

**Decision No. 10 of 2007 Concerning the Recommendation to the President of the Authority to Suspend the Enforcement of the Provisions of Article 88 of the Amended Basic Law of 2003 and Exempt Citizens in the Southern Governorates from Paying Public Taxes and Fees**

Based upon the powers vested in it by law,

The recommendation of the Minister of Finance,

Based upon the requirements of the public interest,

In view to the difficult humanitarian conditions, in which citizens in the Southern Governorates live, after they were occupied by the outlawed militias, and to ensure protection of citizens' funds from being deducted and disbursed in the interest of the outlawed group, Having reviewed the Amended Basic Law of 2003, particularly Articles 43 and 88 thereunder, and

Based upon the Presidential Decree, dated June 14<sup>th</sup>, 2007, on the Declaration of the State of Emergency,

The Council of Ministers has decided in its third session, convening in the city of Ramallah on June 25<sup>th</sup>, 2007, as follows:

**Article 1**

Recommend to the President of the Palestinian National Authority to:

1. Suspend the enforcement of the provisions of Article 88 of the Amended Basic Law of 2003, and its amendments, in the Southern Governorates only.
2. Grant all citizens in the Southern Governorates full exemption of all the fees of services provided by the ministries, bodies, and institutions of the Palestinian National Authority as from the date [of the promulgation of this Decision], including the services provided for the first time.
3. All taxpayers in the Southern Governorates shall be granted full exemption from the value added tax levied on domestic activities and income tax for companies and individuals.
4. The operations of imports of goods from abroad and operations of purchase and sale under clearance invoices shall be excluded.
5. Taxpayers shall comply with disclosing customs statements and clearance invoices to the Excises Department for claims of items within the clearance system in force.
6. Taxpayers shall comply with keeping accounting records as provided for by effective laws and regulations.
7. Income tax deductions from public sector employees shall continue in accordance with the operative regulation.

**Article 2**

All provisions that contradict this Decision shall be repealed.

**Article 3**

All the competent authorities, each one within its sphere of jurisdiction, shall implement the provisions of this Decision, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

**Issued in the city of Ramallah on June 25<sup>th</sup>, 2007 Anno Domini,  
Corresponding to Jumada al-Akhir 10<sup>th</sup>, 1428 Anno Hegira.**

**Salam Fayyad**  
**Prime Minister**

---

*This document constitutes an un-official transcription/translation. DCAF cannot be held responsible for damages that may arise from its use. For official reference, please refer to the original text as published by the Palestinian Authorities.*

*DCAF's Assistance Programme for the Palestinian Security and Justice Sector is supported by the German Federal Foreign Office.*