

The Republic of the Sudan
Ministry of Finance and National Economy
Taxation Chamber

Income Act for the year 1986(Amended)

Income Tax Return – year ended ----- (Self Assessment)

(Companies only)- Form No (4/a)

Name of the Company -----

Type of the Company/public private public sector branch of a foreign company

Address / State----- City ----- Street-----Block No -----

Building No ----- Neighboring ----- E m -----

Telephones ----- Fax----- Cellular-----

Activity / commercial ----- industrial----- services -----oil-----oil services ----- banks -----
exchanges----- insurance ----- Investment Company -----mining -----

File----- TIN-1----- TIN- 2- -----TIN- 3- -----

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Income Act for the year 1986(Amended)

Income Tax Return – year ended ----- (Self Assessment)

(Companies only)- Form No (4/a) Special for Companies.

Name of the Company --

Type of the Company/public private public sector branch of a foreign company

Address / State City Street Block No

Building No - Neighboring -- e- mail--

Telephones - Fax----- -Mobile--

Activity

FIN-- TIN--

Incorporation Certificate No- (Due to Registrar G) -

Company Branches (If any).

| Data | Location | Address |
|------|----------|---------|
| 1 | | |
| 2 | | |
| 3 | | |

Business Names owned by the Company.

| Data | Business name | Type of Activity | Register No | Number and date of Investment license (if any). |
|------|---------------|------------------|-------------|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |

*-This return shall be filled in accordance the provisions of Articles/ 38/39/47/of Income Tax Act 1986.

General Guidelines to Fill the Self Assessment Income Tax Return:

*-Please read these directives and follow them precisely, so as to enable you to fill your income tax return correctly and accurately. Taxation Chamber will be happy receiving any inquiries and ready to extend any kind of possible help in connection with the same.

It has been worth mentioning, that any kind of data contained in this return will be confidentially treated by virtue of Article (5) – Income Tax Act – 1986(amended) which provides that, any employee of (TC), shall take into account the confidential nature of all documents and any information which related to any person income and deal with it as highly confidential.

1 – All companies registered under the Company Act - 1925, including (Large and Medium, Small companies, whether private or public, any joint venture of companies, any business names and foreign branches owned by them, shall submit their returns within a period not more than three and half months from the end of the fiscal year. The taxpayer may have the right to correct his return within a period of thirty days following the day of submission.

2 – Taxable profits include:

Firstly: Any profit or income resulting from any business of any period of time within which that business carried out.

Secondly: Any profit or income (other than dividends received from profits deemed taxable under the tax laws) resulting from investment and actually being realized or deemed to be realized.

Thirdly: Any income or profit resulting from estates rent which includes basic rent or other compensations received from the use of land or buildings or their ownership, whether those land or buildings situated in the Sudan or any other place, and includes - in case of rented one (furnished) the rent is fully due. These profits do not include capital gains profits which are treated under the Capital gains Act – year 1986.

*- All expenses(such as wages, salaries, rents, and the like) actually incurred to obtain that income or profits are deductible as provided for in Article (18)- Income Tax Act, which provided that, these expenses shall not be of those which are deductible under the Act, ex ;

a- personal expenses.

b - capital expenses which incurred to obtain fixed assets that should be capitalized or depreciated in accordance with the law (historical value according to the straight line method).

c- any expenses other than those which the General Secretary considers that enough allowance has been made for equivalence, in accordance with the Article (18) – Income Tax Act – 1986. Foundation expenses are deductible during ten years from the date of commencing the business after being fully evidenced.

4- TC has the right to request and take any books, documents, that relevant to the tax payer activity, in order to make books, documents, necessary checking for the purposes of determining revenues liable to tax.

5- Any person who keeps books or maintains records of accounts, shall keep those records and books in either Arabic or English languages in accordance with the Article (39/5).

6 - In case, the taxable income has been in foreign currency, the tax should be collected in foreign currency, if this is not possible, the General Secretary may collect the tax in equivalence of local currency according to the declared rate of the Central Bank of the Sudan on the date of collecting that tax.

7 - Partnerships and business names owned by a company which has exemptions according to investment licenses, shall:

a – submit the tax return.

b - pay the social development tax at 5% of the net profit.

