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

CONTROL OF BETTING AND LOTTERIES ACT, 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-

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-

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

6. Section 4 of the Foreign Travel (Ticket) Tax 1975 is amended by deleting that section.

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”.

9. Section 16 of the Foreign Travel (Ticket) Tax, 1975 is amended by inserting immediately after that section the following Schedule—

<table>
<thead>
<tr>
<th>SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>Departing to an ECOWAS country</td>
</tr>
<tr>
<td>Departing to a non-ECOWAS country</td>
</tr>
</tbody>
</table>
CUSTOMS TARIFF ACT, 1978

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

“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”.

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

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

<table>
<thead>
<tr>
<th>HEADING</th>
<th>H.S. CODE</th>
<th>STIC</th>
<th>DESCRIPTION</th>
<th>TARIFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.01</td>
<td>1101.00</td>
<td>046.1</td>
<td>Wheat or meslin flour</td>
<td>20%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>HEADING</th>
<th>H.S. CODE</th>
<th>STIC</th>
<th>DESCRIPTION</th>
<th>TARIFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.09</td>
<td></td>
<td></td>
<td>Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.11</td>
<td>059.1</td>
<td>- Orange juice:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.12</td>
<td>059.1</td>
<td>- Not frozen, of a Brix value not exceeding 20</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.19</td>
<td>059.1</td>
<td>- Other:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.21</td>
<td>059.2</td>
<td>- Of a Brix value not exceeding 20</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.29</td>
<td>059.2</td>
<td>- Other:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.31</td>
<td>059.3</td>
<td>- Juice of any other single citrus fruit:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.39</td>
<td>059.3</td>
<td>- Other:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.41</td>
<td>059.91</td>
<td>- Pineapple juice:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.49</td>
<td>059.91</td>
<td>- Other:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.50</td>
<td>059.92</td>
<td>- Tomato juice</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.61</td>
<td>059.93</td>
<td>- Grape juice (including grape must):</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.69</td>
<td>059.93</td>
<td>- Other:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.71</td>
<td>059.94</td>
<td>- Apple juice:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.79</td>
<td>059.94</td>
<td>- Of a Brix value not exceeding 20</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.81</td>
<td>059.95</td>
<td>- Juice of any other single fruit or vegetable:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.89</td>
<td>059.95</td>
<td>- Other:</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2009.90</td>
<td>059.96</td>
<td>- Mixtures of juices</td>
<td>30%</td>
</tr>
</tbody>
</table>
(c) deleting Headings 22.01, 22.02 and 22.03 respectively and substituting the following new Headings -

<table>
<thead>
<tr>
<th>HEADING</th>
<th>H.S. CODE</th>
<th>STIC</th>
<th>DESCRIPTION</th>
<th>TARIFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.01</td>
<td>2201.10</td>
<td>111.01</td>
<td>Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>2201.90</td>
<td>111.01</td>
<td>- Other</td>
<td>30%</td>
</tr>
</tbody>
</table>

| 22.02   | 2202.10   | 111.02 | 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% |
|         | 2202.91   | 111.02 | - Non-alcoholic beer | 30% |
|         | 2202.99   | 111.02 | - Other     | 30% |

| 22.03   | 2203.00   | 112.3 | Beer made from malt | 30% |

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

<table>
<thead>
<tr>
<th>HEADING</th>
<th>H.S. CODE</th>
<th>STIC</th>
<th>DESCRIPTION</th>
<th>TARIFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.01</td>
<td>2401.10</td>
<td>121.1</td>
<td>Tobacco, not stemmed/stripped</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>2401.20</td>
<td>121.2</td>
<td>Tobacco, not partly or wholly stemmed/stripped</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>2401.30</td>
<td>121.3</td>
<td>Tobacco refuse</td>
<td>25%</td>
</tr>
</tbody>
</table>

| 24.02   | 2402.10   | 122.1 | Cigars, cheroots, cigarillos and cigarettes of tobacco or of tobacco substitutes. | 25% |
|         | 2402.20   | 122.2 | Cigarettes containing tobacco | 20% |
|         | 2402.90   | 122.31 | - Other | 20% |

| 24.03   | 2403.11   | 122.32 | - - Water pipe tobacco specified in Subheading Note 1 to this Chapter | 20% |
|         | 2403.19   | 122.32 | - - Other: | 20% |
|         | 2403.91   | 122.39 | - - Homogenised or reconstituted tobacco | 20% |
|         | 2403.99   | 122.39 | - - Other | 20% |
EXCISE ACT, 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.

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.

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.

