

collected from sources other than the balance sheet and the accounts.

3. The office shall indicate the grounds for any revision of the entries shown in the balance sheet and, consequently of the chargeable income, before the lapse or within six months from the expiry of time of limitation.

**Article 42**

***Synthetic ascertainment of the income of persons assessable on the basis of the basis of the balance sheet***

1. Not with standing the provisions of the previous article , where the entries shown in the balance sheet appear to be untrue and unreliable, or where a person assessable on the basis of the balance sheet fails to keep or refuses to produce the accounts referred to in Art.44 or fails to furnish the return of income within the prescribed time, the office shall provide for the synthetic ascertainment under the terms of Art,39 by calculating the income on the basis of the information and data collected and of the financial position of the person assessable.
2. The office shall state in the notice of assessment the reasons for the application of the provision of this article.

**Article 43**

***Proof***

1. In the cases provided for in the preceding article, the onus of proof in respect of the total or partial non-existence of the income ascertained shall rest with the person assessable.
2. Where the reasons stated in the notice of assessment referred to in the previous article appear to be valid, the income ascertained by the office may not be declared to be non - existing nor may it be reduced, unless the person assessed can prove that the ascertainment is not correct or that the income ascertained does not exist, totally or partially.

**Article 44**

***Accounts to be kept by persons assessable on the basis of the balance sheet***

1. In addition to the books and accounts prescribed by the legislation in force, persons assessable on the basis of the balance sheet shall keep:

- a) A statement of accounts, accompanied by notes explaining the contents of each account and the accounting system adopted.
  - b) A note setting forth the criteria followed in evaluating the individual assets which make up the balance sheet items.
  - c) A statement of the depreciation of assets, and relevant depreciation fund, showing separately for each year of acquisition the items in each group, the original cost, the revaluation and devaluation, the depreciation in respect of each financial year, and the reductions due to disposal of assets.
  - d) Stock registers indicating separately, as regards quality and quantity, any movement of raw materials, semi-finished and finished products, and each kind of goods.
  - e) A register showing in chronological order, the sums paid on any ground to any representative, broker, agent or other intermediary not working for a wage or salary; to any artist or professional worker, in respect of periodical or occasional service to any person, including non-professional persons, in respect of advice, opinions, audit and similar service to any person, in respect of granting and use of patents, designs, formulae, trade marks, copyrights, and similar royalties. The register shall indicate the full name and address of the persons to whom such sums are paid.
2. Any expense not shown in the chronological register referred to in letter (e) above shall not be allowed as a deduction from the gross income.

#### Article 45

##### *Time-limit for the ascertainment*

1. The right of the financial administration to take any action intended to revise any return of income which has been furnished within the prescribed time, shall lapse on 31<sup>st</sup> December in the second year following the year in which the return has been furnished.
2. The right of the financial administration to take any action intended to any income not returned by the person assessable, or any income returned after the expiry of the prescribed time, or any item of income not included in the return, shall lapse on 31 December in the fourth year following the year in which the return should have been furnished.
3. The time-limits laid down in the previous paragraphs for the ascertainment of the exact and final amount of incomes resulting from a document the registration of which has been

delayed, shall run from the year in which the document has been registered.

**Article 46**

**Agreement of Person assessed on ascertainment**

1. Ascertainments and revisions may be accepted by the person assessed or, for valid reasons, they may be adjusted to an amount lower than that ascertained, with the person assessed or his legal representative.
2. The adjustment referred to in the previous paragraph may be made until the ascertainment of income has been tacitly accepted thereby becoming final or, in case of dispute, until the judge has decided on the objection.
3. The agreement shall be proved by a statement dated and signed by both parties or by the payment of the tax agreed upon.

**Article 47**

**Revision of Ascertainment**

1. The ascertainment of income may be revised on the basis of new facts, and a notice of additional assessment shall be there upon served on the person assessed.
2. The provision of the previous paragraph shall apply also where a judicial proceeding is pending in respect of the revised ascertainment, or where such ascertainment has been tacitly accepted or agreed upon, thereby becoming final.
3. Where the ascertainment is revised and the person assessed has not impugned the original notice of assessment, an extension of the time-limit shall be granted to the person assessed who shall then have the right of impugna also the original notice of assessment.
4. Where the office avails itself of the power granted to it by this article in the course of the appellate proceedings, the judge of appeal shall, where it is not possible to separate the proceedings, pronounce a judgement and remand the parties before the lower judge.
5. A notice of additional assessment shall not be served on the person assessed beyond the prescribed time of limitation.

the description of any income, or to the amount of the tax charged, provided the notice of assessment has been duly notified to the person intended to be charged.

