

ACT

Supplement to the Sierra Leone Gazette Vol. CXLXIII, No. 2

dated 13th January, 2021

SIGNED this 11th day of January, 2022.

DR. JULIUS MAADA BIO,
President.



No. 1



2022

Sierra Leone

THE FINANCE ACT, 2022

Short title.

Being an Act to provide for the amendment of the laws relating to the imposition and alteration of taxes, duties, rates, fees and provide for the financial proposals and other related financial matters incidental thereto.

[

] Date of commencement.

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

Date of commencement.

1. Unless otherwise provided, this Act shall be deemed to come into operation on the 1st day of January, 2022.

THE CUSTOMS TARIFF ACT, 1978

Amendment of First Schedule of Act No 16 of 1978.

2. The Customs Tariff Act 1978 is amended in the First Schedule as follows—

(a) by deleting the heading 11.01 and inserting the following new heading

HEADING	H.S. CODE	SITC	DESCRIPTION	TARIFF
10.01	1101.11.00.000		-Wheat (for industrial flour production)	0%

(b) inserting the following new heading immediately after Heading 100.12

HEADING	DESCRIPTION
100.13	All materials under their respective HS Codes imported by the Government of Sierra Leone for the conduct of elections by the National Electoral Commission.
100.14	Arms, ammunition, specialized security vehicles, public order and communication equipment under their respective HS Codes imported by the Government or by a person authorized by Government to do such for and on its behalf.
100.15	Medals, Medallions and decorations under their respective HS Codes imported directly by or for the Government for awards by the President and for the use of the Ministries of Defence and Internal Affairs.

(c) inserting the following new heading 73.11

HEADING	H.S. CODE	SITC	DESCRIPTION	TARIFF
73.11	73110010		Liquefied Petroleum Gas (LPG) Cylinder & Accessories	0%

- (d) by deleting the heading 2206 and inserting the following new Heading 2401
- (e) by inserting the following new headings immediately after 2401—
"2402
2403"
3. The Schedule to the customs Tariff Act, 1978 is amended in Part II — Amendment of First Schedule of Act No 16 of 1978.
- (a) iron rods under H.S Code 7215.90 the duty is changed from 10 to 5%
- (b) cement (finished product) under H. S. Code 2523 the duty is changed from 20 to 10 %

THE EXCISE ACT 1982

4. The Excise Act 1982 is amended in the First Schedule by deleting the tariff code 22.09 and inserting the following new tariff code with the corresponding description and rate of excise- Amendment of First Schedule to Act No. 6 of 1982.

Tariff Code	Description	Rate of Excise
22.03	D1. Locally manufactured beer of more than 80% locally produced raw materials including sorghum, cassava, maize, sugar and barley	5%
	D2. Locally manufactured beer of more than 70% locally produced raw materials including sorghum, cassava, maize, sugar and barley	8%
	D3. Locally manufactured beer of more than 60% locally produced raw materials including sorghum, cassava, maize, sugar and barley	12%
	D4. Locally manufactured beer of more than 50% locally produced raw materials including sorghum, cassava, maize, sugar and barley	15%

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

5. The First Schedule to the Excise Act, 1982 is amended by varying the rate therein as follows:

HEADING	H.S. CODE	STC	DESCRIPTION	RATE US\$
2207	22071090		Imported Extra Neutral Alcohol of at least 96%	0.04cl or \$4.0 per liter

Amendment
of Section 2
of Act No. 8
2000.

THE INCOME TAX ACT 2000

6. Section 2 of the Income Tax Act 2000 is amended by—

- (a) deleting the definition of "gross income" and inserting the following new definition -

"gross income" in relation to any year of assessment for any person means the total amount in cash or otherwise, received by or accrued to or in favour of such person from all sources during the year or period of assessment excluding receipts and accruals of a capital nature.