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

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-

<table>
<thead>
<tr>
<th>No.</th>
<th>HS Heading</th>
<th>HS Code</th>
<th>Description /Goods Specification</th>
<th>Alcohol Content per volume(%)</th>
<th>Rates of Excise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>220300.10.000</td>
<td>Stout &amp; Porter</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>220300.20.000</td>
<td>Beer</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>220410.10.000</td>
<td>Sparkling wine</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>220410.90.000</td>
<td>Other Forms of Beer</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>No.</th>
<th>HS Heading</th>
<th>HS Code</th>
<th>Description /Goods Specification</th>
<th>Alcohol Content per volume(%)</th>
<th>Rates of Excise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>220410.10.000</td>
<td>Sparkling wine</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>220410.90.000</td>
<td>Sparkling wine &gt;10% p.v.a.</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>220421.10.000</td>
<td>Other wine; Grape</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
</tbody>
</table>
(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

<table>
<thead>
<tr>
<th>No.</th>
<th>HS Heading</th>
<th>HS Code</th>
<th>Description /Goods Specification</th>
<th>Alcohol Content per volume(%)</th>
<th>Rates of Excise</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td>220421.50.000</td>
<td>&quot;</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>220429.10.000</td>
<td>&gt;10%p.v.a. in 2ltrs or less</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>220429.50.000</td>
<td></td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>220430.10.000</td>
<td>Other Grape must</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>220430.90.000</td>
<td>in containers &gt;2ltrs</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th>No.</th>
<th>HS Heading</th>
<th>HS Code</th>
<th>Description /Goods Specification</th>
<th>Alcohol Content per volume(%)</th>
<th>Rates of Excise</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td></td>
<td>220600.10.000</td>
<td>Cider, Perry &amp; Mead</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>220600.20.000</td>
<td>of alcohol&lt;10%</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>220600.30.000</td>
<td>of alcohol&gt;10%</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>220600.40.000</td>
<td>Rasin wine</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>220600.50.000</td>
<td>Rice wine</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td>220600.60.000</td>
<td>Palm wine</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td>220600.70.000</td>
<td>Mixture of fruit juice with alc.</td>
<td>&lt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>220600.80.000</td>
<td>Mixture of fruit juice with alc.</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td>220600.10.000</td>
<td>of alc.&lt;10%</td>
<td>&lt;10</td>
<td>US$0.04 per cl or US$4 per litre</td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>220600.20.000</td>
<td>Others</td>
<td>&gt;10</td>
<td>US$0.06 per cl or US$6 per litre</td>
</tr>
</tbody>
</table>

(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
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-

(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-

<table>
<thead>
<tr>
<th>Tariff Item No.</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.02</td>
<td>Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes</td>
<td>30% on sales</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Tariff Item No.</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.03</td>
<td>Other manufactured tobacco and manufactured tobacco substitutes, including water pipe tobacco; &quot;homogenised&quot; or &quot;reconstituted&quot; tobacco; tobacco extracts and essences</td>
<td>30% on sales</td>
</tr>
</tbody>
</table>
(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 32A;

(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. (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.

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 Sierra 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.

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

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.


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

(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—

"(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."
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".

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."

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—

<table>
<thead>
<tr>
<th>Amount of turnover</th>
<th>Income tax payable in Leones</th>
</tr>
</thead>
<tbody>
<tr>
<td>under 10,000,000</td>
<td>Nil</td>
</tr>
<tr>
<td>10,000,001-20,000,000</td>
<td>100,000 plus 2% of the amount of turnover above 10,000,000</td>
</tr>
<tr>
<td>20,000,001-100,000,000</td>
<td>300,000 plus 4% of the amount of turnover above 20,000,000</td>
</tr>
<tr>
<td>100,000,001-200,000,000</td>
<td>3,500,000 plus 5% of the amount of turnover above 100,000,000</td>
</tr>
<tr>
<td>200,000,000-350,000,000</td>
<td>8,500,000 plus 6% of the amount of turnover above 200,000,000</td>
</tr>
</tbody>
</table>

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—

<table>
<thead>
<tr>
<th>Provider of transport services using</th>
<th>Income tax payable in Leones</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) trucks, tankers, large tippers or trailers</td>
<td>1,000,000</td>
</tr>
<tr>
<td>(b) buses, mini-buses, delivery vans or small tippers</td>
<td>500,000</td>
</tr>
<tr>
<td>(c) taxis, mini-taxis or motorbikes</td>
<td>200,000</td>
</tr>
</tbody>
</table>
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**

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

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—

(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—

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

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.


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 InternationalElectro-technical Commission (IEC) global standards."
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.”;

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
(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."

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—

(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**

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

"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".

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 on all imports into Sierra Leone, a levy at the rate of 0.2% of their value determined as follows—

(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."