

## Law No.(7) for 2010 Income Taxes.

### Part One

#### General legislations

##### Article (1)

The tax is subject to all income originating in Libya on all existing assets whether tangible or intangible or any activity or work in Libya.

Income from abroad is subject to tax in the cases stipulated in law.

##### Article (2)

Tax is assessed according declaration of income, the tax will be paid according the declaration after the expiry of the deadline for submission in the date referred to in article (19) of this law until final tax assessment.

##### Article (3)

Tax is finally assessed according the declaration referred to in the previous article if the authority accepted it and the assessment in this case is not subject to appeal.

##### Article (4)

Without conflict with the fines imposed in this law, if financer (tax payer) did not submit the declaration refereed to in article (2) of this law or submitted it but not accepted by the authority, the authority may estimate the income as it sees necessary and will assess tax according this estimation according controls of the executive rules.

##### Article (5)

The authority in all cases will announce the financer with the final assessment and date of settlement. The financer will have the right of recourse from this assessment in front of the primary committee during 45 days from date of announcement.

##### Article (6)

The primary committees which are formed by the secretary who limits its locations, its jurisdictions and awards of its members will adjudicate the grievances. Each committee is headed by a judge from the court of the first instance which is located at the jurisdiction of the location of the committee selected by its general assembly and two members from employees of the finance sector and their scale should

not be less than the 9th degree and they should not be employees of the taxation department. The formation may include a number of alternate members.

The committee should adjudicate the grievances within a period not exceeding two months from date of grievance submission.

**Article (7)**

The primary committee will adjudicate all disputes between the authority and financier.

**Article (8)**

The grievance will be submitted to the secretary of the primary committee against receipt. Evidence for payment of fees for half percent of the disputed tax which should not be less than ten dinars should be attached.

The secretary will dispatch copy of the grievance to the authority to state its view during 30 days from date of announcement. The head of the committee will fix a date for considering the grievance and will notify the financier and authority before at least one week of due date.

The paid fees will be refunded to the financier and the committee will determine the part of the fees which will be refunded in case of partial gain.

The committee will request from the department and financier to submit the necessary data and papers; department's officials and financier should attend in front of the committee and financier may assign a person to attend.

**Article (9)**

The meeting of the committee will not be true without attendance of all its members and its meetings will be confidential. Its decisions will be issued according the majority of views with reasons and to be signed by the committee's head and members within 30 days from date of its issue. The committee's secretary will announce its decisions to the authority and financier.

**Article (10)**

The tax will be due when the financier is announced with the primary committee's decision even if he appealed.

**Article (11)**

Each of the authority and financier have a right to appeal in the primary committee's decision in front of the committee of appeal referred to in article (2) during 15 days from date of announcement of the decision.

#### **Article (12)**

One committee of appeal or more formed by the secretary who limits its locations, its jurisdiction and awards of its members will adjudicate the grievances in decisions of the primary committees. It is formed by head of the court of first instance which is located at the jurisdiction of the location of the committee and membership of one of the members of the concerned control authority whose scale should not be less than the 10th degree who will be nominated by GPC secretary of the concerned control authority and an official experienced in commercial and accountancy issues. The formation decision may include a number of the alternate members. The committee should adjudicate the grievances within a period not exceeding three months from date of grievance submission.

#### **Article (13)**

The grievance will be submitted to the secretary of the committee of appeal against receipt. The committee's secretary will announce the other party with copy for expressing his view in the grievance during 15 days from date of announcement.

If the appellant is the financier, he should attach evidence for payment of fees of one percent of tax decided by the primary committee and should not be less than 20 dinars.

The legislations and procedures concerning appeal in front of the primary committee will apply in respect of the appeal in front of committee of appeal and fees to be refunded.

The decision of the appeal committee is final.

#### **Article (14)**

The authority's secretary will depute an official to be responsible towards the secretariat work of each committee.

#### **Article (15)**

Without prejudice to the decided fines, any grievance or appeal submitted by tax financiers of companies and tashrukiat will not be accepted without proof in the books and accounts according law.

