WHEREAS, it has become necessary to introduce a tax system that helps to reduce the domestic consumption of chat which is growing at a higher rate;

WHEREAS, it is necessary to ensure equity in the collection of the tax payable on chat;

NOW, THEREFORE, in accordance with Article 55(1) and (11) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

1. Short Title

This Proclamation may be cited as the “Chat Excise Tax Proclamation No.767/2012”.

2. Definitions

In this Proclamation unless the context otherwise requires:

1) “tax” means the excise tax payable on chat transaction in Ethiopia in accordance with this Proclamation;

2) “taxpayer” means a person liable to pay chat excise tax;


3. Duty to Pay Tax

Any person who possessing, carrying or otherwise handling chat for sale or destined for sale shall be liable to pay the tax levied under this Proclamation.

4. Rate of the Tax

Chat locally produced and to be supplied for sale or destined for sale shall be charged at a tax rate of Birr 5 (Five Birr) per kilogram.

5. Place of Collection of the Tax

The place of collection of the tax levied in accordance with this Proclamation shall be determined by the Tax Authority in consultation with the concerned regions.

6. Power to Collect Tax

1/ The tax levied under this Proclamation shall be collected by the Tax Authority.

2/ The tax collected in accordance with this Proclamation shall be distributed by the Tax Authority, on a monthly basis, to the regions to which such revenue is assigned by the Constitution of the Federal Democratic Republic of Ethiopia.

7. Chat Supplied to a Foreign Market

1/ The exporters of chat:

a) shall be issued a voucher book by the Tax Authority to enable them to pay the tax levied on chat under this Proclamation;
A) Hall give to the officer of the Tax Authority assigned at the place of collection of the tax, a voucher on which an amount proportional to the tax to be paid is entered when such exporters transport within Ethiopia the chat to be supplied to a foreign market;

b) shall export the chat and appear before the Tax Authority to settle the voucher on a monthly basis.

2/ The exporters of chat shall be liable to pay the tax and 25% of the tax as penalty if they fail to export the chat.

3/ The specific application of the provisions of this Article shall be prescribed by directive to be issued by the Tax Authority.

8. Duty to Pay Other Taxes

A tax payer liable to pay the tax levied under this Proclamation shall, in addition to excise tax, pay other direct and indirect taxes as determined by other applicable laws.

9. Applicability of the Excise Tax Proclamation

The Excise Tax Proclamation No. 307/2002 (as amended) shall apply in respect of matters not provided for in this Proclamation.

10. Repealed and Inapplicable Laws

1/ The Chat Tax Proclamation No.309/1987 is hereby repealed.

2/ No law or customary practice shall, in so far as it is inconsistent with this Proclamation, be applicable in respect to matters provided for in this Proclamation.

11. Transitory Provision

Tax payable under the Chat Tax Proclamation but unpaid until the effective date of this Proclamation shall be collected pursuant to the said Proclamation.
12. Power to Issue Regulation and Directive

1/ The Council of Ministers may issue regulations necessary for the implementation of this Proclamation.

2/ The Ministry may issue directives necessary for the implementation of this Proclamation and regulations issued under sub-article (1) of this Article.

13. Effective Date

This Proclamation shall enter into force on the date of publication in the Federal Negarit Gazeta.

Done at Addis Ababa, this 27th day of August, 2012.

GIRMA WOLDEGIORGIS

PRESIDENT OF THE FEDERAL
DEMOCRATIC REPUBLIC OF ETHIOPIA