a valid notice of contest has been addressed :-

(i) where in the value of the assessment has been specified under section 56(1); or

9the value of assessment has been specified by contest.

81This section shall not be interpreted in such way, as may prevent the Under-Secretary of the Chambers, from making any such additional assessment, for any assessment year; as may not result in re-assessment, in any matter which has been previously determined by contest, for the aforesaid assessment year; provided that where any cheating or wilful negelect has been committed, on the part of any person, or on his behalf, with respect to tax, for the assessment year, the Under-Secretary of the Chambers may make a additional assessment, for such person, for the assessment year referred to, even though there results therefrom, re-assessment in any matter which has previously been determined by contest .

Chapter XIV

Levy, Collection and Drawback of Tax

Date within which the tax is paid

62. (1) Subject to the provisions of section 67, the tax levied shall be due in every assessment, and be due for payment at such date, as the Minister may specify by regulations made under the provisions of this Act .

82With respect to the priority of the debts, the tax shall have priority, over other debts, in all the cases, with the exception of the salaries of officials and workmen and the ordinary entitlements thereof.

83Where a valid notice of contest has been addressed, under the provisions of section 56, notwithstanding the final determination of the contest, one quarter of the tax, the value of the tax not disputed upon, or any amount specified by the Under-Secretary of the Chambers, shall be due, within thirty days, of the date of determination of the contest, or the date at which it shall be due, under sub-section (1), where subsequent. For the purposes of this sub-section, the tax not disputed upon shall be deemed, wherever the person whose income is assessed has addressed a valid notice of contest, that it is the value which would have been levied has the assessment been amended, in accordance with such valid notice. 3

84The Under-Secretary of the Chambers may, in his discretion, extend the period in which the tax is due for payment and specify another date for payment thereof.

85Notwithstanding the provisions of sub-section (1), the Under-Secretary of the Chambers may require any person subject to tax, to pay an amount, on account of such tax, in the same basis year in which the income has been achieved; provided that the amounts paid shall be deducted from the value of the tax due .

Sanction for non-payment of tax

63. (1) Subject to the provisions of sub-section (3) , where no tax has been paid on, or before the date of accrual, the Under-Secretary of the Chambers may impose such financial sanction, as the regulations may specify.

86In case of contest submitted to the income tax committee, or the competent court, the sanction mentioned in sub-section (1), shall be collected, as to every tax which has been proved not to be paid on, or before the date of accrual, after the issue of the decision of the income tax committee, or the competent court, whichever may be the body to whom the contest has been submitted, and the contesting person may drawback any amount collected in excess, by the Under-Secretary of the Chambers, in addition to an amount equal to the said sanction immediately in case of the issue of the decision of the committee, or the competent court in his favour.

87The sanction imposed under the provisions of sub-section (1) shall not be deemed as a tax, for the purposes of this Act; provided that the provisions of this Act relating to levy and collection of tax shall apply to the imposition and collection of the said sanction.

88The Under-Secretary of the Chambers may, in his discretion, forego all, or part of the sanction due under the provisions of sub-section(1).

The power to serve notice by
agency of another person

64. (1) The Under-Secretary of the Chambers may, in his discretion, serve by written notice addressed to any person being an agent for any other person, for the purposes of levy of the tax due from such other person and collect the same. Such person served with notice as an agent shall pay any tax due and set forth in such notice from any money, including rent, pension, salary and wages, or any other costs which are in his custody, at any time, during twelve months of the date of such notice, or are due and payable from him to such other person.

89The Under-Secretary of the Chambers, for the purposes of this section, may require, at any time, by a written notice to any person, to supply him, within a reasonable period not less than thirty days of the date of service of such notice, with a return showing what is in his custody of property, for any person, from whom tax is due, or what is due for payment, from him, to such person .

Collection of tax by others

65. (1) There shall be on :-

134all federal government units, states' governments, local councils, public corporations and institutions, co-operatives and the companies and factories of both the public and private sectors, before payment thereby of any payment in consideration of purchase thereby of any commodities, or service from the private sector persons, the deduction of a certain proportion of such payments, on the account of the personal income due from the person selling the commodity, or service, and the Minister shall specify the proportion of deduction by an order to be made thereby;

135all federal government units, states' governments, local councils, public corporations and institutions, co-operatives, crops markets, and the companies and factories of both the public and private sectors, the deduction of an amount, on the account of the income tax of every person purchasing the commodities, or services thereof purchases, on the basis of a certain proportion of the value of the purchased goods, or services, and the Minister shall specify the proportion due on the account of the tax, by an order made thereby. Any other person may be added so that the provisions set out in paragraphs (a) and (b) of this section shall apply to them;

136the customs police forces, the collection of an amount, on the account of the income tax, from every person, in case of his importing, or exporting any commodity, and the collected amount shall be calculated on the basis of a certain proportion of the value of the imported, or exported goods, and the Minister shall specify such proportion by an order to be made thereby. The raw materials imported for industry for the purpose of manufacturing the same

shall be exempted; on condition of approval of the Under-Secretary of Chambers; provided that the import thereof shall be covered by import licences approved by the Ministry of Industry;

137every private hospital wherein a physician performs a surgical operation or treats a patient, for his own private account, to collect therefrom an amount representing a certain proportion of the total costs thereof, such proportion shall be specified by the Minister by an order to be made thereby, on the account of the tax due from the physician, who performs the operation or treats the patient;