- (b) deleting the definition of large taxpayer and inserting the following new definition-

"large tax payer " means a taxpayer with an annual turnover of above Le5,000,000,000.00 or other additional requirements as may be prescribed by the Commissioner-General

- (c) deleting the definition of medium taxpayer and inserting the following new definition -

"medium taxpayer" means a taxpayer with an annual turnover of an amount above Le100,000,000.00 and up to Le5,000,000,000.00

- (d) deleting the definition of small taxpayer and inserting the following new definition -

"small taxpayer" means a taxpayer with an annual turnover above Le10,000,000.00 and an amount up to Le100,000,000.00;"

- (e) deleting the definition of micro taxpayer and inserting the following new definition -

"micro taxpayer" means a taxpayer with an annual turnover less than Le10,000,000.00."

7. Section 100 of the Income Tax Act 2000 is amended by repealing and replacing subsection (1) with the following new subsection-

Amendment of Section 100 of Act No. 8 2000.

"(1) Upon application in writing by a taxpayer who files tax returns by the due date, the Commissioner-General may extend the period within which the return of income is to be made by a maximum period of sixty days upon payment of the following fees-

- (a) large taxpayer -Le20,000,000;
- (b) medium taxpayer -Le10,000,000; and
- (c) small taxpayer -Le1,000,000"

8. Section 106 of the Income Tax Act 2000 is amended by repealing and replacing that section with the following new section-

Amendment of Section 106 of Act No. 8 2000.

"recovery of debt due 106 (1) Income that is due and payable shall be a debt owed to Sierra Leone and shall be payable to the Commissioner-General.

(2) For the purpose of enforcing payment of any liability under this Act, the Commissioner-General shall-

- (a) publish details of each defaulter and his debt in the Gazette or registered media outlets; and
- (b) submit to the minister responsible for finance the current year details of all debt due to National Revenue Authority for the previous year before the 30th day of April.

(3) The minister responsible for finance shall contract a third party to collect all the debt due to the National Revenue Authority in the previous year for a fee which shall be determined during the award of the contract."

Amendment
of Section
110 of Act
No. 8 2000.

9. Section 110 of the Income Tax Act 2000 is amended by—

(a) inserting the following new subsections (5) and (6) immediately after subsection (4) as follows—

" (5) Notwithstanding any law to the contrary—

(a) a person shall upon written request by the Commissioner-General provide information on the value of the amount owed to a defaulting taxpayer within twenty-four hours of making the request;

(b) a bank and other financial institution shall upon written request by the Commissioner-General provide information on the value of deposit including the bank statement, investment and other holdings of a defaulting taxpayer within twenty-four hours of making the request.

(6) A person or an institution who fails to comply with subsection (5) commits an offence and shall be liable to an administrative fine of Le 500,000,000 or upon conviction to a fine of Le 1,000,000,000 or imprisonment not exceeding five years or to both the fine and imprisonment."

(b) the original subsection (5) shall now read as "subsection 7"

Amendment
of Section
117 of Act
No. 8 2000.

10. Section 117 of the Income Tax Act 2000 is amended —

(a) by repealing and replacing subsection (3) with the following new subsection—

"(3) The tax otherwise payable by a contractor on income which tax has been withheld pursuant to subsection (1) shall be reduced by the tax withheld. "

- (b) by inserting the following new subsection
(4) immediately after the new subsection (3)-

" (4) For the purpose of subsection (3) a contractor means any person who supplies goods, services and works under an express or implied contract through previous, frequent or regular dealings."

- (c) in subsection (5) by deleting the amount of Le500,000 and "inserting Le1,000,000 in its place
(d) by inserting the following new subsection
(7) immediately after subsection (6)

" (7) Subject to subsection (6) a person upon filing a return shall pay an integrated tax administration system process fee of Le10,000 per return to the National Revenue Authority" for the maintenance of the system

- (e) by renumbering the section according as subsection (1) to subsection (9)

11. Section 120 of the Income Tax Act 2000 is amended in subsection (3) by repealing and replacing sub-paragraph (i) with the following new sub-paragraph-

Amendment
of Section
120 of Act
No. 8 2000.

"(i) non taxable threshold of Le600,000 monthly or Le7,200,000 per annum"

12. Section 138 of the Income Tax Act 2000 is amended

Amendment
of Section 138
of Act No. 8
2000.

