

(5) Subsection (1) shall not apply to the following imports—

- (a) goods brought in as aid, gifts and non-repayable grants received by the Government or charitable organisations registered as such under the laws of Sierra Leone and intended for charitable purposes for the common good;
- (b) goods imported as part of financing agreements containing provision expressly exempting the goods concerned from any fiscal or para-fiscal levy;
- (c) goods on which the levy has been previously paid in an African Union country.

Passed in Parliament this 25th day of May, in the year of our Lord two thousand and Seventeen.

IBRAHIM S. SESAY,
Clerk of Parliament.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correct printed copy of the said Bill.

IBRAHIM S. SESAY,
Clerk of Parliament.

ACT

Supplement to the Sierra Leone Gazette Vol. CXLVIII, No. 30
dated 8th June, 2017

SIGNED this 1st day of June, 2017.

DR. ERNEST BAIKOROMA,
President.



No. 1

2017

Sierra Leone

THE FINANCE ACT, 2017

Short title.

Being an Act to provide for the imposition and alteration of taxes for the year 2017 and for other related matters.

[] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

commence-
ment.

1. This Act shall commence on the 1st day of January 2017.

CONTROL OF BETTING AND LOTTERIES ACT, 1969

Amendment
of section 3A
of Act No.3.
of 1969.

2. Section 3A of the Control of Betting and Lotteries Act, 1969 is amended by deleting that section and substituting the following new section-

“Tax on lottery winnings. 3A (1) A person who receives prize winning money of at least Le 500,000 that is paid in accordance with this Act shall be liable to pay income tax on that prize winning money.

(2) The person or body making a payment of prize winning money under subsection (1), shall withhold tax as follows-

- (a) for prize winning money up to Le10,000,000 – at the rate of 10% of the prize-winning amount; or
- (b) for prize winning money above Le 10,000,000 at the rate of 20% of the amount

Provided that the withholding tax under this subsection shall be final.

(3) The deadline for the withholding of any monies under subsection (2) shall be not later than fifteen days after the end of the month in which the draw is made or such monies are paid.

(4) Section 129 of the Income Tax Act, 2000 shall apply to the failure to withhold the tax imposed by subsection (2).

(5) A withholding agent of any prize- winning money shall submit to the Commissioner-General the following particulars in respect of every person to whom any prize winning money is paid, namely-

- (a) name and contact address of that person;
- (b) total prize money won;
- (c) total tax withheld;
- (d) tax winnings for the month.”

3. The Control of Betting and Lotteries Act 1969, is amended by inserting the following new section immediately after section 3A- Insertion of new section in Act No 3 of 1969.

3B A royalty tax of 0.25% on gross revenue from sales of all gaming and lotteries products shall be paid by all gaming and lottery companies

* Tax on gaming and lottery products

PAY-ROLL TAX ACT, 1972

4. Section 2 of the Pay-Roll Tax Act, 1972 is amended by deleting subparagraphs (i) and (ii) and substituting the following new subparagraphs- Amendment of section 2 of Act No. 16 of 1972.

- “(i) for each employee, who is a citizen of an ECOWAS country – Le1,500,000.
- (ii) for each employee, who is a citizen of a Non-ECOWAS country – Le 5,000,000”.

FOREIGN TRAVEL (TICKET) TAX ACT, 1975

5. Section 3 of the Foreign Travel (Ticket) Tax 1975 is amended by deleting that section and substituting the following new section- Amendment of section 3 of Act No. 14 of 1975.

Imposition of tax on persons liable to pay.

3. “(1) Subject to this Act every person departing from Sierra Leone by ship, aircraft or any other means of transport shall pay on or before the date of his departure a foreign travel ticket tax calculated at the rates specified in the Schedule, irrespective of whether such ticket is purchased, obtained, issued or received in Sierra Leone.”

(2) The tax shall be paid by the person departing from Sierra Leone to the owner or to any other person issuing the travel ticket or from whom the travel ticket is purchased or obtained and the owner or any other such person, as the case may be, shall on or before issuing or delivering the travel ticket or granting accommodation to the travel ticket holder—

- (a) collect the tax thereon; and
- (b) provide the travel ticket holder with a written statement in duplicate certifying that the tax has been fully paid and collected by him.

Amendment of section 4 of Act No 14 of 1975. **6.** Section 4 of the Foreign Travel (Ticket) Tax 1975 is amended by deleting that section.

Amendment section 5 of Act No 14 of 1975. **7.** Section 5 of the Foreign Travel (Ticket) Tax 1975 is amended by—

- (a) renumbering that section as section 4 and sections 6 to 16 are renumbered accordingly;
- (b) deleting the word “and 4” in line 7 of subsection (1); and
- (c) deleting sub-section (2) and substituting the following new subsection -

“(2) For the purpose of subsection (1) a person shall be liable to pay the tax or additional tax, as the case may be, on the ticket from Sierra Leone to a destination beyond that originally declared by such person prior to his departure from Sierra Leone where it appears to the Commissioner General that such person travelled beyond his

declared destination or returned to Sierra Leone from a place other than the originally declared destination or was in that destination in transit only from the date of his arrival in the said place; the tax payable shall in such event be determined on the ticket from Sierra Leone to the ultimate destination as if the ticket was purchased, obtained, issued or received in Sierra Leone prior to his departure.”

8. Section 14 of the Foreign Travel (Ticket) Tax, 1975 is amended by deleting the words “five hundred Leones” and substituting the words “Five thousand United States dollars or its equivalent in leones”. Amendment of section 14 of Act No 4 of 1975.