#### **Article (16)**

The proof burden in front of preliminary or exceptional committees will be the responsibility of the appellant.

### **Article (17)**

The authority may reach solution with the financier according his request at any time before issuing decision of the primary committee for appeal.

Department's secretary will form magistrate committees. Each committee consists of 3 officials in it and they should not include any of the officials who estimated the primary tax.

If a solution is reached, the appellant will withdraw his grievance and the concerned committee will be notified.

### **Article (18)**

If the department ascertained that the financier did not submit comprehensive correct declaration or hid an activity or documents or others or submitted incorrect data or used improper means, the department will make an additional assessment without prejudice to the fines stipulated in this law. The department itself may amend the assessment or according financier's request if there is any error in assessment or calculation of tax. The department should notify the financier of any amendment and the reasons for amendment.

The additional assessment will be subject to appeal as the actual assessment.

### **Article (19)**

With the exception of cases in which otherwise is stipulated, the tax will be collected at once if it does not exceed LD 100. If it exceeded this amount, it will be collected in four installments and installments will be due from the 10th to the 25th of March, June, September and December. The tax or the first installment will be paid on the first date of the mentioned due dates.

### **Article (20)**

Without prejudice to other fines, a fine of 1% on due tax will be imposed on the delayed due tax for one month or part of a month which is not less than 15 days. The fine will not exceed 12% from value.

The fine will be collected on the same day of collection of tax

### **Article (21)**

Tax debit should be paid to the department without need to claim it

### **Article (22)**

The taxable year is 12 months which start from the beginning of January each year. If financier's financial year is different from the taxable year and his accounts are regular, the department's secretary may decide to take the financier's year for assessment of tax.

**Article (23)**

If the financier can't manage his activity or he is non-resident in Libya, his manager or person who controls these amounts will be considered as his deputy in applying legislations of this law.

**Article (24)**

If financier dies, the tax will be due. Inheritances or liquidator of the legacy should submit declaration on financier's activity until date of death and pay the tax in accordance with the declaration during 6 months from date of death and before distribution of the legacy.

**Article (25)**

State will have no right to claim due tax according legislations of this law when 5 years elapsed.

**Article (26)**

Financier has no right to claim to refund overpaid amount when 5 years elapsed starting from date of payment. However, if a right to demand refund appears after the measures taken by the department, limitation begins from date of notifying financier of the right for refund.

The period will be interrupted by the financier's application to the department by registered letter for refund of overpaid amount.

**Article (27)**

No interest will be paid by the department on overpaid tax to be refunded

**Article (28)**

The financier may not sell taxable activity or part thereof or any other act conducted by the consequent descent of all or some money if not consistent in an official document. In all cases, if the department has strong circumstantial evidence, it will not invoke any conduct or action when it deems that it was intended to evade tax in accordance with the stated executive rules of this law.

**Article (29)**

The tax is assessed annually after the end of the taxable year if the law does not stipulate other than this.

In cases when there is fear of evading tax for any reason, the department will assess the taxable income in the taxable year for assessing and collecting tax without prejudice to the fines stipulated in this law.

### **Article (30)**

If public treasury rights are vulnerable to loss, the department's secretary, with the exception of legislations of law for civil and commercial proceedings, issues order for seizure of funds from which tax is under authority of any party. The seizure of funds qualifying clause is considered. It will not be disposed without release of seizure by court legislation or decision from department's secretary or after elapse of 6 months from date of signing the seizure without notifying the financer with amount of tax according department's assessment.

### **Article (31)**

The tax and other amounts due to the state according the legislations of this law will have a concession on all debtors' funds or those who were committed to deposit it in treasury's safe according this law. That concession comes after the family allotment and judicial expenses.

### **Article (32)**

In applying legislations of this law, the person is considered correctly notified by any paper if signed for receipt by himself or by a person on his behalf or sent by registered letter or delivered to his agent or any official. If the notifying person did not find any official in the place of individual's activity or the person available refused to receive the paper or it was apparent that he is irresponsible, it is necessary to prove that by witnessing another person and delivering copy of the paper to police center and a registered letter to be sent to the notify party stating that. If the notify party has no known location, announcement will be according the procedures stipule in the law of civil and commercial arguments.