8- TC has the right to precede a summery assessment on the base of available information in case that the taxpayer did not submit the self assessment tax return. Additional tax shall be imposed, and shall not exceed three times of the charged tax (Article 45 d).

9- In case of omission to submit the tax return, a penalty of 10 SDG per day, shall be imposed, likewise the General Secretary in his discretion may impose an appropriate tax but not exceed 5% of the chargeable tax (Article44- 1-Income Tax Act 1986).

*- If delaying submission exceeds six months after the closing date of submission, this deemed tax evasion, subject to the penalties according to the Income Tax Act(Article 44/3).

10- If it has been proved that submitted return according to Article 74 of Tax Income Act, is incorrect, or an intention of tax evasion found, additional tax shall be imposed not exceeding the double of the tax that revealed by checking and auditing (Article 44/3/d of the Income Tax

Act- 1986), be deemed tax evasion and subject to the penalties provided for in Article (74)of the Income Tax Act – 1986, which provides for the penalties of fining and imprisonment for a period not exceeding 5 years or both of penalties, also convention of tax evasion is deemed as a crime of honesty and integrity 74/4.

11- Any person who abets or assists in submitting an incorrect return shall have committed the crime of tax evasion and shall be punished according to the punishments provided for in Article 74/2 of Income Tax Act 1986, which provided for fine and imprisonment for a period not more than two years or both of punishments.

Balance Sheet as at -----

| Data | Fiscal year ----- | Past fiscal year |
|--|--------------------------|-------------------------|
| Noncurrent assets | | |
| Fixed assets (-) accumulated depreciations. Good will Investment of other assets | | |
| Total noncurrent assets | | |
| Current Assets- | | |
| Current liabilities | | |
| Inventory Good in transit Projects Commercial debtors - other credit balances Prepaid expenses. Prepaid taxes. Accrued revenues. Investments. Cash. Banks | | |
| Total of current assets | | |
| Current liabilities Provisions Creditors & other credit balances. Short term loans. Payable Expenses. Advanced paid Revenues. | | |
| Total current liabilities | | |
| Operating capital.(Current Assets – Current Liabilities). | | |

| | |
|--|--|
| Total shareholders equities. | |
| Capital. Reserves. Profits –Losses-carried forward. Profits – Losses – before distribution. | |
| Total Shareholders equities. | |
| Long term liabilities. Banks long term Loans. Others. | |

6) Fines and Financial compensations

The amount of fines and financial compensations born by the company as a result of contraventions should be added to the tax base.

7) Bad debts which do not qualify for tax deduction

Amount of bad debts shall be added to the tax base, if it doesn't fulfil the following deduction conditions:

- a/ Legal procedures shall be taken to collect debts, provided that a decision is issued from the competent court.
- b / Submitting the required documents to confirm the debt value (according to the regulations).

8) Deprecations

a/ The value of fixed assets owned by the company and shown in the income statement and calculated according to accounting principles should be added to the tax base.

The value of depreciation of the fixed assets owned by the company and calculated according to the historical cost and to the approved rates (according to the attached schedule) and in straight line method, shall be deducted from the tax base.

b) Fixed assets include all assets owned by the company (land, buildings ,machines, equipment and furniture) whether they are tangible or intangible.

9) Cost of financing which does not qualify for tax deduction

Cost of borrowing if it is found, deemed to be expenses according to the following conditions:

- a/ The loan should be used to generate the taxable income.
 - b/ It should be paid to a person liable to tax according to the provision of Income Tax Act for the year 1986. As an income of a person to whom it was paid.
- Or,
- C/ It is paid to a body outside Sudan for a loan used to generate taxable income

10) Personal expenses

Any expenses spent for living, dwelling or for any other private or household purpose such as (house rent, electricity, telephone and fuel) should be added to the tax base.

11) Director fees

a/ Full time managers fees

The fees of their counterparts which are determined by the General Secretary shall be deducted provided that their number is not more than two (Article 18/2/g)

b/ Par-time managers fees

In the case of profit the fees are amounted by 1000 SDG or 5% of the net profit whichever is greater, in the case of loss, the fees to be deducted are amounts determined by the General Secretary.