9. Section 16 of the Foreign Travel (Ticket) Tax, 1975 is amended by inserting immediately after that section the following Schedule— Amendment of section 16 of Act No 14 of 1975.

SCHEDULE

	Economy	Business	First Class
	\$	\$	\$
Departing to an ECOWAS country	25	50	75
Departing to a non-ECOWAS country	55	170	250

CUSTOMS TARIFF ACT, 1978

Amendment
of Section 7
of Act No.
16 of 1978.

10. Section 7 of the Customs Tariff Act, 1978 is amended by inserting immediately after section 7 the following new section—

*Exemption
from import
duty.

“7A (1) Section 7 shall not apply to institutions registered as non-governmental organization with the Ministry of Finance unless the import duty on their imports have been paid into an escrow account established by the Minister for that purpose and then subsequently reclaimed on proof of exemption from import duty under Second Schedule to the Customs Tariff Act, 1978.

(2) Where import duty has been paid as referred to under sub section (1), the Ministry of Finance shall refund the paid import duty within 60 days failing which the refund shall be made with interest at the Commercial Bank lending rate”.

Amendment
of First
Schedule to
Act No. 16
of 1978.

11. The First Schedule to the Customs Tariff Act, 1978 is amended by –

(a) deleting Heading 11.01 and substituting the following new Heading—

HEADING	H.S. CODE	STIC	DESCRIPTION	TARIFF
11.01	1101.00	046.1	Wheat or meslin flour	20%

(b) deleting Heading 20.09 and substituting the following new Heading –

HEADING	H.S. CODE	STIC	DESCRIPTION	TARIFF
20.09			Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.	
	2009.11	059.1	-Orange juice:	
	2009.12	059.1	-- Frozen	30%
			--Not frozen, of a Brix value not exceeding 20	30%
	2009.19	059.1	-- Other-	
			-Grapefruit (including pomelo) juice:	
	2009.21	059.2	--Of a Brix value not exceeding 20	30%
	2009.29	059.2	-- Other	30%
			-Juice of any other single citrus fruit:	
	2009.31	059.3	-- Of a Brix value not exceeding 20	30%
	2009.39	059.3	-- Other	30%
			-Pineapple juice:	
	2009.41	059.91	-- of a Brix value not exceeding 20	30%
	2009.49	059.91	-- Other	30%
	2009.50	059.92	-Tomato juice	30%
			-Grape juice (including grape must):	
	2009.61	059.93	-- Of a Brix value not exceeding 30	30%
	2009.69	059.93	-- Other	30%
			- Apple juice:	
	2009.71	059.94	-- Of a Brix value not exceeding 20	30%
	2009.79	059.94	-- Other	30%
			- Juice of any other single fruit or vegetable:	
	2009.81	059.95	-- Cranberry (<i>Vaccinium macrocarpon</i> , <i>Vaccinium oxycoccos</i> , <i>Vaccinium vitis-idaea</i>) juice	30%
	2009.89	059.95	-- Other	30%
	2009.90	059.96	- Mixtures of juices	30%

(c) deleting Headings 22.01, 22.02 and 22.03 respectively and substituting the following new Headings -

HEADING	H.S. CODE	STIC	DESCRIPTION	TARIFF		
22.01	2201.10	111.01	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.	30%		
			-Mineral waters and aerated waters			
22.02	2201.90	111.01	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09	30%		
			-Other			
22.03	2203.00	112.3	Beer made from malt	30%		
			2202.10		111.02	-Waters, including mineral and aerated waters, containing added sugar or other sweetening matter or flavoured
			2202.91		111.02	- - Non-alcoholic beer
	2202.99	111.02	- - Other	30%		

(d) deleting Headings 24.01, 24.02 and 24.03 respectively and substituting the following new Headings -

HEADING	H.S. CODE	STIC	DESCRIPTION	TARIFF		
24.01	2401.10	121.1	Unmanufactured tobacco; tobacco refuse.	25%		
			2401.20		121.2	-Tobacco, not partly or wholly stemmed/stripped
			2401.30		121.3	-Tobacco refuse
24.02	2402.10	122.1	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.	25%		
			2402.20		122.2	-Cigars, cheroots and cigarillos, containing tobacco
			2402.90		122.31	-Other
24.03	2403.11	122.32	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences.	20%		
			-Smoking tobacco, whether or not containing tobacco substitutes in any proportion:			
			- - Water pipe tobacco specified in Subheading Note 1 to this Chapter			
			- - Other			
			-Other:			
2403.19	122.32	- - Other				
2403.91	122.39	--"Homogenised or reconstituted" tobacco				
2403.99	122.39	- - Other				

EXCISE ACT, 1982

Amendment of Section 2 of Act No.6 of 1982

12. Section 2 of the Excise Act 1982 is amended by inserting immediately after the definition “excisable goods” the following new definition -

“excisable services” mean all services specified in the Third Schedule.

Amendment of Section 3 of Act No.6 of 1982.

13. Section 3 of the Excise Act 1982 is amended by deleting that section and substituting the following new section—

Goods and Services in First Schedule “ 3. Except as otherwise provided for in this Act, excise duty shall be levied on any goods and services specified in the First Schedule and Third Schedule.

Insertion of new section 3A in Act No. 6 of 1982.

14. The Excise Duty Act 1982, is amended by inserting the following new section immediately after section 3.

Luxury vehicles “ 3A An excise duty rate of 20% shall be imposed on luxury vehicles valued at least US\$25,000 or its equivalent in leones.