### **Article (33)**

The incomes exempted from tax are:

1. Income of public corporate bodies , religious institutions and other institutions, corporations, known charity assemblies by the state and other parties which are based on charity purposes or social reform or sport activity without contradicting to article (73) of this law.
2. Income on deposits in banks' savings accounts.
3. The proceeds of charitable endowments.
4. The amounts which are paid to deservers from life insurance contracts on death. or after lapse of fixed period stipulated in the contract according the executive rules of this law.

5. Students' income from grants and incentives which are granted for studies' purposes.
6. Compensation according legislations of this law to be paid to families of martyrs and missing or injured with permanent disability during performance of their duties
7. Income resulting from cost of publication of books and preparation of studies and researches in field of culture and scientific research.
8. Agricultural activity income.
9. Income from export activity according the executive rules of this law
10. External income of Libyans and foreigners residing in Libya
11. Income resulting from work as revenue for employees in state's public administrative authorities and financed from public budget.
12. Income resulting from basic and retirement pensions
13. Development activities which GPC decide its encouragement by granting tax exemptions.
14. Any other income exempted from tax according law or convention or international agreement.

## **Part Two**

### **Taxes on individuals and tashrukiat**

#### **Chapter One**

#### **General Rules**

#### **Article (34)**

Considering legislations of article (65) of this law, legislations of this part are not applied on taxable income of companies and are not applied on amounts distributed among company's shareholders.

#### **Article (35)**

A tax will be imposed according legislations stated in this law on following incomes:

- a- Income from trade, industry and crafts.
- b- Income of shareholders in authorities which apply the saying "partners and not wage workers"
- c- Income of self occupations.
- d- Income resulting from work without prejudice to legislations of para 32 of article (33) of this law.
- e- Income resulting from deposits in banks.

**Article (36)**

To exempt from taxes referred to in items (a, b, c, d, e) of the previous article any individual whose annual taxable income does not exceed LD 1800.- (if single) or LD 2400.- (if married and have no children and will have an exemption of LD 300.- for each child) and individual will be exempted if divorced or widow and have children. The female widow or divorced will be treated as the male if she is the only supporter of the children.

The following amounts will be exempted from taxes due on incomes referred to in the previous article a- financier's life insurance installments signed in favor of wife or dependents.

B. general insurance installments such as fire, theft in favor of financier  
c. health insurance installments.

To calculate a part from the exempted amounts in para (a and b) above which is commensurate with the duration for assessing tax if that duration is less than a taxable year.

The person is not entitled to the referred exemption more than one time in the taxable year and if income resources is varied, the amount of exemption will be deducted from the tax base lowest rate.

**Article (37)**

Any change in the social condition or family of the financier will affect the due tax or its calculation from the following month of date of its occurrences.

**Article (38)**

Considering legislation of article (52 – 60), each financier should submit to the department a written declaration on his taxable income during the 90 days following the termination of the taxable year and to be submitted on the form according the executive rules.

If the year ended with loss, the declaration should include the loss. In all cases the supporting documents should be attached.

The legislations decided in articles 39, 40, 41, 42, 43, 44 and 45 will be applicable in respect of the declaration, loss account, stoppage of activity and assignment.

**Article (39)**

Considering legislation of article (50 – 57), the tax will be fixed annually on net income in accordance with the principle of cash or accrual basis during the taxable year according the choice of the financier; and the taxable income will be assessed on the basis of different operations' results resumed by the financier after deducting all evidenced expenses, particularly the following:



- a. Installments for depreciation of equipments, machineries, buildings and all assets used in income production. Depreciation installments are calculated according annual rates fixed by the executive rules within the limit of purchase price of assets
- b. Any debt which is proved as bad debt on condition that this debt is entered in the activity's account or due to lending operation related to the activity; the collected amount from this debt is considered income.
- c. Amounts paid for the benefit of employees according the retirement system or any other alternative system or any other alternative special system.
- d. Taxes and fees paid by the financer regarding the activity except the tax which is paid according legislations of this chapter.
- e. Contributions to non profitable charitable institutions approved by the state and should not exceed 2% of the net income.
- f. Any allocations which are formed according measures specified by state's concerned authorities on condition that refunded amounts from these allocations are subject to the decided tax.