138the administration of registries, or the courts of the various grades thereof, upon institution of suits or contests before the same, or presentation of any documents for entry, or marking the same, the collection of a proportion of the advocates' costs, to be specified by a decision of the Minister, on the account of the tax due, from the advocate signing such suits, contests and authenticated documents;

139slaughterhouses, upon slaughtering for the private sector persons, to collect together with slaughtering prescribed fees, an amount from every head of the carcasses, on the account of the tax, on the profits due to owners of carcasses, and the proportion shall be specified by the Minister by an order made thereby ;

140traffic authorities to refrain from the issue or renewal of any licence, or the transfer of the licence of any taxi cab, or truck owned by any one of the private sector persons , save after the collection of an amount the specification of which shall be made by the issue of a decision of the Minister in satisfaction of the tax due from him;

141all commercial banks and investment companies to deduct a proportion of the return of the profits of the investment bonds, on the account of the income tax due from the beneficiary person, and the Minister shall specify the proportion of deduction by an order to be made thereby, on the account of the tax due from such person ;

142all the bodies and persons mentioned in this section, to send the value of what they have collected, on the account of the income tax, to the Chambers, within one month, of the date of collection thereof, together with attaching a detailed statement of the names and addresses of the persons, and the amounts deducted on their account;

143every body of the bodies, or person of the persons mentioned in this section, who has reserved amounts on the account of the Chambers, and sent the same thereto, to give the tax payer, from whom such amounts have been collected, a certificate, on his request, and the certificates and receipts issued by the bodies, or persons shall be an instrument of satisfaction of such tax, within the limits of the amounts proved thereby, even though the collecting person did not send the value to the Chambers .

90There shall be made the deduction of the amounts due, on account of the income tax, from the tax due from the person upon whom it has been levied, during the basis year, in which such amounts have been deducted, on condition

that such person shall present :-

144an approved audited accounts, or income return in accordance with the provisions of section 38;

145the necessary documents which prove payment thereby of such amounts which have been deducted on account of the income tax .

91The provisions of deduction from the source shall not apply to the persons who have been exempted from the business profits tax, under the Act, within the period of exemption, together with their being bound to deduct 20% of the profits of the shares divided and transferred abroad, and to conduct deduction to add the proportion to private sector persons who deal therewith; provided that where any person, who is an agent for the purposes of paragraphs (a) and (b), fails to pay, to the Under-Secretary of the Chambers, any value which he is required to pay, under the provisions of such paragraphs, within thirty days, of the date of service of the notice referred to, or at such date, as at which any money referred to may be in his custody or due from him, to the person who is served by notice, as an agent therefor, whichever may be the subsequent. In this case, the provisions of this Act, relating to levy and collection of the tax, shall apply to the levy and collection of such value, as if the tax is due from the person who is served by notice, as an agent, and the date of payment thereof is the subsequent date at which such person has to pay such value, to the Under-Secretary of the Chambers, under the provisions of the said two paragraphs.

Deceased persons

66. (1) In case of death of any person, and to the extent to which, :-

146any tax in any assessment for him, is not paid;

147the executor of his legacy, or the administrator of his estate is subject to levy of a tax in an assessment made under section 35,

any value of the a tax which is not paid, or levied in any assessment as aforesaid, after the final determination of the same, shall be an accrued debt and due for payment out of his estate.

92Where any tax is due, for payment, under the provisions of this Act, from the executor of the legacy, or the administrator of the estate of a deceased person or from any person on whom lies the assessment, with respect to the income of another person, whatever his capacity may be, no distribution of the assets of such deceased person, or such other person shall be made, before obtaining a certificate, from the Under-Secretary of the Chambers, that there is no tax remaining under payment upon such assets. Where distribution is made without obtaining such certificate, the person who conducted the distribution shall personally be liable to pay any value as aforesaid, and the provisions of this Act relating to levy and collection of tax shall apply, as if the same is a tax due, for payment, from such person, at the date of distribution .

Collection of tax and security in respect of persons

who depart from the Sudan

67. (1) Where the Under-Secretary of the Chambers has reason to believe that a person for whom the tax has been assessed may depart from the Sudan, within a short period without paying such tax, he may, notwithstanding the provisions of section 62, whether the date of accrual of payment of the tax has come or not, require such person, by a written notice to be served thereupon, to pay such tax, or to advance a security to the satisfaction of the Under-Secretary of the Chambers, to pay the same, within the period specified in such notice. 93Whenever a notice has been served upon a person under sub-section (1), the value of the assessed tax required to be paid, or to advance a security therefor, notwithstanding the presentation of a valid notice of contest, shall be deemed due, at the date set forth in such notice. In case of failure to respond to such notice, the Under-Secretary of the Chambers shall have the right to institute the suit forthwith to collect the tax under the provisions of section 68, or to recourse to attachment forthwith under the provisions of section 69; provided that where response, to such notice, is made after institution of the suit, under section 68, the suit shall be stayed and no order for the assessment of the fees thereof shall be issued.