**Article 50**

**Powers of the office**

For the purpose of ascertaining the income, the office may:

- a) Request the person assessable to appear personally or by his representative, for purpose to the producing evidence or documents, or giving clarifications
- b) Order the person assessable to appear personally or by his representative, for the purpose of producing evidence or documents, or giving clarifications;
- c) Call upon any person who is in a position to provide information.
- d) Cause any instrument producing income to be produced.
- e) Enter any building for the purpose of performing any act intended to be determine the income form such building.
- f) Enter any premises at which industrial or commercial activities are carried on.
- g) Examine and verify any register, account and other accounting documents of companies or firms, whether or not such companies or firms are required to keep books.
- h) Send to the person assessable, by a registered letter with return receipt, form relating to the ascertainment of income, or have such forms served on the person assessable; and request the latter to fill out and sign the forms and return them within a period of not less than thirty days.

**Article 51**

**Duty to communicate the particulars of contracts for works or supply, and other data or lists-duties of the judicial authority**

1. Public administrations and public bodies shall have the duty to communicate to the Direct Taxation Office the particulars of the contracts for works or supplies concluded in any manner whatsoever, with companies or private individuals, as well as the full name and address of the contractor and the amount of the contractor. Such communication shall be made with ninety

days after the registration of the contract or, where no registration is required, after the date on which the contract is signed.

2. Public administrations and public bodies, excluding credit institutions, shall also have the duty to communicate, at request of the office, and notwithstanding any provision of law to the contrary, the detailed lists of amounts collected and paid showing the names of the persons from whom such amounts have been collected or to whom amounts have been paid, as well as all data and information in their possession concerning individual persons assessable.
3. The judicial authority shall suspend proceedings relating to instruments producing chargeable income, where the return of such income has not been furnished to the competent office, and shall indicate in the relevant law or order the Tax Office or Revenue Office to which the return has been furnished.
4. The Court registrars shall not accept any document or act relating to chargeable income, where it is not proved the return of such income has been furnished to the competent office.

### *Title III*

#### *Appeals*

##### *Article 52*

##### *Jurisdiction*

Any dispute arising between the Financial Administration and the persons assessed as to the application of the provisions of this law shall be within the exclusive jurisdiction of the ordinary Courts.

##### *Article 53* *Tax Sections*

1. There shall be established a Tax Section in each Regional Court, having jurisdiction in the first instance over matters relating to taxation. A Tax section shall consist of the President of the Court, two Assessors and one substitute Assessor.

2. There shall be established a Tax Appellate Section in each Court of Appeal, which shall exercise appellate jurisdiction in tax matters. A Tax Appellate Section shall consist of the President of the Court of Appeal, four Assessors, and two substitute Assessors.
3. The Assessors of the Tax Section of the regional court and the court of appeal shall be drawn from lists prepared and reviewed every two years by the Minister of Finance
4. At the beginning of each year, the President of the Court shall draw by lot the Assessors and the substitute Assessors. In the case of their absence or inability the President may, at his discretion, substitute the Assessors of the Tax Section, following the procedure laid down in the previous.
5. The Assessors of the Tax Sections shall be entitled the same emoluments paid to the assessors of the Courts of Appeal.

**Article 54**

***Time-limit for transmitting appeals to the Tax Section]***

1. The office shall transmit the appeals to the Tax Section of the Regional Court or to the Tax Appellate Section within sixty days of the receipt, together with its opinion and the acts and documents produced by the appellant.

**Article 55**

***Representation of Parties***

1. In the proceedings before the Tax Section of the Regional Court or the Tax Appellate Section, the appellant may appear personally or through a representative who shall be the holder of written power of attorney.
2. The Financial Administration shall be represented in the proceedings by the Head of the competent office or another officer delegated for the purpose.

**Article 56**

***Powers of the Court and evidence***

1. For the purposes of the proof-taking the Tax Section or Tax Appellate Section shall have all the powers conferred on the Tax Office under the terms of Art.58, in addition to the powers referred to in the Civil Procedure code.

2. In the proceedings relating to tax matters, no party oath shall be allowed.
3. Testimonial evidence may be ordered by the Court on its own motion or at the request of the parties, only for the purpose of settling disputes relating to attacks on personal rights.
4. The Court may delegate to one of its members of the power to perform acts relating to the proof-taking.

**Article 57**  
**Surveys**

1. A survey may be allowed at the request of the appellant, and the relevant cost shall be borne by the appellant.
2. Surveys allowed at the request the office shall be carried out by the technical offices of the State.

**Article 58**  
**Sequestration**

In the course of the proceedings, at the request of the financial administration, the Court may in the cases and in the manner prescribed by law, order the sequestration of the appellant's property, by way of security. The Court shall be competent to reconfirm the sequestration order.

**Article 59**  
**Evaluation of the Facts**

When deciding the case, Court shall freely evaluate the facts at its own discretion, on the basis of all available evidence, except as provided in Article 56.

**Article 60**  
**Costs**

No costs relating to proceedings before the Tax Section or Tax Appellate Section shall be borne by the financial Administration.

**Article 61**

***Appeals before the Tax Section of the regional court  
time-limit and procedure***

1. Appeals before the tax Section of the Regional Court shall be filed by the person assessed or his legal representative within thirty days from the date of the service of the notice of assessment.
2. The memorandum of appeal, drawn up on a stamp paper, shall be filed with the competent office or the District Commissioner, upon issuance of a receipt.
3. The receipt shall be the only evidence of the filing of the appeal.