12) Carried forward loss which does not qualify for tax deduction(not allowable)

According to the provisions of Article 21 of Income Tax Act for the year 1986 the following are provided to deduct the carried forward loss.

a/ Any part of loss is not allowed to be carried forward for a period exceeding five years after the end of basic period on which losses have taken place.

b/ By no means the total of the deducted value from loss shall not exceed the value of net business profit.

c/ The company should at least keep the following books and records:

i/ Journal.

ii/ Ledger.

iii/ Inventory book authenticated by Taxation Chamber before use.

d/ The company should have submitted audited accounts for each basic period certified by a legal auditor or an authorized accountant.

13) Dead debts qualify for tax deduction and they are actually from the provisions

These debts shall not appear in the income statement, if the provision appears, as these debts have been deducted from the provision account in the debit side. These debts are considered as allowable cost whenever the following conditions are met:

a/ Some legal procedures should be taken to collect debts, provided that a decision is issued from the competent court.

b/ Submitting the required documents to confirm the debt value (according to the regulationS).

14) Provisions already liable to tax in a previous year

Provisions which were liable to tax in the previous year and were not being used and included in the income statement as revenue shall be deducted from tax base.

15) Board of directors remunerations

Board of Directors remunerations are determined by SDG 500 pound or 5% of estimated business profits whichever is greater, in case of realizing profit, if there is a loss the amount of the remuneration allowed for deduction is determined by the General Secretary of Taxation Chamber.

16) Revenue of owners of unrestricted investment accounts

a/ Unrestricted investment accounts : are the accounts whose owners grant the bank the right to invest on the base of mudaraba contracts, in a way which the bank considers suitable, the bank has the right to invest in a certain project or for a certain purpose or to mix them with its own money.

b/ Restricted investment accounts are the accounts whose owners grant the bank the right to invest them on bases of mudaraba contract or agency contracts, and restrict the bank by certain conditions, such as investing them in a certain project or for certain purpose or not to mix them with the banks money.

| |
|--|
| <p>17)Income from self investments The bank invests available self generated fund by using several means such as mudaraba , (whether is commercial or agricultural) , salaam, istisnaa , rent , credit sale , and murabaha contracts, or by instituting firms to carry out different types of activities , or by sharing in the existing</p> |
| <p>18) Income from capital investments Is the income resulted from selling fixed assets which the bank acquired for self usage.</p> |
| <p>19) Deductions and additions of the budget Are the profits and losses resulted from selling of fixed assets, which are depreciated according to the rates in force and are calculated as follows: The historical cost –total depreciation =net book value. And it is compared to selling price and the result represents profit or loss of the budget. The fixed assets include: 1- Vehicles of all kinds. 2- Agricultural land and their enhancement. 3- Ships and aircrafts. 4- Equipments and machines.</p> |
| <p>20) Royalties Fees paid for usage of brand name or trademark or privileges or any other rights and are deemed to be deducted provided that the tax is paid by the beneficiary of the privileges or any other rights.</p> |
| <p>21) Services fees They are amount s paid to another person for providing technical advisory services , and are deemed to be deducted provided that the tax is paid by the beneficiary of the privileges or any other rights.</p> |
| <p>22)Board of Directors fees agreement: Amount paid according to certain agreement concluded with another person for carrying out business task , and are deemed to be expenses to be deducted provided that the is paid by the beneficiary of the privileges or any other rights.</p> |
| <p>23)Gross revenue: Includes all revenues resulting from practicing the activity according to the accrual principle either from in or out of Sudan.</p> |