Collection of tax by way of instituting a suit

68. (1) Where :-

148payment of any tax has not been made at, or before the date fixed for payment thereof; or

149a notice has been served upon any person, under the provisions of section 67(1), and such person fails to respond to such notice, the Under-Secretary of the Chambers may institute a suit, in his official capacity, before a competent court, for the tax due from such person, and collect the same from him, as a debt due to the Government, together with all the costs of the suit.

94In any suit under the provisions of sub-section (1), the presentation of a certificate signed by the Under-Secretary of the Chambers containing the name and address of the defendant and the value of the tax due shall be sufficient evidence that the value of such tax is due from such person, and an adequate instrument for the court to pass the judgement thereof with such value, and there shall not be required, for passing the judgement, the appearance of the Under-Secretary of the Chambers before the court.

Collection of tax by way of

attachment and otherwise

69. (1) In any case wherein the tax is due for collection as shown in section 68, and notwithstanding any provision to the contrary in any other law, the Under-Secretary of the Chambers may, in lieu of instituting a suit for the

amount of the tax, make an order under his hand to license any official to attach the goods and property of the person from whom payment of the tax is required, and also any other belongings thereof, including his balances deposited with banks; provided that where the value of the tax is not collected in full by such attachment, the Under-Secretary of the Chambers may forthwith collect the deficit, as to such manner, as may be set forth in section 68.

95In order to effect the attachment provided for in sub-section (1), the person authorized by the Under-Secretary of the Chambers may enter by force accompanied by such employees and agents, as he may deem the presence thereof necessary, in any place, during working hours of the person from whom the tax is required, such person may request any police officer to be present at the time of effecting attachment, and such officer shall respond to such request.

96The attachment effected by the person licensed therefor under the order made in accordance with the provisions of sub-section (1), shall remain in force for the period of ten days, either at the place where the attachment has been effected, or any other place, as the person licensed under the order may deem fit, at the cost of the person, from whom collection of the tax is required.

97Where the person, from whom collection of the tax is required, does not pay the tax due from him, together with the expenses of attachment, within the said period of ten days, the goods, effects and belongings attached shall be sold by public auction, and also the balances deposited with banks shall be withdrawn, after the approval of the Minister, in payment of the tax due, and the said expenses . The proceeds of the sale shall be used first to pay expenses of the attachment of such attached goods, belongings and effects, keeping and sale of the same, then to pay the tax due . Where there remains after that a surplus of the proceeds of sale, the same shall be returned to the owner of the attached goods, effects and belongings.

Certificates of clearance

98Notwithstanding any provision set out in any other law, the competent authorities shall not complete the following procedure, unless the applicant presents a certificate of clearance, from the Under-Secretary of the Chambers, namely :-

150obtaining exit visa from the Sudan, in respect of non-Sudanese with the exception of tourists;

151registration or renewal of registration on the Importers and Exporters Register;

152registration on the Companies, Partnerships, Business Names and Trade Marks Register;

153permit by the Bank of Sudan and commercial banks to transmit profits, capitals and personal income outside the Sudan;

154registration of ownership of estates;

155distribution of assets in case of liquidation and bankruptcy;

156payments, by the Federal Government, States' Governments, local councils, public corporations and institutions in consideration of commodities and services, as the Minister may prescribe ;

157applications for fire arms licences and the renewal thereof;

158entering government auctions, with the exception of land auctions for officials;

159licensing commercial motorcars, the issue and renewal of any licence, or transfer of any licence for taxi cabs, trucks, commercial lorries and public vehicles owned by any person from the private sector;

160transfer of the ownership of any motorcar for any person from the private sector;

161any such other procedure, as the Minister may prescribe, by an order, to be published in the Gazette, the requirement of the issue of a certificate of clearance with respect thereto, before completion of the same, is mandatory.

Payment of tax binding in special cases

71. (1) The Under Secretary of the Chambers may bind the person, into whom any business vests, or to whom the same is transferred, to pay the tax due on such business, where it has not been paid by the vender person, and the Under-Secretary of the Chambers may exercise all the powers conferred thereupon by the Act for collection of such amount.

99The Under-Secretary of the Chambers may deem any person who purchases or obtains, by any means, belongings from an alien person, or Sudanese by naturalization bound to pay the tax, as an agent of the person who departed from the country, within the limits of the value of the belongings which have vested into him; provided that this procedure shall not be applied to those whose transactions are with alien persons, or naturatised Sudanese, who obtain valid clearance certificates.

Drawback of tax

72. (1) Where it is proved, to the satisfaction of the Under-Secretary of the Chambers, that a person has paid a tax for any assessment, for any year, by way of deduction, or otherwise, which exceeds the value due for payment under such assessment, after the final specification thereof, such person shall be entitled to drawback the value paid as such ; provided that where there is any tax which has accrued and due for payment, from such person, with respect to any other assessment, such value paid in excess shall be used to pay the value which has accrued and due for payment, within the limits of such tax, and the value which is due as aforesaid shall not be drawn back.

100Every claim for drawback, under the provisions of sub-section (1), shall be presented within five years, after the termination of the assessment year to which the claim relates.

Relief of tax

101The Under-Secretary of the Chambers may relieve any person of the whole, or part of the tax due for payment from him, by reason of poverty, and he may also, for the same reason, drawback any tax paid by such person, or part of the same.