Amendment of Section 5 of Act No. 6 of 1982.

15. Section 5 of the Excise Act 1982 is amended in paragraph (c) of subsection (1) by deleting the words “from a member State”

Amendment of First Schedule to Act No. 6 of 1982.

16. The First Schedule to the Excise Act 1982 is amended by-

(a) deleting the tariff item No.22.03, the corresponding description in column 2 and the corresponding rates in column 3 and substituting it with the following tariff item number, description and rate-

No.	HS Heading	HS Code	Description /Goods Specification	Alcohol Content per volume(%)	Rates of Excise
	2203	Beer Made from Malt			
1		220300.10.000	Stout & Porter	<10	US\$0.04 per cl or US\$4 per litre
2		220300.20.000	Beer	<10	US\$0.04 per cl or US\$4 per litre
3			Non-alcoholic not >0.5%	<10	US\$0.04 per cl or US\$4 per litre
4		220300.90.000	Other Forms of Beer	<10	US\$0.04 per cl or US\$4 per litre

(b) inserting the following tariff item No. 2204, the corresponding description in column 2 and the corresponding rates in column 3 and substituting it with the following tariff item number, description and rate immediately after tariff item 2203

No.	HS Heading	HS Code	Description /Goods Specification	Alcohol Content per volume(%)	Rates of Excise
	2204	Wine of Fresh Grapes including fortified grapes; grape must not of Heading 20.09			
1		220410.10.000	Sparkling wine	<10	US\$0.04 per cl or US\$4 per litre
2		220410.90.000	Sparkling wine> 10% p.v.a.	>10	US\$0.06 per cl or US\$6 per litre
3		220421.10.000	Other wine; Grape must <10%	<10	or US\$4 per litre or US\$4 per litre

No.	HS Heading	HS Code	Description /Goods Specification	Alcohol Content per volume(%)	Rates of Excise
4.		220421.50.000	”	<10	US\$0.04 per cl or US\$4 per litre
5.		220429.10.000	>10%p.v.a. in 2ltrs or less	>10	US\$0.06 per cl or US\$6 per litre
6.		220429.50.000		>10	US\$0.06 per cl or US\$6 per litre
7.		220430.10.000	Other Grape must	<10	US\$0.04 per cl or US\$4 per litre
8.		220430.90.000	in containers >2ltrs	>10	US\$0.06 per cl or US\$6 per litre

- (c) inserting the following tariff item No. 2205, the corresponding description in column 2 and the corresponding rates in column 3 and substituting it with the following tariff item number, description and rate immediately after tariff item 2204

No.	HS Heading	HS Code	Description /Goods Specification	Alcohol Content per volume(%)	Rates of Excise
9.	2205	Vermouth & Other wine of Fresh Grapes 220510.10.000	Wine of Fresh Grapes	>10	US\$0.06 per cl or US\$6 per litre
10.		220590.10.000		>10	US\$0.06 per cl or US\$6 per litre

- (d) inserting the following tariff item No. 2206, the corresponding description in column 2 and the corresponding rates in column 3 and substituting it with the following tariff item number, description and rate immediately after tariff item 2205

No.	HS Heading	HS Code	Description /Goods Specification	Alcohol Content per volume(%)	Rates of Excise
	2206	Other Fermented Beverages (Cider, Perry etc); Mixture of fermented beverages and non-alcoholic beverages, NES			
11.		220600.10.000	Cider, Perry & Mead	<10	US\$0.04 per cl or US\$4 per litre
12.		220600.20.000	of alcohol<10%	<10	US\$0.04 per cl or US\$4 per litre
13.		220600.30.000	of alcohol>10%	>10	US\$0.06 per cl or US\$6 per litre
14.		220600.40.000	Rasin wine	<10	US\$0.04 per cl or US\$4 per litre
15.		220600.50.000	Rice wine	<10	US\$0.04 per cl or US\$4 per litre
16.		220600.60.000	Palm wine	<10	US\$0.04 per cl or US\$4 per litre
17.		220600.70.000	Mixture of fruit juice with alc.	<10	US\$0.06 per cl or US\$6 per litre
18.		220600.80.000	Mixture of fruit juice with alc.	>10	US\$0.06 per cl or US\$6 per litre
19.		220600.10.000	of alc.<10%	<10	US\$0.04 per cl or US\$4 per litre
20.		220600.20.000	Others	>10	US\$0.06 per cl or US\$6 per litre

- (e) inserting the following tariff item No. 2208, the corresponding description in column 2 and the corresponding rates in column 3 and substituting it with the following tariff item number, description and rate immediately after tariff item 2206

No.	HS Heading	HS Code	Description /Goods Specification	Alcohol Content per volume(%)	Rates of Excise
	2208	Ethyl Acohol with less than 80%; Spirits and Spirituous Beverages			
21.		220820.10.000	Brandy	>10	US\$0.06 per cl or US\$6 per litre
22.		220820.90.000	Others	>10	US\$0.06 per cl or US\$6 per litre
23.		220830.00.000	Whiskies	>10	US\$0.06 per cl or US\$6 per litre
24.		220840.00.000	Rum and other Spirits	>10	US\$0.06 per cl or US\$6 per litre
25.		220850.00.000	Gin & Cordials	>10	US\$0.06 per cl or US\$6 per litre
26.		220860.00.000	Vodka	>10	US\$0.06 per cl or US\$6 per litre
27.		220870.90.000	Liqueurs & Cordials	>10	US\$0.06 per cl or US\$6 per litre
28.		220890.10.000	Other Forms of Spirituous beverages	>10	US\$0.06 per cl or US\$6 per litre
29.		220890.20.000	Schnapps	>10	US\$0.06 per cl or US\$6 per litre
30.		220890.50.000	Alcohol de menthe	>10	US\$0.06 per cl or US\$6 per litre
31.		220890.90.000	Others	>10	US\$0.06 per cl or US\$6 per litre