#### **Article (40)**

The necessary establishment expenses to start the activity will be deducted according annual rates stipulated by the executive rules.

The following will not be deducted from income:

- a. Any other installment rather than those referred to item (a) of article 40 of this law for depreciation of any asset.
- b. Any amount paid for increasing or enlarging or improving the assets without prejudice to the right of the financer to add it to the value of the assets and to be depreciated according to item (a) of article 40 of this law.
- c. Financer's personal or family expenses.
- d. Any amounts paid to the financer as salary or incentive for his work or his wife's work or small children

#### **Article (41)**

The amounts which are added to profits or assigned for increasing capital will be subject to tax if not previously subjected to tax due to its deduction from total income according legislations of article 39 of this decision and these amounts are considered achieved income during the year in which amounts are distributed or put at disposal of the beneficiaries by any way.

#### **Article (42)**

If a year is ended with loss, this loss will enter with the expenses of the following year and will be deducted from its profits. If the profit is not enough to cover the loss, the remaining will be transferred to profits of the following year or years until five years.

#### **Article (43)**

If financier stopped finally or for a certain period to resume his activity, the tax on income will be collected until date of stopping activity. He should inform the department in this case during 60 days of stopping activity and to submit evidence and documents to reconcile tax.

#### **Article (44)**

In case of waiver from activity totally or partially, the department should be notified during 60 days; the assignee and assignor will be jointly responsible towards due tax for the taxable year in which the waiver occurred.

The assignee will request the department to inform him details of the due tax on assignor and the department should provide him with the mentioned details within 60 days from date of request. The solidarity stipulated in this article will be on the amounts in the statement without prejudice with department's rights towards the assignor.

If the department does not notify the assignee during the mentioned period with the due amount, the result will be acquittance.

#### **Article (45)**

Profit resulting from sale of activity or any of its physical or non physical assets is considered taxable. The profit is the difference between sale price and cost price after reducing depreciation installments or what the department estimates for depreciation if the financier has no proper accounts.

If sale price is less than market price, the market price will be considered the selling price; sale is considered an alteration of the legal form of activity including integration.

### **Chapter Two**

#### **Tax on income of trade, industry and crafts**

#### **Article (46)**

Tax is due on income from activity of trade or industry or craft and any income originating from any other resource.

Commercial business in applying the legislations of this chapter are:  
a. Distribution and sale of lands

b. Management of fixed and circulating productive and service properties and administration by others.

c. Any kind of brokerage.

d. Hire of agricultural lands without prejudice to para (9) of Article (33) of this law  
The executive rules will determine the method of tax collection on this income, its due date and the necessary statements and declarations.

#### **Article (47)**

Annual tax rate on commercial profits is 15%

#### **Article (48)**

Annual tax rate on profits of industry and crafts is 10%

#### **Article (49)**

Tax is imposed in the tashrukiat on partner's income from the activity of the tashrukiat. If the contract of the tashrukiat stipulates that a partner receives a specific amount or share from income by any way before distributing the income, this amount is considered part of the partner's share in the income of the tashrukiat. The administration of the tashrukiat should submit tax declaration during the following 90 days after the end of the taxable year on the form according the legislative rules on condition that the declaration is approved by a legal auditor registered in the list of the Libyan accountants and auditors; and on condition that partners entertain the exemption of article (37) of this law that each of them submits a declaration with the declaration of the tashrukiat that he did not entertain the mentioned exemption on any other taxable income otherwise he will have no right in the exemption.

### **Chapter Three**

Tax on income of partners in units which apply the saying "partners but not paid workers".

#### **Article (50)**

Tax is due on income of partners in all productive units.

#### **Article (51)**

The annual tax rate is 10%.