| Assets | Rate |
|--|---|
| 1)Buildings and Constructions: | |
| a) Residential and administration buildings | 2.5% |
| (b) Factories buildings | 5% |
| (c) Metal buildings | 5% |
| (d) Wood buildings | 10% |
| (e) Any other buildings and constructions (include roads , bridges , reservoirs , subways, runways and railway ay lines) | 5% |
| 2) Machines and heavy equipments: | |
| (a) Different factory machines (food stuffs –weaving – and all other industries) equipments. Lifting)b(| 10% |
| (c)Agricultural equipments (include pumps-harvesters-pesticides spraying equipments-irrigation equipments) | 15% |
| (d) Earthmoving and road –paving equipments-mines and quarries equipments. | 20% |
| (e) Any other machines or heavy instruments | 10% |
| 3)Furniture , fabrics and utensils | |
| (a) Furniture and fabrics of houses and offices | 10% |
| (b)) Furniture of hotels , restaurants, cafes , hospitals, cinemas, theatres and educational institutions. | 20% |
| (c)portable furniture for occasions , celebration and camps | 25% |
| (d) Utensils and equipments concerning restaurants , hotels ,hospitals and their fabrics | 25% or Value of loss according to stocktaking |
| (e) Any other similar furniture | 15% |
| 4) work equipment for offices and communication means: | |
| (a) photocopiers | 25% |
| (b) Printers | 25% |
| (c) Calculators and other small tools | 25% |
| (d) Communication tools (fax –cabin-telex - telephones) | 20% |
| (e) Telephones network and wires i/ Wireless ii/ Cables | 3% 5% |
| 5) Means of transport: | |
| (a) inter- city means of transport , include: i/ Buses , minibuses, taxies , motorcycles , light trucks ii/ Private means of transport | 3% 5% |

| | |
|--|---|
| (b) Inter- cities transport , include: i/ Buses –minibuses – different passenger means of transport – lorries – trucks –trailers for goods and other different materials ii/ Railway trains and carriages | 20% 10% |
| (c) Steamers , tractors and launches | 15% |
| (d) Sea means of transport i/ Passenger steamers. ii/ Cargo steamers | 10% 7% |
| (e) Aero planes | 20% |
| Other means of transport include pipes lines | 10% |
| 6) Electrical equipments: | |
| (a) Generators | 10% |
| (b) Transformers | 10% |
| (c) Refrigerators | 10% |
| (d) Air conditioning and cooling apparatuses and fans | 15% |
| (e)Electrical lifts | 15% |
| (f) Grids and electrical wires i/ Aerial ii/ Cables | 3% 5% |
| (g) Cinematographic projecting equipments and their accessories | 15% |
| (h) Neon and signs boards | 25% |
| (i) Any other similar electrical equipments | 10% |
| 7) Equipments and apparatuses rapidly renewed and replaced | |
| (a) Radiography equipments and apparatuses –diagnosis –surgery and operation sections equipments and other rapidly renewed medical equipments | 20% |
| (b) Computer and its accessories and programs | 30% |
| 8) Light machines and work equipments: | |
| (a) Workshops equipments (include :welding , cutting and forming machines , compressors and other craftsmen equipment | 15% |
| (b) Scales | 10% |
| (c) Concrete mixers , mills and the like | 15% |
| (d) Building equipments such as scaffolding , shuttering and formwork and the like | 30% or the loss after taking- stock |
| (e) Light tools used by workshops owners and craftsmen, which are liable to be damaged and lost | 30% or the loss after taking- stock |
| 9) Engineering apparatuses and other scientific research means: | |
| (a) Measurement and standardization apparatuses | 25% |
| (b) Laboratory and research apparatuses | 25% |
| (c) Audio – visual aids | 25% |
| (d) Display , survey and photography apparatuses | 25% |
| (e) Any other scientific research means and apparatuses | 25% |

| | |
|--|-----|
| 10) Intangible assets (paid for when possessed) | |
| (a) Good will | 20% |
| (b) Trade names and trade marks | 20% |
| (c) Copy rights | 20% |
| (d) Any other similar assets (include : deferred revenue expenses such as advertisements) | 20% |

*** English and Arabic Languages version being equally authentic. In case of any divergence of interpretation, the Arabic text shall prevail.**

Acknowledgement

For every taxpayer consolidated and exerted efforts

For every auditor or accountant applied the law

For every office streamlined the procedures

For every chamber of commerce and industry contributed in this
achievement.