- (f) deleting the tariff item No.24.02, the corresponding description in column 2 and the corresponding rates in column 3 and substituting it with the following tariff item number, description and rate-

Tariff Item No.	Description	Rate
24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	30% on sales

- (g) inserting the following new tariff item number, description and rate immediately after tariff item 24.02-

Tariff Item No.	Description	Rate
24.03	Other manufactured tobacco and manufactured tobacco substitutes, including water pipe tobacco; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences	30% on sales

INCOME TAX ACT, 2000

17. Section 32 of the Income Tax Act 2000 is amended by

- (a) deleting that section and substituting the following new section-

32. (1) For the purpose of ascertaining the chargeable income derived by a taxpayer during a year of assessment, there shall be deducted-

- (a) all outgoings and expenses incurred by the taxpayer during the year of assessment to the extent that expenses or outgoings were incurred in the production of assessable income;
- (b) cash and capital items, at their fair market values as determined by the Commissioner- General, given or donated by the taxpayer in the course of generating chargeable income or in deriving sales or promoting the activities of the business to the extent of 50% of the market value or values so determined;
- (c) allowable losses in accordance with section 32 A
- (d) losses suffered on the disposal of business assets other than trading stock as determined in accordance with sections 57 and 61;
- (e) at the rate of one hundred percent-
 - (i) any expenses on training of staff in an approved training programme;
 - (ii) any expenses on social services such as building of schools and hospitals and any investments outside the scope of the original investment that would also be available to the general public for use free of charge;
 - (iii) expenses which are aimed at promoting exports and the supply of goods overseas;

- (iv) freight charges from the quay to a factory or processing site not locked within Freetown;
 - (v) expenditure incurred promoting an export quality standard Sierra Leonean owned product;
 - (f) donations to good causes.
- (2) No deduction shall be allowed under subsection (1) for-
- (a) any outgoing or expense to the extent that it is personal to the taxpayer;
 - (b) an amount that is included in the adjusted cost base of an asset;
 - (c) income tax paid or incurred to Sierra Leone or to a foreign country;
 - (d) any contribution to a non-complying pension, superannuation, provident or similar fund or to a complying fund in excess of the limit prescribed in section 38;
 - (e) any sums paid in respect of redundancy, loss of office, termination of the holding of an office or retirement and any like sum in excess of the limit prescribed in paragraph 2 of the Ninth Schedule, except to the extent that it has been taxed as employment income;
 - (f) any gratuity paid to an employee past, present or future or to a dependant of an employee except to the extent that it has been taxed as employment income;
 - (g) expenses, except cost of travel to attend board meetings incurred by a company in respect of transport to or from any place

- outside or inside Sierra Leone of a director of the company or his dependants, other than those of a whole-time service director;
- (h) subject to sections 33 and 41, expenses incurred to repair, renew, alter or improve property;
- (i) subject to section 34, expenses incurred to provide meals, refreshment or entertainment;
- (j) subject to section 35, interest expenses incurred by a taxpayer that is not a bank;
- (k) subject to section 36, losses in respect of bad debt claims;
- (l) subject to section 37, research and development costs;
- (m) subject to section 38, any part of the cost of acquiring a right to receive pension or annuity payments;
- (n) subject to section 42, expenses incurred to acquire mineral and petroleum exploration and production rights and expenses incurred in respect of mineral and petroleum development;
- (o) subject to section 43, expenses incurred in starting up a business to produce assessable income;
- (p) subject to section 44, expenses incurred in acquiring an interest in a business;
- (q) subject to section 54, expenses incurred to acquire trading stock or raw materials to be incorporated into trading stock;

- (r) the cost of a gift made directly or indirectly to an individual if the gift is excludable from the individual's assessable income; or
- (s) a fine or similar penalty paid to a government for breach of any law.

(3) In this section an outgoing or expense treated as personal to the taxpayer includes—

- (a) the cost of commuting between a taxpayer's residence and work;
- (b) the cost of clothing that is suitable for wearing outside work;
- (c) the cost of caring for dependants; and
- (d) the cost of education in such areas of study as the Minister may, after consultation with the Minister for the time being responsible for Education by statutory instrument determine.

(4) In paragraph (f) of subsection (1), the expression "donations to good causes" refers to donations made in respect of community development programmes, charitable giving and sponsorship of sports, educational and health programmes.

- (b) inserting immediately after section 32 the following new section—

"Allowable losses. 32A (1) For the purposes of this section, "loss" means, for a year of assessment, the amount by which a taxpayer's allowable deductions exceed the taxpayer's assessable income for that year of assessment.

(2) Subject to section 88, a loss may be carried forward,

for the purpose of a deduction under paragraph (c) of subsection (1) of section 32, for a maximum of 10 years after the year of assessment in which the loss was originally incurred.

(3) Subject to section 88, if the full amount of a loss carried forward cannot be deducted under paragraph (c) of subsection (1) of section 32, the part that is not deducted may be carried forward, for the purpose of a deduction under that section, for a maximum of 10 years after the year of assessment in which the loss was originally incurred.

