



## Tax Alert

### Verification of registered EFD / VFD machines by all taxpayers

On 1 March 2023, the Tanzania Revenue Authority (the “TRA”) issued a Public Notice requiring all Taxpayers to verify their Electronic Fiscal Devices (EFDs) / Virtual Fiscal Devices (VFDs) registered under their Taxpayers Identification Number(s) (TIN).

The notice was issued after the TRA noted incidences of some taxpayers disowning EFDs / VFD machines which are registered under their Tax Identification Numbers.

This alert highlights the key issues provided in this Notice and potential implications for taxpayers in case of breach of the laws governing the use of the EFDs/VFDs machines as provided under Section 86 (1) of the Tax Administration Act, CAP. 438 R.E 2019 (“TAA, 2019”).

## Background

As a result of reoccurring acts of taxpayers disowning EFDs / VFDs registered under their TINs, the TRA is prompting taxpayers to confirm the validity, that is, legitimacy and accuracy of all EFDs / VFDs under their names.

## How does this affect you?

Any misuse of EFDs / VFDs amounts to an offence and is punishable under the TAA 2019. Misuse may arise even in the case where a machine is actively put to use in the business operations of a person other than that under whom it was registered.

Offences relating to the misuse of EFDs / VFDs as provided under Section 86 (1) of the TAA 2019 include;

- Use of EFDs in any manner that misleads the system or the Commissioner;
- Failure to acquire and use an EFD upon commencement of business operations or expiry of the period specified by the Commissioner;
- Failure to issue fiscal receipt or fiscal invoice at the time of supplying goods, rendering services or receiving payments for goods or services;
- Issuance of a false or incorrect fiscal receipt or fiscal invoice in any material particulars; and
- Tempering with an EFD to make it produce an inaccurate document.

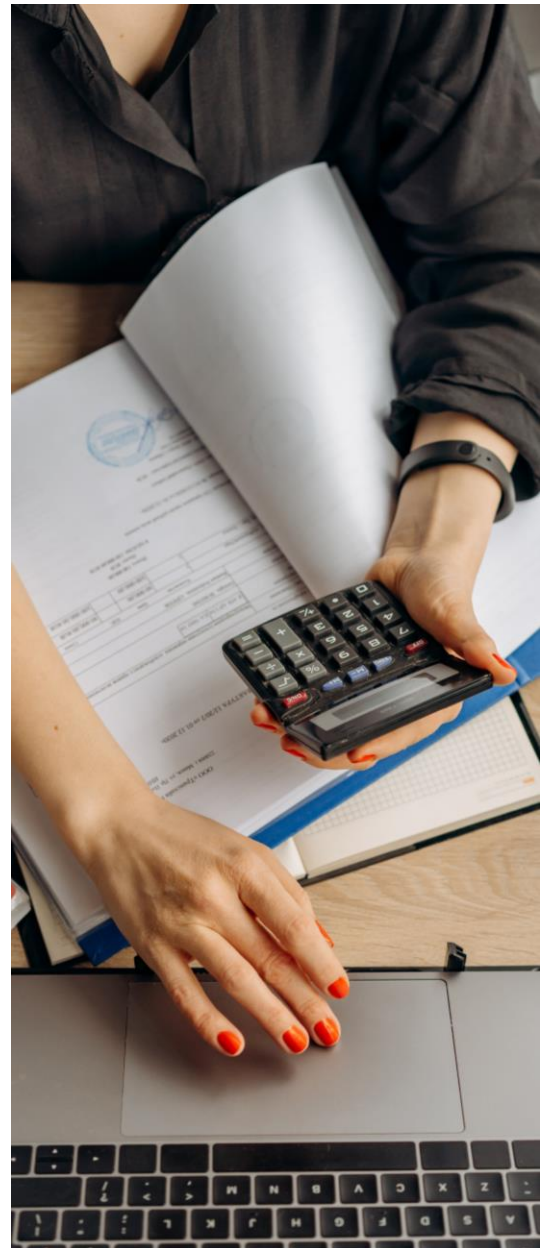
## What are the consequences (to the Taxpayer) for the misuse of EFDs / VFDs?

Potential consequences in case of the violation of laws guiding the proper use of EFDs/ VFDs as provided under Section 86 (1) (e) of the TAA 2019 include:

- A fine ranging between 200 or 300 currency points, where 1 currency point is equal to 15,000/= TZS; or
- Imprisonment for a term not exceeding three years; or
- Both

## What are ways to mitigate the consequences for the misuse of EFDs/ VFDs?

To mitigate the legal consequences of these actions, it is important that all taxpayers verify the correctness and legality of devices registered under their TINs and notify the TRA of any unrecognized devices or other abnormalities which may be observed.



## Verification Process

*All EFD machines can be retrieved for verification online using the TRA web portal ([www.tra.go.tz](http://www.tra.go.tz)).*

- *Click Taxpayer Portal (TRA Online Services)*
- *Log in using your TIN*
- *Under services, click EFD/VFD Error Management Services, click My Devices*

## Contacts for this alert

### **Festo Barthalome**

#### **Partner**

+255 222 169 168

[fbarthalome@deloitte.co.tz](mailto:fbarthalome@deloitte.co.tz)

### **Yonazi Mngumi**

#### **Associate Director**

+255 222 169 162

[ymngumi@deloitte.co.tz](mailto:ymngumi@deloitte.co.tz)

### **Samwel Ndandala**

#### **Associate Director**

+255 222 169 355

[sndandala@deloitte.co.tz](mailto:sndandala@deloitte.co.tz)

### **Charles Kitali**

#### **Manager**

+255 222 169 054

[ckitali@deloitte.co.tz](mailto:ckitali@deloitte.co.tz)

### **Christopher Mwanilwa**

#### **Senior Consultant**

+255 222 169 054

[cmwanilwa@deloitte.co.tz](mailto:cmwanilwa@deloitte.co.tz)

### **Vanessa Matolla**

#### **Consultant**

+255 222 169 000

[vmatolla@deloitte.co.tz](mailto:vmatolla@deloitte.co.tz)

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