Chapter V

Offences and Penalties

Penalties for forged returns and otherwise

74. (1) There shall have committed on offence in contravention of the provisions of this Act, and be punished, upon conviction, with such fine as may be specified by the court, or with imprisonment for a term not exceeding two years, or with both, every person who intends to evade the tax by :—
162preparing an income return which is contrary to the truth, by including in the same such income , as may be less, in fact, than that which has to be stated in such return; or
163preparing a statement which is contrary to the truth, in any return, after responding to a notice which has been served thereupon under the provisions of this Act; or
164delivering false information with respect to any matter, or thing which affects his subjection to tax; or
165preparing or keeping forged accounts books, or records, or allowing the same to be prepared, or kept, or forging any accounts books, or records, or allowing forgery thereof; or
166using forgery, or allowing the use thereof; or
167presenting any forged claim for drawback of any tax; or
168contravening the provisions of section 6; or
169refusing, or delaying in presenting his tax card, whenever required to do the same.

102There shall have committed an offence in contravention of the provisions of this Act, and be punished, upon conviction, with such fine as the court may specify, or with imprisonment for a term not exceeding two years, or with both, every person who intends to assist any other person in tax evasion, by :—

170not including, in any return he prepares, on behalf of such person, any income, or including therein such income, as may, in fact, be less than that which has to be stated in such return; or
171preparing a statement which is contrary to the truth , in any return he prepares on behalf of such other person, in response to a notice which has been served upon such other person, under the provisions of this Act; or
172delivering false information with respect to any matter, or thing affecting the subjection, by such other person, to tax; or
173preparing any forged accounts books, or other records, for such other person, or forging the said accounts books, or records; or

174committing any other act involving cheating; or
175refusing or delaying the implementation of the provisions of section 64(2).
103Whenever there has been proved, during the proceedings taken under the provisions of this section, that a false statement, or entry has been entered, by any person, in the income return, or other return presented under the provisions of this Act, from such person, or on behalf of any other person, or in the accounts books, or other records prepared, or kept by such person, or on behalf of any other person, the person who entered the false statement, or entry, until the contrary is proved, shall be deemed to have entered the same with intent to evade the tax, or assisted such other person in evasion of, or enabled him to evade, the tax.
104Conviction of the offence of tax evasion shall be deemed to be an offence inconsistent with honour and honesty.

Approval, by the Minister of Justice, or the Under-Secretary of the Chambers, of trial

105No person shall be tried, for any offence in contravention of the provisions of this Act, save upon the approval of the Minister of Justice, or the Under-Secretary of the Chambers.

Provisions concerning evidence in cases of cheating and otherwise

76. (1) Notwithstanding any provision to the contrary in this Act, no rejection shall be made to accept a statement delivered by a person, or a document presented thereby, or on his behalf, in any proceedings to which this section applies, for the fact that his attention has been directed that :-

176with respect to the tax, the Under-Secretary of the Chambers may accept a financial settlement in lieu of approval of the trial proceedings;

177although it is unforeseeable to express whether the Under-Secretary will accept, or not accept such settlement, in case of a particular person, the course of work has been that the Under-Secretary is affected by the fact of full confession, by a person that any cheating or default, to which he is a party and his presenting facilities to investigate, and that such person will be, or may be forced thereby to deliver the statement or present the documents.

106This section shall apply to :-

178any criminal proceedings against the person concerned, for any type of cheating, including any default in relation, or with respect to the tax;

179any proceedings against him to collect any amount due from him, including any tax levied under the provisions of section 45, or any sanction imposed under the provisions of section 63, or any value due by reason of an offence which has been compounded under the provisions of section 77, in relation, or

with respect to the tax.

Power of the Under-Secretary of the Chambers to compound offences

77. (1) Where any person commits an offence in contravention of the provisions of this Act, other than the offences referred to in section 6, the Under-Secretary of the Chambers may, at any time before the commencement of the trial, or during consideration of any charge relating thereto, compound such offence, by way of reconciliation and order such person to pay such amount, as he may deem fit, and not exceeding the value of the fine with which such person may be punished, where he is convicted of such offence; provided that the Under-Secretary of the Chambers shall not exercise such powers under the provisions of this section, unless such person requests the Under-Secretary in writing to dispose of such offence under this section.

107 In case the Under-Secretary of the Chambers compounding any offence under the provisions of sub-section (1) :-

180 the order of the Under-Secretary of the Chambers shall be shown in writing and there shall be attached therewith the written request referred to in the proviso set out in sub-section (1); or

181 there shall be set forth, in such order, the offence committed, and the amount ordered to be paid and the date or date at which payment has to be made; or

182 a copy of the said order shall be given to the said person who has committed the offence, where he requests the same; or

183 such person shall not be subject to any trial after that, for such offence. Where such trial is conducted, the defence of such person therein, that the proof that such offence has been compounded by way of reconciliation under this section, shall be admissible defence; or

184 such person shall bear all the judicial costs due for payment.

Place of trial

108 The criminal suit may be launched against any person accused of an offence in contravention of the provisions of this Act, and he shall be tried and punished at any place whereat he is confined for such offence, as if the offence has been committed at such place, and the offence shall, for all aspects relating to launching the criminal suit, the trial, punishment therefor or consequential thereto, be deemed to have been committed at such place; provided that this section shall not prevent launching the criminal suit, trial and inflicting the penalty on such person at any such place whereat, had not been for this section, the criminal suit would have been launched and he would have been tried and punished.