(4) Subject to subsection (5), an allowable loss, for section paragraph (c) of subsection (1) of section 32, is the amount of a loss carried forward in accordance with subsections (2) and (3).

(5) The amount of allowable losses for subsection paragraph (c) of subsection (1) of section 32 shall not exceed 50% of the chargeable income for the year of assessment, calculated as if no deduction for a carried forward loss is made under paragraph (c) of subsection (1) of section 32.

Amendment
of section 57
of Act No 8
of 2000.

18. Section 57 of the Income Tax Act, 2000 is amended in paragraph (iii) subsection (2) by deleting that paragraph and Act and substituting the following new paragraph—

"(iii) "chargeable asset" means—

(a) land and sea in Sierra Leone and s i e r r a Leone territorial waters which includes, but is not limited to -

any property attached to it, any improvement to the land and sea, and any fixtures and fittings thereon;

anything growing on the land and sea;
and

any interest in the land and sea including a right to future ownership, lease, a right to occupy land, a right to explore, remove or extract any mineral, oil or gas from the land, and a right to grow or remove any crop on the land;

(b) a business asset, which includes, but is not limited to—

intellectual property rights and goodwill;

any licence issued by the Government of Sierra Leone to explore or extract oil or gas at sea;

any licence or right to fish at sea, or to catch or extract a marine natural resource; and

any licence or right to operate telecommunication services.

(c) "shares" means shares—

held by a resident in a company resident in Sierra Leone, including a holding company, subsidiary or affiliate;

held by a resident in a company not resident in Sierra Leone if at least 20% of the company's sales are derived in or from Sierra Leone; and held directly or indirectly by a non-resident in a company resident in Sierra Leone, if at least 20% of the company's trading

activity is carried out in Sierra Leone, or at least 20% of the company's income is derived from Sierra Leone.

Amendment of section 61 of Act No 8 of 2000.

19. Section 61 of the Income Tax Act, 2000 is amended in of in paragraph (b) of subsection (1) by deleting words "one quarter" and substituting "75%".

Amendment of section 97 of Act No. 8 of 2000.

20. Section 97 of the Income Tax Act, 2000 is amended by deleting that section and substituting the following new section—

97. (1) Subject to this section and section 98, a taxpayer or nominated officer of a partnership or trust shall—

- (a) file a return of income for each year of assessment; and
- (b) make arrangements to pay any balance of tax thereon, not later than four calendar months after the end of the year of assessment.

(2) Where the taxpayer is about to cease activity in Sierra Leone or where the Commissioner-General otherwise considers it appropriate, the Commissioner-General may require a taxpayer to file a return of income covering a period of less than twelve months by service of a notice in writing which specifies the due date for the return of income.

(3) The Commissioner-General shall prescribe—

- (a) the form of the return of income;
- (b) the information required to be included on the return of income;
- (c) the method of filing the return of income, including any automated or electronic system; and

(d) the method of paying any balance of tax.

(4) The Commissioner-General may prescribe different forms, information and methods for taxpayers who opt under subsection (2) of section 4 to be taxed at the rates set out in Part V of the First Schedule.

(5) In the case of a person who has opted to be taxed under subsection (2) of section (4) (Small and Micro Taxpayer Regime), a simple return completed by an agent for a fee approved under a Domestic Tax Preparers Scheme for Small and Micro Taxpayer's specified by the Commissioner-General.

(6) Subject to subsection (7), the return of income shall be accompanied by—

- (a) in the case of a person carrying on business in Sierra Leone, other than a micro or small taxpayer- a set of annual accounts certified by a firm of chartered accountants recognized by the Institute of Chartered Accountants of Sierra Leone and approved by the Commissioner-General;
- (b) in the case of a person carrying on business in Sierra Leone, other than a micro or small taxpayer who has opted under subsection (2) of section (4) to be taxed at the rates set out in Part V of the First Schedule - a set of annual accounts of the taxpayer's business;
- (c) in the case of a non-governmental organisation or an organisation whose income is exempt under section 9 - annual accounts, stating income from trading activities, income from any other source, and expenditure;

(7) If a person, to whom paragraph (a) or paragraph (b) of subsection (6) applies, carries on business through two or more branches, the annual accounts shall be disaggregated for each branch and set out the information prescribed by the Commissioner-General for branches.

(8) A certification by a chartered accountant of annual accounts shall state—

- (a) the basis upon which the accounts were prepared; and
- (b) the correctness and completeness of the accounts.

(9) A return of income shall be signed by the taxpayer or, if the taxpayer is legally incapacitated, by the taxpayer's legal representative and shall contain a representation that the return is complete and accurate.

(10) The Commissioner-General may prescribe the basis on which a person other than a taxpayer may assist a taxpayer to prepare and file a return of income on behalf of a taxpayer, or class of taxpayers.

(11) A person who completes or contributes to the completion of a return for compensation shall also sign the return unless the person is an employee of the taxpayer.

(12) A taxpayer may file a return under this section, and any other return required to be filed under this Act, and make payment through the payment system including an automated system administered by the National Revenue Authority."

Amendment
of Section
109 of Act
No 8 of
2000.

21. Section 109 of the Income Tax Act, 2000 is amended—

- (a) in subsection (5) by deleting that subsection and substituting the following new subsection—

"(5) Property upon which distress is levied under this section shall be kept for up to 30 days as directed by the Commissioner-General either at the premises where the distress was levied or at such other place as the Commissioner-General may consider appropriate at the cost of the taxpayer whose tax liability is involved."

