

**REVENUE ADMINISTRATION (AMENDMENT) BILL, 2024**

*(Bill No. 23 of 2024)*

**EXPLANATORY STATEMENT OF OBJECTS AND REASONS  
FOR THE BILL**

The purpose of this Bill is to amend the Revenue Administration Act, Cap. 308 with the aim of addressing identified shortfalls and enhancing the effectiveness of several key areas of the Act.

These amendments focus on including new provisions for debt recovery, tax clearance certificates, currency translation, illegal phoenix activity, and granting the Minister the authority to prescribe administrative penalties for any offences committed under this Act.

It also includes changes to the provisions governing the Tax and Customs Agents Board and seeks to introduce the offence of tax evasion, to recognise it as a fraudulent practice and a serious tax crime.

**Dated this 27<sup>th</sup> day of November, 2024.**

**NAADIR HASSAN  
MINISTER OF FINANCE,  
NATIONAL PLANNING AND TRADE**

---

**REVENUE ADMINISTRATION (AMENDMENT) BILL, 2024**

*(Bill No. 23 of 2024)*

**ARRANGEMENT OF SECTIONS**

**SECTIONS**

1. Short title and commencement
2. Amendment of section 2
3. Amendment of section 11
4. Amendment of section 15
5. Amendment of section 19
6. Amendment of section 34
7. Amendment of section 40
8. Amendment of section 50
9. Amendment of section 83
10. Amendment of section 84
11. Insertion of new section 87A
12. Insertion of new Part XIVA
13. Amendment of section 98A
14. Insertion of new Part XVA
15. Amendment of section 99

# REVENUE ADMINISTRATION (AMENDMENT) BILL, 2024

*(Bill No. 23 of 2024)*



**A BILL**

**FOR**

**AN ACT TO AMEND THE REVENUE ADMINISTRATION ACT CAP. 308.**

**ENACTED** by the President and the National Assembly.

## **Short title and commencement**

**1.** This Act may be cited as the Revenue Administration Act and shall come into operation on the 1<sup>st</sup> January, 2025.

## Amendment of section 2

2. Section 2 of the Revenue Administration Act (*Cap 308*) which is in this Act referred to as the “principal Act” is amended as follows —

- (a) by inserting the following definitions in the appropriate alphabetical order —

““illegal phoenix activity” means —

- (a) any action taken by individuals or entities to intentionally wind up, liquidate or abandon a company to avoid paying debts, taxes or liabilities; and
- (b) a new company is subsequently established using the same assets, employees or management;

“Principal” means a person who authorises a Tax Agent or a Customs Agent to act on that person's behalf;

“tax clearance certificate” means the certificate issued under section 97A;

“tax evasion” means the unlawful act of deliberately misrepresenting or concealing information to reduce or eliminate tax liability;”

- (b) by repealing paragraph (c) in the definition of the word “reviewable decision” and substituting it with the following new paragraph —

“(c) a decision relating to the registration or cancellation of the registration of a Tax or Customs Agent, or the imposing of a sanction under sections 87 or 87A; or”

## Amendment of section 11

3. Section 11 of the principal Act is amended by inserting after subsection 8, the following new subsection —

“(9) A taxpayer shall pay any tax on any amended assessment within thirty days from the date of issue of the notice of assessment served under subsection (4).”

### **Amendment of section 15**

4. Section 15 of the principal Act is amended as follows —

- (a) by repealing subsection (1) and substituting it with the following new subsection —

“(1) Subject to subsection (2), a taxpayer dissatisfied with a revenue decision may, within ninety days after the date of issue of the notice of the decision, serve an objection in writing on the Commissioner General against the decision, stating fully and in detail the grounds for the objection and accompanied by any relevant documents to support those grounds.”

- (b) by repealing subsection (5) and substituting it with the following new subsection —

“(5) The Commissioner General shall issue an objection decision to the taxpayer within one hundred and twenty days after receiving the notice of objection.”

### **Amendment of section 19**

5. Section 19 of the principal Act is amended as follows —

- (a) in subsection (3), by deleting the word “may” and substituting it with the word “shall”;
- (b) by inserting after subsection (3), the following new subsection —

“(4) A taxpayer shall settle any portion of debt due that is not in dispute, and if the full amount is in dispute or cannot easily be quantified, 25% of the debt shall be settled.”

### **Amendment of section 34**

6. Section 34 of the principal Act is amended in subsection (1)(c) as follows —

- (a) by inserting after the word “documents”, the words “including but not limited to source documents for receipts, invoices, contracts and bank statements”;
- (b) by inserting after the words “revenue affairs”, the words “within fourteen days of receipt of the notice”;
- (c) by inserting after subsection (2), the following new subsections —

“(2A) A person who is served a notice pursuant to subsection (1)(c) shall, within fourteen days of receipt of such notice, provide the accounts, documents or records to the Commissioner General.

(2B) A person who is served a notice pursuant to subsection (1)(c) may apply in writing to the Commissioner General for an extension of the time referred to in subsection (2A), and the Commissioner General may, if satisfied that there is reasonable cause, grant the extension, and shall serve a notice of the decision to the person as soon as practicable.”