Offences committed by companies

79. Where an offence, in contravention of the provisions of this Act, has been

committed by a company, every person who at the time of committing the offence is a member of the board of directors, a general manager, secretary or other similar official of such company, or who has been working or purports to be working, in such capacity, shall be deemed to have committed such offence, unless he proves that the same has been committed without his consent, or knowledge and that he has exerted every effort to prevent commission thereof, as is his duty with respect to the nature of his functions in such capacity, and in all the circumstances.

Tax levied due for payment
notwithstanding the trial

109 Launching the criminal suit, against any person, for any offence in contravention of the provisions of this Act, or inflicting the penalty upon any person, as result of such suit, shall not entail the exemption of such person, from indebtedness to pay any tax he is, or may be bound thereby.

Chapter XVI

General Provisions

Power to make regulations

110 The Minister may make such regulations, as may be necessary for the implementation of the provisions of this Act. In general, and without prejudice to the generality of such power, he may include, in such regulations, the following matters :-

185 deduction of amounts, from the values paid in consideration of employment, services or pensions, on account of the tax levied under this Act, whether such tax relates to the tax levied upon such amounts not otherwise, or not, and provide for payment of such deducted amounts to the Under-Secretary of the Chambers;

186 verifying the profits of particular types of business;

187 the ways of keeping and organizing accounts, books and records and all the other documents out of which the accounts of any basis period are to be prepared;

188 the date, or dates at which the tax assessed under this Act accrues and becomes due for payment;

189 the sanctions which are imposed upon any person who contravenes any of the provisions of the regulations, or omits to give due regard thereto; provided that such sanctions shall not exceed 1000 (one thousand pounds) and 30 pounds for every day on which the contraventions or the omission countries;

190 organizing the appeal submitted to the income tax committee under Chapter XIII and providing for the way of aducing evidence and specification of places for considering such appeal and prescribing the fees payable thereon.

Tax card

82. (1) There shall be issued, to every person who is subject to tax, a tax card as to such particulars and form, as may be prescribed by the Under-Secretary of the Chambers, from time to time, together with showing the period of validity of the tax card, for the purpose of application of section 70, and there shall be excluded, from the same, such persons, as the Minister may specify, from time to time.

111The competent authorities, such as Federal Government units, States' Governments, local government, public corporations and institutions and the productive units thereof shall not deal with persons, to whom section 70 applies, unless they obtain a valid tax card, and such authorities shall affix the particulars of such card on the applications presented thereto by such persons, and on any other documents concerning the dealings thereof therewith.

112Public sector institutions, such as companies, factories and wholesale traders shall not deal with the persons to whom section 70 applies, unless they obtain a valid tax card, and such institutions shall affix the particulars of such card, on the applications presented thereto by such persons, and on any other documents concerning the dealing thereof therewith.

Application

113There shall apply to tax assessments and collection the law which has been in force at the time of assessment and collection.

Collection of tax in case of suspension of business

114Where the person suspends business totally, or partially, the tax shall be collected on the income up to the date of suspension of business. Partial suspension, for the purposes of this section, means termination, by the person, of part of the aspects of business, or of a branch, or more of the branches wherein he practises business. The person, in this case, shall inform the Chambers of the same, within thirty days of the date of suspension, and present a return, showing therein, the result of the operation at the establishment, up to the date of suspension supported by such documents and particulars, as may be necessary for specifying the income and the tax due.

Collection of tax in case of relinquishment

85. (1) In case of relinquishment of all, or part of the establishment, the relinquishing person and the person to whom relinquishment has been made shall inform the Chambers of such relinquishment, within thirty days of the date of

occurrence thereof. The relinquishing person shall, within three months of the date of relinquishment, present an independent return, showing therein, the result of the operations at the relinquished establishment, up to the date of relinquishment, supported by such documents and particulars, as may be necessary for specifying the income up to the date of relinquishment.

115The relinquishing person and the person to whom relinquishment has been made shall be jointly and severally liable, for such taxes, as may have accrued on the capital profits which are achieved as a result of such relinquishment.

116The person, to whom the relinquishment has been made, may request the Chambers to notify him of a statement of the taxes due on the relinquished business, and the Chambers shall supply him with the said statement, within one month of the date of request, otherwise he shall be discharged from the required tax, and the joint liability provided for in this section shall be restricted to the amounts set out in such statement, without prejudice to the right of the Chambers against the relinquishing person, for any tax due before the date of relinquishment.

Notification of licensing works

117The bodies having competence to license the printing or publication of books, artistic compositions and works, and otherwise, or registration or depositing therewith shall notify the Chambers, in each case, of the name and address of the author and the title of the book, work or otherwise.

Schedule I

Exemptions

(See section 17)

Estates leases income exempted from tax

118Estates leases income exempted from tax :

The income of estates leases collected by the Federal Government, any local council, or any government corporation having corporate personality.

