



#### > AFRICA DIVIDE

### More than 500 officials discuss Africa divide

**Lagos.** At the Africa Finance Corporation's inaugural Summit held on Tuesday in Lagos, Jim O'Neill, creator of the BRICs and MINT acronyms, an economist and former chairman of Goldman Sachs Asset Management, said: "Africa's future depends on the continent's policy makers doing the right thing. That is working to create better governance, reducing crime, fighting corruption and delivering improved infrastructure. ..." (APO)

#### > INVESTMENT

### Innovation hub to be built in Nairobi

**Nairobi.** Royal Philips on Friday last week announced the establishment of its Africa Innovation Hub in Nairobi, which underlines the company's commitment to invest in Africa. The hub will work both on the creation of new inventions, as well as bring these inventions to the market. (APO)

#### > CYBERCRIME

### Cybercrime now of online economy

**Washington.** The dark world of cybercrime has evolved from one of rogue individuals to a functioning market-based economy with its ups and downs, code of conduct and "innovation." The evolution of cybercrime creates new challenges for security professionals trying to protect computer networks. (AFP)

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# business

ONLINE NEWS: The proliferation of social media has created jobs, thus posing a challenge to mainstream outlets.

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#### INTERVIEW

Although Tanzania houses tax consultants and companies of the highest calibre and quality, they are underutilised

# Govt advised on withholding tax

Early this month, Acquisition International magazine of the US announced winners of the 2014 International Tax Awards that recognise outstanding achievements of individuals and companies within the tax industry. The winner of the Best Contribution to the Field of Tax – Tanzania category has been Hanif Habib & Co Certified Public Accountants of Dar es Salaam. In this interview, its managing partner Hanif Habib explains the success story and looks at some aspects of the taxation regime, the economy and the trend of financial and corporate theft in Tanzania. Read on...

**QUESTION:** First and foremost, briefly tell us what the recognition means to you personally and your organisation.

**ANSWER:** The award of "Best Contribution to the Field of Tax – Tanzania" celebrates excellence within the industry and recognises tax firms, tax teams and the rising stars of tomorrow for their contribution to client service and for their experience and skills across key practice areas and sectors.

This award means that my firm and tax team is at the forefront of tax knowledge and expertise. It acknowledges our continuous commitment to offer high quality services to our clientele.

**And does it mean anything to Tanzania?**

Yes, very much. This award means that Tanzanian audit and tax firms are being eyed by international magazines and media houses. This is something to be very happy about. It also means that our country houses tax consultants and firms of the highest calibre and quality.

**What did you do differently that**

**enabled you to win the "Best Contribution to the Field of Tax – Tanzania" prize?**

Our firm performed a research on the implication of the Tanzanian VAT Act and Regulations on the country's leasing industry.

As some may be aware, the leasing industry in Tanzania is an up-and-coming and evolving sector of the economy with dynamic products and services like operating leases, finance leases, sale and operating lease backs, and sale and finance lease backs.

Our tax laws and regulations have not accommodated taxation of these evolving and dynamic business activities in the country. The Act needs to be interpreted and the spirit of the law applied.

Hanif Habib & Co Certified Public Accountants, after undertaking the research, compiled a report and shared the same with the Tanzania Revenue Authority's (TRA) directorate for Taxpayer Service and Education. This report was highly welcomed and appreciated by Tanzania Revenue Authority.

We were also given a special



Mr Hanif Habib. PHOTO | COURTESY

**"Our country still requires its social, economic and political development policies to be polished and fine tuned to cater for its ever-growing and dynamic requirements."** HANIF HABIB

**Can you now comment on the business climate in the country?**

The business climate in Tanzania is extremely dynamic and varying.

Lots of opportunities are available for businesses in this country. More foreign investors are injecting funds into the country. With the development of oil and gas, the national economy is expected to compete in the global economy on a totally different scale and level. However, I personally see that the economic gap between the rich and poor in this country is increasing.

The rich are becoming richer and poor becoming poorer. Economic wealth is unequally spread. Hence, our country still requires its social, economic and political development policies to be polished and fine tuned to cater for its ever-growing and dynamic requirements.

**Are you satisfied with the current performance of the economy and who should do what to make it do better?**

No. I am not satisfied with the current performance of the economy. A lot needs to be done to correct the present situation. I would not like to comment on this question much. I am not a politician.

**The budget cycle for 2014/15 is already underway. What should be the focus and priorities of the government in the forthcoming financial year?**

My main concern (and that of my clientele) is to closely review the current taxation policies. The tax policies for 2013/2014

audience by TRA to share our report with key stakeholders and our fellow tax consultants. This road show still continues as we join our hands with TRA to disseminate our report and its invaluable contents.

Winners of the 2014 International Tax Awards were determined by three factors, the first of which is the number of votes received.

The voting forms were distributed to the 53,000+ subscribers

of Acquisition International along with 18,000 tax professionals.

The second factor is Acquisition International's substantial in-house research. This is a vital stage because it accepts both self and third-party nominations. Thirdly, Acquisition International sought the nominees to supply supporting documents which they feel may cement their nominations.

## BACKGROUND: INTERNATIONAL TAX AWARDS - 40 WINNERS 2014

These global awards recognise outstanding achievements of individuals and firms in the tax industry and are nominated by their clients, their professional relationships and their peers. Acquisition International's Tax Awards identify and honour success, innovation and ethics across international communities. Acquisition International prides itself in the validity of its awards and its winner. The awards are given solely on merit and are awarded to commend those most deserving for their ingenuity and hard

work over the last 12 months distinguishing them from their competitors and proving them worthy of recognition. Sponsor of the awards, Brewer Morris' partner, Mr Mark Pryor said:

"I'm glad to say, 2013 proved to be a much improved year for tax and treasury recruitment, with the start to 2014 continuing this trend. This year's awards recognise over 450 winners in more than 60 countries. More on the awards visit: [www.acquisition-intl.com](http://www.acquisition-intl.com)

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