### **Amendment of section 40**

7. Section 40 of the principal Act is amended as follows —

- (a) in subsection (1), in the definition of the word “arrangement”, by inserting after the word “plan,” the words “course of conduct”;
- (b) in subsection (2), by inserting after the words “under a revenue law,” the words “or the arrangement is part of an illegal phoenix activity,”

## **Amendment of section 50**

**8.** The principal Act is amended by repealing section 50 and substituting it with the following new section —

### **“Tax Evasion**

**50.** Any person who willfully and with intent to evade assessment or revenue liabilities, or who assists any other person in evading assessment or revenue liabilities, or the payment thereof by —

- (a) intentionally omitting from a return made under a revenue law any income which should be included;
- (b) making, causing or allowing any false or incorrect statement in any return lodged under a revenue law;
- (c) signing any document or any return lodged under a revenue law having reason to believe the contents of such document or return or any part thereof to be incorrect;
- (d) providing a false answer, whether verbally or in writing, to a question asked or request for information made in pursuance of the Act or any other under a revenue law;
- (e) preparing, maintaining or authorising the preparation or maintenance of false books of account or other false records, or falsifying or authorising the falsification of books of account or other records;
- (f) using any software or any other digital means to suppress sales;

- (g) using another person's credentials to conduct tax related fraudulent activities;
- (h) claiming refunds, deductions or exemptions when not entitled to do so;
- (i) committing, utilising or authorising the use of any form of fraud;
- (j) keeping money in foreign bank accounts with an intent to evade tax obligations;
- (k) using shell companies, associates or other structures with the intention of concealing assets; or
- (l) causing any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or impossible under this Act or any other revenue law or the payment thereof,

commits an offence and is liable on conviction to pay the amount of tax which has been undercharged in consequence of the offence, or which would have been undercharged if the offence had not been detected, and shall be liable to imprisonment for a term of not less than 1 year or to a fine of level 6 on the standard scale or to both such fine and imprisonment.”

### **Amendment of section 83**

**9.** Section 83 of the principal Act is amended as follows —

- (a) in subsection (1), by deleting the words “and be accompanied by the prescribed fee”;
- (b) by inserting after subsection (9) the following new subsection —



“(10) Payment of the prescribed fee for registration as a Tax Agent shall be made only after the applicant has received approval of the application from the Tax and Customs Agents Board.”

### **Amendment of section 84**

**10.** Section 84 of the principal Act is amended as follows —

- (a) in subsection (1), by deleting the words “ and be accompanied by the prescribed fee”;
- (b) by inserting after subsection (8), the following new subsection —

“(9) Payment of the prescribed fee for registration as a Customs Agent shall be made only after the applicant has received approval of the application from the Tax and Customs Agents Board.”

### **Insertion of new section 87A**

**11.** The principal Act is amended by inserting after section 87, the following new section —

#### **“Investigation of misconduct**

**87A.(1)** The Tax and Customs Agents Board shall have the power to investigate allegations of misconduct by a registered Tax Agent or Customs Agent, and if the misconduct is proved, shall apply sanctions in accordance with the Code of Conduct and Sanctions guidelines in section 86.

(2) The Commissioner General or Principal shall refer allegations of a misconduct against registered Tax Agent or Customs Agent to the Board.

(3) The Tax and Customs Agents Board, in investigating any allegation of misconduct, shall conduct inquiries and, in

conducting such inquiries, shall have the same powers as those conferred upon it in section 82(4).

(4) Where any allegation is made against a member of an association registered under the Associations Act, 2022, the Tax and Customs Agent Board may notify the association of the allegations.”

### **Insertion of new Part**

**12.** The principal Act is amended by inserting after Part XIV, the following new Part —

#### **“Part XIVA - TAX CLEARANCE CERTIFICATE**

##### **Tax clearance certificate**

**97A.(1)** A person may request the issuance of a tax clearance certificate by making an application to the Commissioner General.

(2) The Commissioner General shall issue a tax clearance certificate upon being satisfied that the applicant has complied with all the obligations imposed under this Act or any other revenue law in relation to —

- (a) the payment or remittance of the taxes, interest and penalties required to be paid or remitted; or
- (b) lodgement of returns and declarations as required.

(3) The Commissioner General may refuse to issue a tax clearance certificate —

- (a) where the applicant —
  - (i) has failed to comply with the requirements set out in subsection (2);
  - (ii) is involved in an ongoing tax dispute or investigation; or

(iii) has committed serious or repeated tax evasion or fraud;

(b) where the Commissioner General deems it necessary based on any reasonable circumstances.

(4) The Commissioner General shall, within thirty days from the date on which an applicant lodges an application for a tax clearance certificate, issue a notice in writing to the applicant if the application is refused.

(5) A tax clearance certificate issued under subsection (2) shall be valid for the period specified in the certificate.

(6) The Commissioner General may revoke a tax clearance certificate issued under subsection (2) if, upon review, it is determined that the obligations specified in subsection (2) have not been complied with.

(7) Any person dissatisfied with the revenue decision made by the Commissioner General under this section may lodge an objection pursuant to section 15.”

### **Amendment of section 98A**

13. Section 98A of the principal Act is amended by renumbering section 98A as 98B.

### **Insertion of new Part**

14. The principal Act is amended by inserting after Part XV, the following new Part —

## **“Part XIA-MISCELLANEOUS PROVISIONS**

### **Currency Translation**

98A.(1) Any amount payable under this Act shall be paid in Seychelles rupees.

(2) If an amount is in a currency other than the Seychelles rupee, the amount shall be translated into Seychelles rupees —

- (a) at the Central Bank of Seychelles published mid-exchange rate applying between the foreign currency and Seychelles rupee on the date the amount is taken into account; or
- (b) in the case of an import of goods, using the exchange rate applicable under the customs legislation for the purposes of computing the customs duty paid on the import.”

### **Amendment of section 99**

**15.** Section 99 of the principal Act is amended in subsection (2) by inserting the following new paragraph —

- “(c) prescribe administrative penalties for the contravention of the regulations;”