- (b) in sub- sections (6) and (8) by deleting "ten days" and substituting "30 days";

22. Section 113 of the Income Tax Act, 2000 is amended in subsections (1) and (2) by deleting those subsections and substituting the following new subsections—

Amendment
of Section
113 of Act
No 8 of
2000.

"(1) A taxpayer who derives or expects to derive business income in a year of assessment shall make an estimate of chargeable business income and turnover for the year of assessment on or before 31st January , of the year of assessment or, for a taxpayer using a substituted year of assessment, on or before the end of the first month of the substituted year of assessment.

(2) A taxpayer who derives business income in a year of assessment may review his estimates of chargeable business income and turnover for the year of assessment—

- (a) on or before 30th April of the year of assessment or, for a taxpayer using a substituted year of assessment on or before the end of the fourth month of the substituted year of assessment.;
- (b) on or before 31st October of the year of assessment or, for a taxpayer using a substituted year of assessment on or before the end of the tenth month of the substituted year of assessment."

Amendment of Section 117 of Act No 8 of 2000. **23.** Section 117 of the Income Tax Act 2000 is amended in paragraph (c) of subsection (2) by inserting the words "and technical" after the word "management".

Amendment of Section 130 of Act No 8 of 2000. **24.** Section 130 of the Income Tax Act, 2000 is amended by inserting immediately after subsection (4) the following new subsection—

"(4) All PAYE for expatriate staff shall be remitted in United States Dollars."

Amendment of First Schedule Act No 8 of 2000. **25.** The First Schedule to the Income Tax Act, 2000 is amended by –
(a) deleting the following item –

"Winnings of Le 500,000 and above from any lottery - 10%" and substituting it with the following new item—

"Winnings of at least Le 500,000 from a lottery, at the rate or rates specified in section 3A of the Control of Betting and Lotteries Act, 1969";

(b) the repeal and replacement of Part V thereof with the following new Part V -

**"PART V
Small and Micro Tax Payer Regime (Section 4(2))**

1. Where the turnover, excluding income from property, of a person, not being a company specified under Part III of the First Schedule, is less than Le 350,000,000 but not less than Le10,000,000, the income tax payable shall, at the option of such a person, be taxed at the following rates—

General rates for small and micro taxpayers

Amount of turnover	Income tax payable in Leones
under 10,000,000	Nil
10,000,001-20,000,000	100,000 plus 2% of the amount of turnover above 10,000,000
20,000,001-100,000,000	300,000 plus 4% of the amount of turnover above 20,000,000
100,000,001-200,000,000	3,500,000 plus 5% of the amount of turnover above 100,000,000
200,000,000-350,000,000	8,500,000 plus 6% of the amount of turnover above 200,000,000

Provided however that where the tax payer is—

- (a) a transport services provider; or
- (b) engaged in alluvial gold, diamond and sand-based exporting, dealing or mining activities,

the tax payable by that person shall be the higher between the General rates for small and micro taxpayers and the rates applicable to his business under paragraph 2 or 3.

2. A taxpayer who is a transport services provider shall, at the option of such a person, be taxed at the following rates—

Rates for providers of transport services

Provider of transport services using	Income tax payable in Leones
(a) trucks, tankers, large tippers or trailers	1,000,000
(b) buses, mini-buses, delivery vans or small tippers	500,000
(c) taxis, mini-taxis or motorbikes	200,000

3. A taxpayer who is an alluvial gold, diamond or sand-based exporter, exporters' agent, dealer, dealers' agent or miner, shall, at the option of such a person, be taxed at the following rates—

Rates for alluvial gold, diamond and sand-based mining activities

No.	Description of taxpayer	Income Tax payable
1	Alluvial Diamond Exporters	Le 1,200,000 + payment of 3% of export value
2	Alluvial Gold Exporters	Le 750,000 + (payment of 3% of export value)
3	Industrial and Sand-based Minerals exporter	Le 750,000 + (payment of of 3% of export value)
4	Alluvial Diamond Exporters' Agent	Le. 1,200,000
5	Alluvial Gold Exporters' Agent	Le 1,200,000
6	Industrial and Sand-based Minerals Exporters' Agent	Le 1,200,000
7	Alluvial Diamond Dealers	Le 650,000
8	Alluvial Gold Dealers	Le 400,000
9	Industrial and Sand-based Minerals Dealers	Le 400,000
10	Alluvial Diamond Dealers' Agent	Le 250,000
11	Alluvial Gold Dealers' Agent	Le 250,000
12	Industrial and Sand-based Minerals Dealers' Agent	Le 250,000
13	Alluvial Diamond Miners	Le 150,000
14	Alluvial Gold Miners	Le 150,000
15	Sand-based Miners	Le 150,000

4. For purposes of paragraph 2—

"large tipper" means a tipper truck with a minimum gross weight of 3.5 tonnes; and

"small tipper" means a tipper truck with a maximum gross weight less than 3.5 tonnes.

NATIONAL REVENUE AUTHORITY ACT, 2002

26. Section 12 of the National Revenue Authority Act, 2002 is amended in subsection (3A) by inserting the following new paragraphs— Amendment of section 12 of No 11 of 2002.

(e) There shall be a 25% penalty imposed on the late payment of non-tax revenues after their due dates.

(f) Where 'Good Cause' is shown, the Commissioner-General may waive the penalty imposed with special consideration to circumstances where the delay in payment is outside the control of the company or taxable person.