Personal income exempted from tax

119The personal income exempted from tax :-

191consisting of any retirement gratuity which the law requires to be paid to members of the civil service, or the disciplined forces;

192of diplomatic envoys and representatives, consuls, officials and members of certain international organizations and the followers, families and employees thereof within the limits provided for in the Immunities and Privileges Act, 1956, and any regulations or orders made thereunder;

193(i) of the person working with the government and the public sector and attains 50 years of age, or spends in the public service 25years; provided that the same shall not apply to the remuneration and emoluments of the

chairman and members of the boards of directors at the public sector ;
(ii) of the Sudanese working at the private sector, who attains fifty years of age; on condition that the exemption shall be within the limits of the maximum salary prescribed in the Government Scale of Salaries; provided that the same shall not apply to salaries, remuneration and any other emoluments paid or granted to managers and chairmen and members of boards of directors , who are establishes of, or subscribers to the company, partnership or establishment.

Schedule II

(See sections 20, 25 and 28)

Chapter I

Deduction in consideration of Capital
Expenditure on particular Premises or
Buildings to which this Chapter applies

120The provisions of this Chapter shall apply to any premises, or part thereof, on the construction of which capital expenditure has been spent on, or after the first day of the basis period, for the assessment year terminating on the thirty first of December 1986, or for which a depreciation amount has been specified, for the assessment year terminating on the thirty first of December 1985, and the owner is occupying the same, for the purposes of gaining the profits of his business subject to tax.

Percentage of deduction

(2) (a) Subject to this Schedule where a person owns any premises, to which the provisions of this Chapter apply, within any basis period, the deduction referred to in this Chapter shall be deducted as deduction for premises equal to :-

194two and a half percent., in any case wherein the value of the deduction for premises has not been increased under this Schedule;

10the percentage to which the value of deduction has been increased for premises in any case in which there has been increased in such value the capital expenditure spent on constructing such premises, upon calculating the business profits; provided that where the person owns, or occupies such premises, as the case may be, for one part only of the basis period referred to, the value of deduction shall be decreased proportionately for the premises;

(b) notwithstanding any provision in this Chapter, the value of deduction for premises shall in no way exceed, for any basis period, the value which regardless to conducting such deduction may remain out of the expenditure at the end of the said basis period.

Increasing deduction

(3) Notwithstanding the provisions of sub-section (1), where the Under-

Secretary of the Chambers is convinced that due to the type of any premises, or the purpose for which they are used, they probably will remain for a period less substantially than forty years, the Under-Secretary of the Chambers may, where he receives an application by the owner of such premises, increase the deduction for the premises up to such limit, as he may deem just and reasonable, and all the provisions of this Chapter shall accordingly apply.

Transfer of interest

121Where a person is entitled to deduction under the provisions of this Chapter and his interest in the assets represented into such expenditure, or any part of such assets has been transferred to another person, in this case :-

195the value of deduction, if any, shall be divided, in the year in which such transfer has been made, as to such manner, as the Under-Secretary of the Chambers may deem just and reasonable, between the person, from whom the interest has been transferred, and the person to whom the same has been transferred ;

196the person to whom the interest has been transferred, with the exception of the person from whom it has been transferred, shall be entitled, upon transfer of the whole interest, to the whole deduction , for any basis period subsequent, and upon transfer, of part of the interest he shall be entitled to only part of deduction, as the Under-Secretary of the Chambers may deem just and reasonable .

Verification of residual expenditure

122For the purposes of this Chapter residual expenditure are at any time, the capital expenditure spent on constructing the premises, minus any depreciation deduction approved for the assessment year terminating on the thirty first of December 1985, and any assessment year preceding the same, and any deduction for other premises under the provisions of this Chapter; provided that where the premises are unoccupied, or leased for the purposes referred to in sub-section (1), for any basis period, or part thereof, since construction of the premises, there shall also be deducted what may be deducted from the premises, in order to arrive at specifying the residual expenditure at any time, had this Chapter been applied with respect to the aforesaid basis period, or part thereof.

Interpretation

(6) (a) No reference, in this Chapter, to spending establishment expenditure for constructing the premises, shall include the capital expenditure spent on providing machinery;

(b) no reference, in this Chapter, to capital expenditure, shall include any establishment expenditure spent on acquiring any land to gain rights therein,

or thereon.

Chapter II

Deduction in consideration a capital

Expenditure for Employment

Deduction for depreciation of machinery

(7) (a) Subject to the provisions of this Chapter, where the machinery are owned by a person who uses them for the purposes of his business, within any basis period, there shall be made, upon calculating the business profits of such period, a deduction to be referred to in this Chapter as the deduction for depreciation of use;

(b) the value of deduction for depreciation of use, for any basis period shall be at such appropriate percentage, as the Minister may specify, out of the original value. In case of inability to specify the original value, the same shall be upon the net record value of such machinery, in accordance with the following classification, before making such deduction, and entered at the end of such period :-

(i) tractors and heavy accoutrements, which are mobile on earth and otherwise of heavy machinery which are automobile, and which are of similar types, as the Under-Secretary of the Chambers may, in his discretion and subject to probable use and depreciation in any particular service, prescribe;

11other automobile vehicles (including aircrafts);

12all the other machinery including vessels;

(c) notwithstanding the provisions of paragraph (b), calculation of the rates of depreciation and renewal, with respect to investment projects shall be made in accordance with the provisions of the Investment (Encouragement) Act , 1995;

(d) a deduction of 30% shall be made out of the cost of the new machinery and equipment purchased by the establishment for use in production, as from the date of use, once only and the same shall be referred to as the initial deduction , provided that the depreciations provided for in paragraph (c) shall be calculated by deducting the 30%referred to in this paragraph; on condition that the establishment shall have regular, accurate and audited accounts. 5