A / Commercial activity

Income statement for the year ended

| Particulars | Note | SDG | SDG |
|---|------|-----|-----|
| Sales: | | | |
| Net sales=gross sale-(allowable discount + sales returns) | | | |
| Exports proceeds | | | |
| Gross sales | | | |
| Cost of sales :(analytic statement to be enclosed) | | | |
| Opening Inventory | | | |
| (+) Cost of local purchases during the year | | | |
| (+) Cost of imported purchases during the year (analytic statement to be enclosed) | | | |
| Total purchases | | | |
| Closing inventory(-) | | | |
| Cost of sales | | | |
| Gross profits | | | |
| Gross profit margin as a percentage to cost of sales % | | | |
| (+)Other income | 1 | | |
| (-) General and administrative expenses: (analytic statement to be enclosed) | 2 | | |
| Net profit /Loss | | | |

Tax return for commercial activity

For the year ended.....

| Particulars | Note | SDG | SDG |
|--|------|-----|-----|
| Net profit / loss | | | |
| The following items should be added to net accounting profit and deducted from net accounting loss: | | | |
| | | | |
| Donations and Contributions | 3 | | |
| Any tax on income | 4 | | |
| Any reserves or provision except that allowed by law. | 5 | | |
| Fines and compensations | 6 | | |
| Bad debts not qualify for deduction | 7 | | |
| | | | |
| Revenues subject to tax but not included income statement | | | |
| Depreciations of fixed assets and amortization of intangible assets | 8 | | |
| Any expenses from capital , loss ,reduction or absorption of capital | | | |
| Cost of borrowing not qualify for tax deduction | 9 | | |
| Any expenses or losses that can be covered by insurance or compensation contract. | | | |
| Personal expenses | 10 | | |
| Full time mangers' fees not qualify for tax deduction | 11a | | |
| Par –time managers' fees not qualify for tax deduction | 11b | | |
| Carried forward losses which are not qualify for tax deduction | 12 | | |
| Total items added to net accounting profit or total deduction items from the net accounting loss | | | |
| Gross taxable profit / loss | | | |
| Items deducted from total tax profit or added to total tax loss: | | | |
| Amount of depreciations calculated according to tax rales and to the historical cost and straight line method. | | | |
| Bad debts qualify for tax deduction and were deducted from the provision. | 13 | | |
| Provisions already been taxed | 14 | | |

| | | | |
|---|----|--|--|
| Amount used from the provision to meet the cost allowed for deduction | 15 | | |
| Allowable contributions and donations | | | |
| Carried forward losses according to regulation | | | |
| Total items deducted from total taxable profit or added to total taxable loss | | | |
| Net adjusted taxable profit / loss | | | |

B / Industrial activity

Income statement for the year ended.....

| Particulars | Note | SDG | SDG |
|--|------|-----|-----|
| Sales : | | | |
| Net sales = Gross sales – (allowable deduction + sales returns) | | | |
| Export proceeds: (analytic statement to be enclosed) | | | |
| Gross sales | | | |
| Operation cost | | | |
| Raw material consumed: | | | |
| Opening inventory of raw materials | | | |
| (+) Local purchases of raw materials | | | |
| (+) Imported purchases of raw materials: (analytic statement to be enclosed) | | | |
| (-) Closing inventory of raw materials. | | | |
| Cost of raw materials used in production | | | |
| (+)Direct and indirect manufacturing expenses: | | | |
| Direct wages and salaries | | | |
| Other direct expenses | | | |
| Indirect manufacturing expenses | | | |
| Depreciation | | | |
| Production under process | | | |
| (+) Opening inventory | | | |
| (-) Closing inventory | | | |
| Cost of finished goods (operation cost) | | | |
| Cost of Sales | | | |
| Finished goods opening inventory | | | |
| (+) Cost of finished goods | | | |
| Finished goods closing inventory(-) | | | |
| Cost of sales | | | |
| Gross profits | | | |
| Gross profit margin as percentage to cost of sale % | | % | |
| (+) Other income | 1 | | |
| (-) General and administrative expenses :(analytic statement to be enclosed) | 2 | 0 | |
| Net profit / loss | | | |

Tax return for industrial activity

For the year ended.....