TELECOMMUNICATIONS ACT, 2006

27. Section 26 of the Telecommunications Act, 2006 is amended by inserting immediately after section 26 the following new section— Amendment of section 26 of No 9 of 2006.

Telecom
Royalty.

26A. (1) Subject to sub-sections (2) and (3), there shall be paid by all telecommunications operators a 0.5% royalty on their turnover being an allowable deduction in computing the final corporate tax payable.

(2) In this section, "turnover" means all sums paid by telecommunication services users to telecommunication services operators for goods supplied and services rendered by the operator, including monies received or receivable during the normal course of their business operations .

(3) In this section, "telecommunications" means a transmission, emission or reception of signs, signals, writing, images, sounds or intelligence of any nature by wire, radio, optical or other electro-magnetic systems whether or not such signs, signals, writing, images, sounds or intelligence have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception.

(4) The royalty referred to in subsection (1) shall be collected by the National revenue Authority and paid directly into the Consolidated Revenue Fund.

(5) Collection and recovery procedures applicable to income tax are applicable to the collection and recovery of the royalty.

GOODS AND SERVICES TAX ACT, 2009

Amendment
of Second
Schedule to
Act No 6 of
2009.

28. The Second Schedule to the Goods and Services Tax Act is amended by deleting paragraph (16) and substituting the following new paragraphs—

"16. Supply: Importation of materials for hotels
Description: imported materials required for the construction and setting up of a hotel with at least 100 rooms for the period 1st January, 2016 to 31st December, 2018.

17. Supply: Issuance of official national identification documents
Description: Passport, Voters ID Card and National ID Card.

18. Supply: Baby foods
Description: Milk and cream, concentrated or containing added sugar or other sweetening matter, in powdered, granular or other solid form, as described under HS Code 0402.

19. Supply: Exercise Books
Description: The importation or supply of exercise books that are work books with printed texts and blank spaces to be filled in, as described under HS Code 4820.20.10 and workbooks under HS Code 4820.20.90.

20. Supply: Raw fish
Description: The importation or supply of raw fish as described under HS Code 1604.1

21. Supply: Solar and energy saving equipment
Description: Importation and sale of Photovoltaic System Equipment and low energy or energy efficient appliances that meet relevant International Electrical and Technical Commission (IEC) global standards."

CUSTOMS ACT, 2011

Amendment
of section 7
of Act No 9
of 2011.

29. Section 7 of the Customs Act 2011 is amended by –

- (a) deleting subsection (14) and substituting the following new subsection–

'(14) In cases where the final determination of amounts payable on imported or exported goods is delayed, the importer, upon request in writing to the Commissioner-General may withdraw goods from Customs control subject to providing a sufficient guarantee from any source acceptable by the Commissioner-General that will cover the ultimate payment of any duties and taxes to which the goods may be liable"

- (b) inserting the following new sub-sections immediately after sub-section (14) -

" (15)In the case of special consignments including–

- (a) emergency or relief goods;
(b) arms and ammunition;
(c) diplomatic goods;
(d) securitized notes; and
(e) subject to subsection (16), perishable goods,

the Commissioner-General may upon written application by the importer or exporter authorise immediate release from Customs control, whilst the related customs formalities are completed at a later date but not exceeding 30 days.

(16) In the case of a special consignment that consists of perishable goods, the goods–

- (a) shall be released after meeting the selectivity criteria as contained in the Customs Automated Systems;
(b) shall not be subject to Customs physical inspection at the ports; and
(c) may be subject to post clearance audit.

(17) For the purposes of this section, "perishable goods" means–

- (a) onions;
(b) potatoes;
(c) fresh tomatoes;
(d) poultry products;
(e) apples;
(f) pigs' feet;
(g) sausages;
(h) margarine;
(i) butter;
(j) fish; and
(k) any other foodstuff or food product determined by the Commissioner-General to be perishable.

(18) If an importer or agent fails to complete the customs formalities in accordance with subsection (15) within 30 days–

- (a) the importer or agent shall be liable to pay a penalty of Le 2,000,000; and
- (b) the importer or agent may not import or export any other goods until the customs formalities are completed.";

Amendment
of section 11
Act No 9 of
2011.

30. Section 11 of the Customs Act 2011 is amended by inserting immediately after subsection (4), the following new subsection–

"(5) Mandatory Customs Clearing documents means–

- (a) Commercial Invoice;
- (b) Packing List;
- (c) Classification and Valuation Certificate;
- (d) Bill of Lading;
- (e) Delivery Order;
- (f) bank payment receipt;
- (g) Permit Clearance approval (where applicable);
- (h) Fumigation and Health Certificates (where applicable);
- (i) any other document prescribed by the Commissioner-General to be a mandatory Customs Clearing Document."

31. Section 12 of the Customs Act 2011 is amended by -

- (a) deleting subsection (2) and substituting the following new subsection-

"(2) If a report under section 8 or a goods declaration under section 11 is inaccurate, in accordance with subsection (1), the goods that are reported or declared are liable to be seized and forfeited and the Commissioner-General may, unless satisfied that the inaccuracy is inadvertent, exercise powers under this Act to seize and forfeit those goods."

- (b) inserting immediately after subsection (2) the following new subsection-

(2A) For the purposes of subsection (3), an inaccuracy is not inadvertent if it -

- (a) is an under-declaration of the quantity of goods;
- (b) is a mis-description of the goods;
- (c) states incorrect packing details;
- (d) states incorrect ownership details; or
- (e) is a manipulation of import trade information (whether before or after the manifest has been electronically registered, or after duty has been assessed by the Commissioner-General,

and the inaccuracy results in, or would result in if not detected, a loss of revenue."