Verification of the reduced value

(8) (a) There shall be calculated separately the original value and the net record value of each division of the machinery referred to in sub-section

(7) (b) as assessed at any time and the net record value of any capital expenditure spent in purchasing the machinery form such class calculated after excluding any depreciation deduction approved under section 17(3) of Chapter III of the Trader Licence and Business Profits Tax 1930, together with the addition of the costs of any capital expenditure on any machinery of such class, which are purchased and deducting the value obtained from selling any

machinery of such class, which are sold in the basis period, for the assessment year terminating on the thirty first of December 1985, or any subsequent basis period, minus any deduction made under the provisions of this Chapter. Where the value obtained from selling the machinery from any class, in any basis period exceeds such as, had not been for deduction of such value, would be the reduced value of the machinery from such class at the end of such period, such increase shall not be deducted, but shall be deemed as a commercial revenue;

(b) subject to this Chapter, in case the machinery are used for the purposes of a business without being purchased, or the use thereof for such purposes has finally terminated, without being sold, they shall be deemed to be purchased, or sold, as the case may be, and the price, or value obtained shall be deemed to be equal to the price at which they will be sold, if they are sold in the common market.

Application in respect of hirer

123 Where the machinery are hired on condition that the hirer shall bear the burden of use depreciation directly, the provisions of this Chapter shall be applied, in respect of him, as if the machinery have, during the period of hire, been used for the purposes of a business he practises.

Deduction or addition of budget

(10) (a) In case where deduction, out of use depreciation is made, upon calculation of the business profits of any person under sub-section (7), and such person ceases to perform the business, for the purposes in which the machinery are to used, and he no longer owns such machinery, there shall be made, upon calculating the profits of his business, for the basis period in which such ceasure occurs, deduction, or addition (to be referred to in this Chapter by budget deduction or budget addition); provided that :-

13 for the purposes of this paragraph a partnership shall not be deemed to have ceased business, unless all the partners, who perform such business cease to perform the same;

14 where the machinery are sold by the liquidator of a company which is under liquidation, the budget deduction, or the budget addition shall be made, upon calculating the business profits of such company, for the basis period in which the liquidation has commenced, and the deduction and addition shall be calculated upon the money obtained by sale and received by the liquidator;

15 where the total income, in case of budget deduction, for the basis period, presented before entering such deduction into the account, is less than the value of such deduction, the difference may be retained and settled, upon

calculating the total income for the basis period immediately preceding, and so forth, at such amount, as may be necessary for assimilation of such deduction in the total of the preceding basis periods; provided that the number thereof shall not exceed five periods;

(b) subject to this Chapter, in case of the necessity of making budget deduction, or addition, under this paragraph, upon ceasure of business :-

197and the owner of such machinery does not receive the proceeds of sale, or where the net record value, at the time of ceasure of business exceeds such proceeds, budget deduction shall be the net record value at the time of ceasure of business, or the excess thereof, as the case may be;

16where the money obtained from sale exceeds the net record value at the time of ceasure of business, the deduction shall be the value of such excess. Where the net record value is zero, the budget addition shall be the value of such money obtained, as the case may be;

(iii) budget deduction and addition shall be made in case of sale of the machinery, or part thereof in the basis year, and during continuity, by the businessman, of practising his activity.

Private employment

(11) In case the machinery owned by a person during any basis period are used by such person for the purposes of business performed by he, himself and his employees for other purposes, upon specifying the amount of any deduction for use depreciation for any deduction, any budget addition, or value deemed as a commercial revenue, or the reduced value of such machinery for any year, there shall be

taken, into consideration, all the circumstances surrounding the subject and in particular the extent of use of such other purposes, and the Under-Secretary of the Chambers shall conduct such settlement, as he may deem just and reasonable.

(12) (a) With respect to this Chapter, unless the context otherwise requires, :-

“machinery” , include vessels and factories used to carry on any trade;

“money obtained from sale” , means, with respect to the sale of any property, the net proceeds of the sale;

“termination of any interest means any compensation due for in the property” , payment from such property;

“demolition or damage of means the net received value for any property” , the debris of the property, together with the money of any insurance, or debris which are received in consideration of demolition, or damage and any other compensation of any type which is received therefor, as to such extent, as may be included by the compensation, of amounts constituting the capital;

(b) this Chapter shall apply, with the necessary adaptation, to any post, as

to such extent, as may apply to business.

Chapter III

Miscellaneous Provisions

Deduction in consideration of establishment expenditure

(13) (a) Establishment expenditure means any primary expenditure incurred by the businessman before commencement of production and no immovable property result from the same;

(b) establishment expenditure shall be deducted; provided that the same shall depreciate within ten years, where audited accounts acceptable to the Under-Secretary of the Chambers have been presented .

Distribution of the consideration of sale of any assets

(14) (a) Any reference, in this Schedule, to the sale of any asset, includes sale thereof together with other assets. In case of sale of any asset with other assets, such part of the proceeds of sale of all the assets, as the Under-Secretary of the Chambers may

prescribe, as he may deem just and reasonable, that the same result from such asset, shall be deemed, for the purposes of this Schedule, as the net proceeds of sale of such asset. Reference to expenditure spent to provide, or purchase the assets shall accordingly be interpreted;

(b) for the purposes of this paragraph, all the assets sold in one transaction shall be deemed to have been sold together, notwithstanding that separate prices for separate assets have been, or purported to have been agreed upon, and there are separate sales of separate assets.