The tax is assessed on any part of year in which it ascertained any taxable income according to legislations of the executive rules.

#### **Article (52)**

All economic units which abide with the saying “partners but not paid workers” should pay the tax to the department with list of partners’ names and their income according to the executive rules.

### **Chapter Four**

#### **Tax on income of professions**

#### **Article (53)**

The tax is due on professions which are practiced independently and work is the basic element.

#### **Article (54)**

The annual tax rate is 15%

### **Chapter Five**

#### **Tax on income from work and other income**

#### **Article (55)**

Considering legislations of para 11 of article (33) of this law, tax is due on income from work and any other income of any service or employment whether permanent or temporary and include:

- a. Wages, allowances, commissions, grants, benefits, representation allowances and all periodical or not periodical payments which are paid by companies, corporations and individuals for services in Libya to any person who is resident in Libya or abroad or for services rendered outside Libya.
- b. Wages, allowances, commissions, grants, benefits, representation allowances and all periodical or not periodical payments which the foreign governments and international institutions pay for services in Libya if not exempted by law or international agreement.

The tax stipulated in this article is not applicable on the following:

1. Financer's contribution in social insurance system or in any other substituted system.
2. Actual expenses covered for performing his work.
3. Amount deducted from financer as a result of conduct penalty deduction or fine.
4. Cash compensation for accumulated leave days at the end of service.
5. Grant at the end of service.

#### **Article (56)**

Amount paid by employer for social insurance system is not included in the taxable income or any other substituted system.

#### **Article (57)**

Tax is assessed on amount exceeding exemption of the taxable income which the financer obtains and will be due.

#### **Article (58)**

The annual tax rate is as follows:

The first LD 12,000. – 5%

Thereafter - 10%

The tax is finally assessed at the end of any part of year on any taxable income. The assessment included any other income during this period.

The year is considered 360 days divided on 12 equal months for calculating exemption.

#### **Article (59)**

Employers are committed to deposit tax to the department against deduction from income according the executive rules.

In cases the person committed to pay tax is not in Libya or has no representative or unable to deposit it for any reason, the financer should pay the tax to the department according the executive rules.

#### **Article (60)**

As per para (a) of the first paragraph of article (55) of this law, the employer should submit to the department list with names of employees, place of residence, their functions and salaries; and should notify it with any changes in data according the executive rules.

## **Chapter Six**

### **Tax on interest on deposits in banks**

#### **Article (61)**

Tax is due on interest on deposits in banks regardless of duration.

#### **Article (62)**

Tax rate is 5% from the taxable income.

## **Part Three**

### **Tax on companies**

#### **Article (63)**

The tax is due on income in Libya and abroad for national companies and branches of foreign companies in Libya whatever its kind of activity and purpose. In applying this law, the concerned companies are those stipulated in the law organizing the commercial activity. Foreign companies' branches mean activities and capitals of foreign companies in Libya whatever its organization and legal status.

#### **Article (64)**

Companies and corporate bodies whether they are public or national if their activity is commercial or industrial or craftsmanship or real estate investment are subjected to tax even if these activities are not among the basic activity.

#### **Article (65)**

The company under liquidation will be subject to tax until final distribution of its assets.

The liquidator should not settle any commitment of the company by any method if he did not settle the due tax.

#### **Article (66)**

The annual tax is assessed on the net income during the taxable year and the taxable income is assessed on the basis of results of different types of operations during the year after deducting all costs which are actually spent in order to obtain income. General expenses or fees of services or commissions which the companies charge its branches in Libya will not be accepted; otherwise if it is necessary to achieve the purposes of the branch, maximum 5% of the expenses will be approved by the department.

#### **Article (67)**

The department may estimate income of any branch of the foreign companies' branches on basis of the percentage of the total foreign company's income on condition that the income is estimated by a similar method in this law.

#### **Article (68)**

Incomes of foreign companies' branches on communication and telecommunication and different types of transportation from Libya to abroad are considered as achieved in Libya.

