



Almontaser

Chartered Public Accountants

Newsletter about:

- *The Latest Libyan tax Department Announces.*
- *Taxation Tips and knowledge followed by our Professional Opinion.*

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The Latest Libyan tax Department Announce issued during Dec-2011:

- ▣ Tax department is going to shift the previous deadline of providing the Annual Tax report of fiscal year **2010** to **31/03/2012** instead of **31/12/2011**.

Taxation Tips and knowledge:

- 1- The tax Authority usually accept the result of company operations if it keeps on regular basis financial records or books according to article 43 of the executive regulation accompanying law no 11, the regulation states that a company is considered as keeping regular books and records, if the following records or books are kept:

A. The general journal book.

Almontaser Opinion: This Book should be preapproved by Tax department & Ministry of Justice in order to avoid any misusing or inserting papers Etc.

By the way this Book should be handled manually. If the accounting system of the company is computerized that means the said book should be used in parallel; that is costly somehow.

In spite of the fact that Tax Department recently ignoring General Ledger Book Keeping as a way of being compatible with the current Accounting systems developments installed at taxpayers' establishments but they still ask the companies to use general journal book manually as mentioned below in point No. C.

B. The inventory and balance sheet records and books.

C. The recording of financial transaction should he carried out in the manner prescribed in article (58), (60) of the commercial law (they must be numbered and ratified by the court).

D. Books of records Items in which the movement of the quality and quantity of items are recorded, this kind of records should be kept by wholesaler, these records and books should be also numbered and notified by the tax department before being used.

- 2- The keeping of these records or books should not exempt from using other books or records imposed by commercial or any other laws, or required by the nature of the activities the company submitting the declaration is engaged in.

Almontaser Opinion: We think that the tax department tries to make the companies fully working under the international accepted accounting principles, and we have seen the lawmaker issued different point of view at the Bank Law No. 1 released in 2005 when he said in point No. 3 in article No. 97 that "reports have been extracted from any computerized systems should be accepted as official and Legal Books"; while the same law advices all banks to work under International Accounting Standards in point A article No. 26.