| Particulars | Note | SDG | SDG |
|--|------|-----|-----|
| NET profit/ Loss | | | |
| The following items should be added to net accounting profit and deducting from net accounting loss: | | | |
| Donations and Contributions | 3 | | |
| Any tax on income | 4 | | |
| Any reserves or provisions except that allowed by law | 5 | | |
| Fines and compensations | 6 | | |
| Bad debts not qualify for deduction | 7 | | |
| Revenues subject to tax but not included in income statement | | | |
| Depreciations of fixed assets and amortization of intangible assets | 8 | | |
| Any expenses from capital, loss, reduction or absorption of capital | | | |
| Cost of borrowing not qualify for tax deduction | 9 | | |
| Any expenses or losses that can be covered by insurance or compensation contract | | | |
| Personal expenses | 10 | | |
| Full time managers' fees not qualify for tax deduction | 11a | | |
| Part- time managers' fees not qualify for tax deduction | 11b | | |
| Carried forward losses which are not qualify for tax deduction | 12 | | |
| Total items added to net accounting profit or deducting items from the net accounting loss | | | |
| Gross taxable profit/ loss | | | |
| Items deducted from total tax profit or added to total tax loss: | | | |
| Amount of depreciations calculated according to regulation tax rates and to the historical cost and straight line method | | | |
| Bad debts qualify for tax deduction and were deducted from the provision | 13 | | |
| Provisions had already been taxed | 14 | | |
| Amount used from the provision to meet the cost allowed for deduction | 15 | | |
| Allowable contributions and donations | | | |
| Carried forward losses qualify for deduction | | | |
| Total items deducted from total taxable profit or added to total taxable loss | | | |
| Net adjusted taxable profit/ loss | | | |

(C) Services activity

Income statement for the year ended

| Particulars | Note | SDG | SDG |
|--|------|-----|-----|
| Total revenues | | | |
| Deduct : | | | |
| Direct operational cost: (analytic statement to be enclosed) | | | |
| Gross profits | | | |
| (+) Other income | 1 | | |
| (-) General and administrative expenses: (analytic statement to be enclosed) | 2 | | |
| Net profit / loss | | | |

Services activity: include for example: contractors, transport, cargo, passengers transport, unloading, traveling, storing, hotels, printing, renting, brokerage, agencies, construction and communications.

Also include income of renting furnished or non furnished real estate's storing.

Tax return for services activity

For the year ended

| Particulars | Note | SDG | SDG |
|---|------|-----|-----|
| Net Profit / Loss | | | |
| The following items should be added to net accounting profit and deducting from net accounting loss: | | | |
| Donations and contributions | 3 | | |
| Any tax on income | 4 | | |
| Any reserves or provisions except that allowed by law | 5 | | |
| Fines and compensations | 6 | | |
| Bad debts not qualify for deduction | 7 | | |
| Revenues subject to tax but not included in income statement | | | |
| Depreciations of fixed assets and amortization of intangible assets | 8 | | |
| Any expenses from capital, loss, reduction or absorption of capital | | | |
| Losses of long term contracts included in income statement but not related to the current tax period | | | |
| Cost of borrowing not qualify for tax deduction | 9 | | |
| Any expenses or losses that can be covered by insurance or compensation contract | | | |
| Personal expenses | 10 | | |
| Full time managers' fees not qualify for tax deduction | 11a | | |
| Par – time managers' fees not qualify for tax deduction | 11b | | |
| Carried forward losses which are not qualify for tax deduction | 12 | | |
| Total items added to net accounting profit or total deducted items from the net accounting loss | | | |
| Gross taxable profit/ loss | | | |
| Items deducted from total tax profit or added to total tax loss: | | | |
| Amount of depreciations calculated according to tax rates and to the historical cost and straight line method | | | |
| Bad debts qualify for tax deduction and were deducted from the provision | 13 | | |
| Provisions had already been taxed | 14 | | |
| Amount used from the provision to meet the cost allowed for deduction | 15 | | |
| Allowable contributions and donations | | | |
| Carried forward losses qualify for deduction | | | |
| Interests of long term contracts related to tax period which previously added to the tax base | | | |
| Total items deducted from total tax profit or added to total tax loss | | | |
| Net adjusted tax profit / loss | | | |