**Article 62**

***Proof-Taking and decision***

1. The appeals, transmitted by the office under the terms of the previous article shall be entered by the Court Registrar in a special register numbered and countersigned by the President of the Court.
2. The president of the Court shall set the hearing date and a notice there of shall be served by the Registrar on the appellant and the office.
3. The judgment shall be deposited with the Registrar within thirty days from the date on which it is pronounced.
4. Within fifteen days from the date of the deposit, the Registrar shall send to the competent office, by a registered letter with return receipt, two certified copies of the judgment together with the acts and documents produced by the office.
5. The office shall immediately notify the judgment to the person assessed.

**Article 63**

***Appeals of the Tax Appellate Section time-limit and  
procedure***

1. The office or the person assessed may file an appeal against the decision of the Tax Section of the Regional Court before the Tax Appellate Section within thirty days from the date on which the office has received the copy of the judgment, or the judgment has been notified to the person assessed.

2. The appeal shall be filed by depositing the memorandum of appeal, within the time-limit referred to in the previous paragraph, with the Registrar of the Regional Court or the District Office, together with a copy of the judgment impugned.
3. Copy of the memorandum of appeal shall be deposited with the tax office or the District office, upon issuance of the relevant receipt.
4. The receipt referred to in the previous paragraph shall be deposited with the Registrar of the Regional Court and attached to the memorandum of appeal. In default there of, no proceedings may be initiated before the Tax Appellate Section.
5. The procedure for the proceedings before the Tax Appellate Section shall be governed by the provisions of the previous article.

**Article 64**

***Petitions in the Supreme Court***

1. Petitions against the decisions of the Tax Appellate Section may be filed before the Supreme Court within the time-limit and in the manner prescribed by law. Such petitions shall lie only on questions of law.
2. A petition before the Supreme Court may be filed only upon the deposit of the receipt certifying the payment of the tax charged upon the income by the Tax Appellate Section.

**Article 65**

***Applicability of the Civil Procedure Code***

All matters not governed by this Title shall be governed by the civil procedure Code, in so far as applicable.

**Title IV**  
**Collection of the Tax**

**Chapter I**  
**Collection**

**Article 66**  
**Payment of the tax**

1. Income tax shall become demandable and shall be paid at the time the returns of income referred to in Articles 25 and 33 are delivered.
2. The tax or additional tax charged under an assessment or additional assessment shall become demandable and shall be paid at the expiry of a thirty days period following the date on which the notice of assessment or additional assessment has been served on the person assessed.
3. Except as otherwise provided in the following article, any appeal against the notice of assessment or additional assessment shall cause the payment of the tax to remain in abeyance until a judgment is rendered on the appeal and such judgement has become final, or until an agreement is reached under the terms of art 46.
4. Income tax shall be directly collected by the Direct Taxation Offices, Regional Revenue Offices, or District Office territorially competent.

**Article 67**

**Provisional Payment of tax on the basis of  
Provisional assessment**

1. An amount equal to 20% of the tax shall be provisionally collected by the financial administration on the basis of the notice of assessment or additional assessment, not earlier than thirty days after the date on which the notice of assessment or additional assessment has been served on the person assessed.
2. The tax referred to in the previous paragraph shall become demandable and shall be paid within ten days form the date of the service of the relevant notice of payment.
3. Where, at the date of entry into force of this law, an appeal or a petition is pending before the Tax Section, the Tax

appellate Section or the Supreme Court respectively, the provisions of the previous paragraphs shall apply.

Article 68

Extension of the time prescribed for payment and payment in installments

1. The office shall have the power to extend the time prescribed for payment or permit the tax to be paid in installments of equal or varying amounts.
2. Where the payment in installments is permitted under the terms of the previous paragraph, the tax payable on the basis of the return of income shall be paid in two installments; the tax payable on the basis of a notice of assessment or additional assessment shall be paid in not more than four installments.
3. Where the payment of an installment is delayed for more than twenty days, the office may revoke the permit to pay in installments, and may collect the tax without prejudice to the provisions of art 69.

Article 69

Delay in payment

1. Where the payment of income tax which has become demandable under the terms of Article 66 and 67 is delayed for a period of ten days, interest on arrears shall be paid, equal to 10% of the tax.
2. The office shall also have the power to remit for valid reasons, totally or partly the interests on arrears, referred to in this article.

Article 70

Receipt of Payment

For any payment, the competent office shall issue a receipt of payment and shall include a note in the annual return of income of the person who made the payment or in the notice of assessment, stating that the payment has been made.

Article 71

Appointment of a legal representative for the payment of tax

1. Where it appears that a third party is a depositary or debtor in respect of amounts of money belonging to the tardy tax payer, the office may appoint such third party as the legal representative of the tax payer, for the purposes of the