Interpretation of particular references to expenditure and otherwise

(15) (a) Unless the context otherwise requires, references, in this Schedule, to capital expenditure, in respect of the person who incurs, or pays them shall not include any expenditure, or amounts which may be deducted under provisions other than the provisions of this Schedule, with intent to verify his income;

(b) any reference, in this Schedule, to the date at which the expenditure is spent, shall be interpreted as reference to the date at which the date of payment of the amount concerned accrues, or the date of installation in case of machinery.

Subsidy

124Subsidy shall not be deemed as expenditure, for any of the purposes of this Schedule, which have been spent on the part of any person , as long as the same has been paid, or is to be paid directly or indirectly, on the part of any government, local council, or any person whether in the Sudan, or in any other place, other than the first mentioned person.

Repetition of deduction prevented

125Where deduction has been made under any Chapter, with respect to any assets, upon calculation of the business profits of any person, for any basis period, in this case no other deduction shall be made under this Chapter, or any other Chapter, or under any other provision of the provisions of this Act, with respect to such assets, upon verification of the income of such person, in the same basis period, or any preceding, or subsequent basis period, to the extent to which the deduction has been made with respect to the same.

Deduction altered

126The value of any deduction under this Schedule may be altered to such value as the Minister may prescribe , whether in general, or with respect to any type of business , or in a particular case.

Miscellaneous provisions

(19) In this Schedule :-

198any reference to machinery, factories or assets shall be interpreted as including a reference to part of such machinery, factories or assets;

199where there has been entered, in calculation, any income for any accountancy period terminating on a day other than the last day of any basis period, with intent to verify the income of any basis period, in this case any reference to a basis period shall be interpreted as reference to the said basis period;

provided that where the deduction, under this Schedule, relates to a basis period, and any income for any accountancy period has been entered into calculation as aforesaid, in this case where the basis period referred to exceeds, or is less than twelve months, the value of such deduction shall be increased, or the percentage thereof shall be reduced, as the case may be.

Schedule III

Rates of Tax

(See section 29)

Sector (A) : Rates of Business Profits Tax and Estates Leases Income :

Tax shall be due for payment on business profits and estates leases income at the following rates :-

127In respect of :-

1resident and non-resident persons :- 6.

Income In Sudanese Dinars	Rate
For the first 150,000 Sudanese Dinars	Nil
For the next 30,000 Sudanese Dinars	10%
For the next 70,000 Sudanese Dinars	20%
For the next 100,000 Sudanese Dinars	30%
For more than the same	35%

(b) Professionals :- 7.

Income In Sudanese Dinars	Rate
For 150,000 Sudanese Dinars	Nil
For more than the Same	10%

(2) Agricultural businessmen of both animal and plant sides, which include poultry and dairy farms (Individuals) Zero no on the total income.

(3) (a) Public companies by shares (with the exception of agricultural companies, banks and investment of funds companies and insurance companies) : 25% of the net income; 8.

200Private companies (with the exception of industrial and agricultural companies) : 40% of the net income;

128Banks, investment of funds companies and insurance companies : 40% of the net income.

(5) Agricultural companies (of both animal plant sides, including poultry and dairy farms): Nil

Sector (B) : Rates of Personal Income Tax

(See section 30)

The personal income tax shall be paid at the following rates

Resident and non-resident persons

Income in Sudanese's Dinars	Rate
For the first 216,000 Sudanese Dinars	Nil
For the next 12,000 Sudanese Dinars	5%
For the next 24,000 Sudanese Dinars	10%
For the next 24,000 Sudanese Pounds	15%
For more than the same	20%

The minimum exempted from tax shall not be allowed for non-resident individuals and notwithstanding the provisions of section 1(2) hereinabove the exemptions provided for in this schedule shall apply as from the first of July 2001. 9.

Schedule IV

Form No. (1) : Form of appeal against assessment

(See Section 55)

To the Under-Secretary of the Taxation Chambers
I hereby notify that I submit an appeal against the assessment No.....
Assessed for me, for the assessment year..... For the
following grounds :

(there shall accurately be mentioned the grounds of appeal)
Together with my knowledge that delivering false statements is punished with imprisonment or fine, I declare that the aforescribed words are true, to my knowledge and belief .

Name :
Signature :
Done on the day of,
Copy to :
The authority which has made the assessment :

Form NO. (2) : Form of oath taken by the Under-Secretary and officials
(See section 5(2))

I :
I do swear to perform, honestly and honourably, the duties required, from me to perform, in my capacity as an official of the Taxation Chambers, under the Income Tax Act, 1986 and deem all the documents and information relating to the income of any person, and all the confidential instructions, with respect to implementing the Act, as may enter into my possession , or come to my knowledge, in the course of performing my official duties, as confidential and deal with the same on such basis, and not to disclose any of such documents, or information, to any person, and not to enable any person to reach such documents, or information, save in such circumstance, as I may be allowed to

disclose, under this Act.

Signature :

Done, and signed before me on the day of,



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