

## **Tax exemptions to be implemented in compliance with the 2011 Budget Proposals**

You are kindly informed that in compliance with tax proposals of the 2011 budget proposals presented by H E the President on 22<sup>nd</sup> November 2010, following VAT exemptions has to be implemented with immediate effect.

Accordingly, pending the relevant amendments to the legislations, please take necessary action to exempt the payment of Value Added Tax on import or supply of Petrol (under H S Code 2710.11.20), Coal (under H S Codes 2701.11, 2701.12 and 2701.19) and Bitumen (under H S Heading 27.14 and H S Code 2713.20), with immediate effect.

Action will be taken to present draft legislations in Parliament to give effect to these tax exemptions with effect from 23<sup>rd</sup> November 2010 and also to include provisions to indemnify you against any legal action arising from the implementation of this decision as it was done when these taxes were first introduced.

Also please take necessary action to publish a paper advertisement indicating the above changes.