

SUBSIDIARY LEGISLATION 406.20**REMISSION OF INTEREST AND
ADMINISTRATIVE PENALTIES RULES**

28th March, 2014

LEGAL NOTICE 107 of 2014, as amended by Legal Notices 75 of 2015 and 209 of 2017.

1. The title of these rules is the Remission of Interest and Administrative Penalties Rules.

Citation.
Amended by:
L.N. 75 of 2015.

2. (1) The Commissioner may, at his discretion, remit wholly or in part, any interest incurred and any administrative penalty incurred under any of the provisions of the Value Added Tax Act, the Customs and Excise Tax Act and the Value Added Tax Act, 1994:

Remission.
Substituted by:
L.N. 75 of 2015;
L.N. 209 of 2017.

Provided that the Commissioner may only remit such interest or administrative penalty if he is satisfied that the tax due was not paid within the prescribed period due to a reasonable excuse, so however that reliance placed on any other person to perform any task shall not constitute a reasonable excuse.

(2) In these rules "Acts" means the Value Added Tax Act, the Customs and Excise Tax Act and the Value Added Tax Act, 1994 and any other terms and expressions used in these rules shall have the meaning assigned to them in the Acts.

Cap. 406
Cap. 395.

3. (1) The Commissioner may impose any condition that he may consider appropriate for any remission under rule 2, including the requirement that the person concerned shall not make a default or omission within such period as the Commissioner may establish or that the said person shall make a payment of tax in such amount and within such time as the Commissioner may determine.

Conditions.
Amended by:
L.N. 75 of 2015.

(2) Should any condition imposed by the Commissioner in accordance with the provisions of sub-rule (1) be infringed by the person concerned, any remission of interest or administrative penalty granted by the Commissioner shall be forfeited.

(3) The Commissioner shall communicate in writing to the person concerned any condition imposed under sub-rule (1), the consequences of an infringement of any such condition in accordance with sub-rule (2) and, when such is the case, the fact that forfeiture has been incurred.

(4) The use of the Commissioner's discretion under this rule shall not be questioned in any appeal.

4. Interest chargeable under the provisions of the Acts on the amount of tax payable under a payment plan not exceeding two years shall cease to be incurred from the date a person enters into such payment plan:

Stay of interest.
Amended by:
L.N. 209 of 2017.

Provided that if the remission is not effected due to non-

compliance with the provisions of rule 3, then the interest will be charged as if it had never ceased.

Set-off.

5. Where a person has benefited from a remission of interest under these rules, the Commissioner may deduct the equivalent amount of such remitted interest from any interest on any refund of tax which may become due to that person within six years from the date the remission of interest under these rules had taken place.

Disclaimer.
Amended by:
L.N. 75 of 2015.

6. Nothing in these rules shall entitle any person to claim any refund of any amount whatsoever in respect of interest or administrative penalty already paid to the Commissioner under the provisions of the Act.