#### **Article (69)**

Changing the company's legal form is considered inactivity and its amalgamation with other companies is deemed to be a waiver. The difference between the book value of the amalgamated company's assets and the value of these assets in the new company's capital in this case will be subjected to tax.

#### **Article (70)**

The annual tax rate will be 20%.

#### **Article (71)**

With the exception of article (22) of this law, the financial year of the company and corporate bodies subjected basically to this law for tax assessment. The companies which are subjected to this chapter should submit annual declaration with its income duly approved by legal accountant or auditor registered in the list of the Libyan accountants and auditors on the form according the executive rules during one month from date of approval of the budget within 4 months after the end of the financial year.

Legislations of articles 39, 40, 41, 42, 43, 44 and 45 will be applicable to companies, foreign companies' branches and other corporate bodies without contradicting legislations of this chapter.

### **Part Four**

#### **Sanctions**

#### **Article (72)**

Non submission of declarations or notifications or data stipulated in articles 38, 43, 44, 49, 52, 60 and 72 without justification is subject to a fine equal the due tax according

final assessment. Submission of declarations or notifications or data without complying with the conditions shall be deemed failure.

#### **Article (73)**

Without prejudice to any more severe punishment, a fine of at least LD 1.000.- and not more than LD 50,000.- will be imposed on:

1. Any official responsible towards management of activity who will not keep books, records and prepare the accounts according article (93) of this law.
2. Any person who does not submit required data or books or records kept
3. Any person who refuses entry of employees executing this law to perform their duties to enter any building.

#### **Article (74)**

A fine of at least LD 500.- and not exceeding LD 10,000.- will be imposed on any person who does not settle the tax in time or caused by his error or negligence in delaying deposit of the tax in the public treasury.

#### **Article (75)**

Without prejudice to any more severe punishment, a fine which is equal at least four times the due tax will be imposed on any person who committed with intent to get rid of all or part of the tax or agreed or assisted in the following:

1. Insertion of incorrect data in the declarations and papers which are submitted for execution of the legislations of this law.
2. Preparation of any incorrect accounts or books or records or reports or budget
3. Use of any unusual method to hide or try to hide taxable amounts.

#### **Article (76)**

A fine which is equal at least three times of the due tax will be imposed if tax is not deducted or deposited in due date.

#### **Article (77)**

A fine which is not exceeding LD 10,000.- will be fined for violating legislations of this law or issued regulations.

#### **Article (78)**

Taxation department will practice execution of sanctions stipulated in chapter four of this law.



**Article (79)**

Sanctions stipulated in this law will not exempt payment of all due tax on its due dates.

**Chapter Five**

**Final legislations**

**Article (80)**

Any public or private authority will not refuse to permit the department's officials to view the documents and papers for executing this law for the reason they are protecting function's secrets.

The general attorney or court may permit the department to view the files of any civil or criminal call which is related with the collection or assessment of tax.

**Article (81)**

Those who are subject to this law should submit books which should be kept and other related documents as well as income and expenditure papers to department's employees to ascertain its correctness during normal working hours without prior notification and this may be in department's location if necessary.

**Article (82)**

Every person should submit to the department any necessary data to execute legislations of this law during 30 days from date of notification.

**Article (83)**

Any public official should notify the department with the decided administrative ways about any information related to his work in which there is forgery by unusual way for avoiding payment of tax or non payment.

**Article (84)**

Concerned authorities should not give any exit visas to any non Libyan financier without submission of certificate from the department certifying settlement of due tax. In all cases in which the financier is responsible according law legislations towards one of the companies, he will not be given certificate for settlement of tax if the company will not settle also the due tax until date of obtaining the certificate or submission of guarantee acceptable by the company.

Foreign employees of the state, corporations, public authorities are excepted from obtaining certificates for settlement of tax; but not in the case of final exit. The secretary may issue decision to grant other exemptions.

#### **Article (85)**

Attorneys and others who are legally specialized in authentication or declaration should notify immediately the department about any action or contract on which there is taxable income.

