

NOTE BY THE DIRECTORATE- GENERAL OF TAXATION ON THE INTRODUCTION OF VALUE ADDED TAX

Several years ago, Comoros began a process of regional and international integration. This process seeks to make Comoros a Member of the World Trade Organization, as well as a member of regional organizations such as COMESA, SADEC and ZELECAF, etc.

Such forms of integration provide a number of benefits that are not described here , but will also entail certain changes in terms of the mobilization of resources by the Comorian tax authorities.

The integration of Comoros as a Member of the World Trade Organization entails the dismantling of certain taxes and charges levied at the customs cordon. Some of these taxes and charges were for the benefit of the Directorate-General of Taxation.

They include:

- Import trade tax
- The miscellaneous profits tax (IBD) advance payment
- Consumption tax (TC)
- Other taxes and charges

The integration of Comoros into regional and subregional organizations will inevitably lead to a drop in customs revenue as a result of the elimination of customs duties and taxes on goods from member countries of those organizations.

It is clear that dismantling certain taxes and charges at the customs cordon following accession to the WTO will result in foregone revenue. Therefore, the elimination of customs duties and taxes following Comoros' accession to regional and subregional organizations must be offset by domestic taxation. In other words, the Directorate - General of Taxation must cover these duties and charges.