32. Section 26 of the Customs Act 2011 is amended by

Amendment
of section 12
Act No 9 of
2011.

Amendment
of section 26
Act No 9 of
2011.

- (a) deleting subsection (4) and substituting the following new subsection-

"(4) All payments of duties, taxes and other levies exceeding Le 500,000 by importers, exporters, customs clearing agents and other persons shall be made -

- (a) electronically;
- (b) by bank cheque, debit card or credit card at a designated Commercial Bank in Freetown or elsewhere in Sierra Leone; or
- (c) at any Customs office prescribed by the Commissioner-General."
- (b) inserting the following new sub-sections immediately after sub-section (4) the following new subsections-

"(5) Upon written application by a taxpayer, the Commissioner General may enter into a time-to-pay agreement specifying instalment payment in respect of any duties, taxes and levies;

(6) The Commissioner-General may recover any duty, interest or penalty imposed under this Act by exercising the enforcement powers of the Commissioner-General under the Income Tax Act, 2000."

Amendment
of section 77
Act No 9 of
2011.

- 33.** Section 77 of the Customs Act 2011 is amended by deleting paragraph (h) and substituting the following new paragraph-

"(h) Any person who contravenes this section, commits an offence and shall be liable on conviction to a fine of not less than Le 100,000,000 and not more than Le200,000,000 or a term of an imprisonment not less than two years or to both such fine and imprisonment."

- 34.** Section 80 of the Customs Act 2011 is amended by-

Amendment
of section 80
Act No 9 of
2011.

- (a) deleting subsection (4) and substituting the following new subsection-

"(4) Any person who-

- (a) hinders, obstruct or assaults an officer in the performance of his duties under this Act;
- (b) fails to comply with any lawful demand made by an officer in the performance of his duties under this Act shall be liable to a penalty of Le150,000,000."

- (b) inserting immediately after subsection (4) the following new subsection -

"(5) A person who contravenes a provision of subsection (4) commits an offence and is liable on conviction to a fine of not less than Le 200,000,000 and not more than Le300,000,000 or a term of imprisonment not exceeding two years, or to both such fine and imprisonment.";

- (c) by deleting in subsection (6) the words "and the importer or exporter shall be liable to a fine not exceeding fifty million Leones" and substituting "and the provisions in this Act relating to forfeiture of goods shall apply accordingly";

- (d) inserting the following new subsection immediately after subsection (6) -

"(7) If a shipping agency lodges a report or declaration that contains an inaccuracy that is not advertent, in accordance with subsection (2) of section 12, the shipping agency commits an offence and shall, on conviction, be liable to a fine of not more than Le400,000,000 or a term of imprisonment not exceeding three years, or to both such fine and imprisonment."

GENERAL PROVISIONS

Amendment of section 18 of Act No. 3 of 2012.

35. The National Minerals Agency Act, 2012 is amended by repealing and replacing section 18 with the following new section—

“Revenues 18. All revenues collected by or due to the Agency shall be paid into a Special Treasury Account of the Consolidated Fund:

Provided that the following revenues shall not be paid into the special Treasury Account of the Consolidated Fund—

- (a) monies accruing to the Agency in the course of its operations;
- (b) minerals and trading rights application fees;
- (c) monitoring fees and precious mineral valuation fees; and
- (d) regulatory fees, fines and other monetary sanctions imposed by the Agency”.

Amendment of section 36 Act No 6 of 2016.

36. Section 36 of the Finance Act 2016 is amended by deleting that section and substituting the following new section—

"36. (1) There is hereby imposed a National Free Health Care Levy of 0.5% on all payments made to contractors, both local and foreign, for the supply of goods and services which shall be payable on or before the 15th day of the month following the transaction.

(2) The implementation of the levy under this subsection shall operate as a withholding tax and filing requirements, collection, audit and enforcement shall be subject to the Income Tax Act, 2000."

37. All goods that are to be auctioned shall attract the appropriate taxes and charges on the purchase price of the goods during the public auction exercise ^{Auctioned goods.}

38. (1) There is hereby imposed on all imports into Sierra Leone, a levy at the rate of 0.2% of their value determined as follows- ^{Africa Union Account levy.}

- (a) the C.I.F value at the port of disembarkation or discharge for imports arriving by sea;
- (b) the C.I.F value at the point of entry into the African Union Customs territory, in the case of imports arriving by road;
- (c) the Customs value at the port of disembarkation or discharge for imports arriving by air,

to be paid into the African Union Levy Account established at the Bank of Sierra Leone for the purpose of funding the operations of the African Union:

Provided that this levy shall not apply to imports from African Union countries.

(2) The Commissioner General of the National Revenue Authority shall be responsible for the assessment and collection of the levy and shall, for that purpose, open an additional column in its ledgers to record a daily account of amounts received in respect of the levy and the securities and privileges applicable in the collection of the fiscal revenues of Sierra Leone shall apply in the collection of the levy.

(3) The Commissioner General of the National Revenue Authority shall pay the levy collected on the following working day or, at the latest, within a period not exceeding one month from the date of collection, into the account at the Bank of Sierra Leone opened in the name of AU, and shall obtain appropriate receipts.

(4) The Commissioner General of the National Revenue Authority shall declare at the end of every three months, the amount of the levy collected and paid to the African Union Account at the Bank of Sierra Leone during that period and reconciliation of the amount declared, collected and paid shall be made between the Customs Service Department and the Bank of Sierra Leone.