Without prejudice to the legislation of article (45) of this law, they should not sign any total or partial waiver from taxable activity and may not sign contract concerning an action in the assets of companies and tsharokiat without submission of certificate stating tax status.

#### **Article (86)**

The clerk of the court in which the procedures of real estate will be executed should notify the department by confirmed registered letter with sale conditions within the following 15 days. The clerk of the court in which the sale is concluded in front of it and also all parties who are forced or willing to be in charge of the public auction should notify the department by confirmed registered letter with date of sale of real estate or circulating assets prior at least 15 days from date of sale.

#### **Article (87)**

Customs department should submit copies of all customs declarations concerning import and export to the taxation department.

#### **Article (88)**

The administrative authorities which are authorized to grant licenses for practicing any taxable activity or granting licenses for using real estate to practice this activity should notify the department with the license and relative details. Any concession or monopoly or permission to practice the activity is deemed in license's legislation and the referred to authorities should not renew the license or keep it or cancel it before ascertaining that due taxes are settled.

#### **Article (89)**

Public or private corporate bodies or tsharokiat or individuals may not receive any due amounts or render service for any contractor without submission of a certificate for settlement due tax in case of non compliance with legislations of this article.

#### **Article (90)**

Without prejudice with the prevailing regulations, no tender in contracts of parties subject to administrative contract rules will be accepted if the applicant will not submit proof for settlement of due tax.

#### **Article (91)**

Each person in accordance with his function or specialization or duty to assess or collect tax according legislations of this law or to settle disputes is committed to deem the secrets of the function and this commitment will continue until abandoning the service.

#### **Article (92)**

The corporate bodies subjected to legislations of this law are obliged to keep books and accounts in addition to records according other regulations in accordance with the executive rules.

Normal persons subjected to legislations of this law to keep books and accounts in accordance with the executive rules for each category of the individual financers.

#### **Article (93)**

The secretary may exempt part or all due tax and from delay fine stipulated in article (20) of this law in the following cases according proposal from department's general manager:

1. If financer died without legacy or with legacy consumed by debts or left the country finally without any funds.
2. If financer declared bankruptcy or proved that he is not capable to settle or non availability of funds. The exemption decision may be withdrawn if based on incorrect reason.

#### **Article (94)**

GPC may grant temporary exemptions for public economic activities in the remote areas for the purpose of achieving development according proposal from department's general manager.

#### **Article (95)**

Department's general manager may assign other employees to practice some of his decided specialties according this law.

#### **Article (96)**

A percentage from the expenses of arrest and sale procedures may be assigned and paid to department's employees as collection incentive according decision issued by department's general manager.

**Article (97)**

The employees who are nominated by decision from GPC upon recommendation of the secretary will have the status of the judicial officers.

**Article (98)**

In applying legislations of this law, the secretary is meant GPC secretary of planning and finance and the department is the taxation department.

**Article (99)**

Investigation with taxation department's general manager, deputy general manager and administration managers may not be made without permission from the secretary.

**Article (100)**

Legislations of this law will not replace the legislations stipulated in the prevailing oil regulations.

**Article (101)**

The executive rules of this law will be issued by GPC decision according proposal from the secretary. Prevailing rules and decisions concerning income tax at the time of issuing this law will continue without contradicting its legislations until issuance of this regulation.

**Article (102)**

Normal individuals who submitted their tax declarations until 31.12.2009 will be exempted from due taxes and due delay fines for the previous periods of this law. Those who did not submit the referred to declarations will also be exempted from due delay fines in case their tax status is reconciled during a period of maximum 6 months from date of applying this law.

**Article (103)**

The secretary upon proposal of department's general manager may pay the department's employees or others financial incentives for collection of any due amounts to the state in accordance with this law on condition that there is proof that there are privatel efforts by an employee as specified by the executive rules of this law.

**Article (104)**

To cancel income tax law issued by law No. 11 for 2004, law No. 2 for 1986 and law No. 28 for 2001 referred to; and to cancel any law contradicting legislations of this law.

**Article (105)**

This law to be published and to be executed from date of publication.

**People's congress**

**Issued 28.01.2010**