- (a) in subsection (1) by deleting the words "Income Tax Board of Appellate Commissioners" and inserting the following new words-

"Revenue Board of Appellate Commissioners"

- (b) by repealing and replacing subsection (2) with the following new subsection-

"(2)The Board shall consist of not more than ten non-public officers amongst whom shall be three (3) women and shall be made up of the following members-

- (a) one chartered accountant;
- (b) one revenue administrator with at least ten years experience;
- (c) two legal practitioners with at least ten years experience"

appointed by the President subject to the approval of Parliament.

- (b) by repealing and replacing subsection (6) with the following new subsection—

"(6)The President shall appoint one of the legal practitioners under paragraph (c) of subsection (2) as the Chairman of the Board"

Amendment
of Section
139 of Act
No. 8 2000.

13. Section 139 of the Income Tax Act 2000 is amended by repealing and replacing subsection (1) with the following new subsection—

"(1)The Board shall have a Secretary who shall be the legal practitioner referred to under paragraph (c) of subsection (2) of section 138 who is not appointed Chairman "

Amendment
of Section
149 of Act
No. 8.

14. Section 149 of the Income Tax Act 2000 is amended by inserting the following new subsections (4) and (5) immediately after subsection (3)-

"(4)Twenty five percent of revenue collected from penalties resulting from a third-party information sharing or a whistle blower that leads to the recovery of revenues shall be paid to the National Revenue Authority as administrative incentive payment.

(5) Whistle blowers and other providers of third party information shall be entitled to protection and confidentiality in relation to their identity including address, contact details and other information which may reveal their identity.

(6) The Commissioner-General shall pay to the third party or whistle brower 25% of the amount received under subsection (4).

15. Section 150 of the Income Tax Act 2000 is amended by repealing and replacing that section with the following new section

Amendment
of Section
150 of Act
No. 8 2000.

Failure to
file correct
return.

"150 (1) A tax payer who fails to file a return—

(a) within 30 days after the due date shall be termed a late filer;

(b) after 30 days of the due date shall be termed a non-filer.

(2) The following penalties shall apply to a late filer of an annual tax return who files after the due date without good course—

(a) large taxpayer -Le50,000,000

(b) medium taxpayer -Le25,000,000

(c) small taxpayer -Le2,500,000

(3) The following penalties shall apply to a late filer of a monthly tax return who files after the due date—

(a) large taxpayer -Le10,000,000

(b) medium taxpayer -Le5,000,000

(c) small taxpayer -Le1,000,000

(4) A taxpayer who without good course fails to file an income tax return and any other return required by this Act within the stipulated period shall be liable to the following penalties—

(a) large taxpayer -Le100,000,000

(b) medium taxpayer -Le50,000,000

(c) small taxpayer -Le5,000,000

(5) A taxpayer who without reasonable excuse files an income tax return incorrectly stating his chargeable income, shall be liable to a penalty of twenty five percent of the difference between the amount of tax payable for the year of assessment and the amount that would have been payable if the tax payable had been calculated by reference to the incorrect return."

Amendment
of Ninth
Schedule of
Act No. 8

16. The Ninth Schedule of the Income Tax Act 2000 is amended in—

- (a) paragraph 11 by deleting the amount Le1,000,000 and inserting Le5,000,000 in its place
- (b) paragraph 13 by repealing and replacing subparagraph (v) of subparagraph (a) with the following new sub paragraph—

" (v) (i) Large taxpayer -Le10,000,000
(ii) Medium taxpayer-Le5,000,000
(iii) Small taxpayer-Le1,000,000"

THE FINANCE ACT 2006

Amendment
of section 10
of Act No. 7
of 2006.

17. Section 10 of the Finance Act, 2006 is amended by repealing and replacing that section with the following new section—

Provisional
enactment
of Finance
Bills.

"10(1) Pursuant to subsection (3) of Section 110 of the 1991 Constitution, the minister responsible for finance may, by order made by statutory instrument, provide that provisions of a Finance Bill and any other bill relating to financial matters, as may be specified in the order shall, until the Bill becomes law, have the force of law for a period not exceeding four months and that any amendment to the Bill, made after the date of the order shall not affect the previous operation of the Bill or anything duly done or suffered thereunder.

(2) The order referred to in subsection (1) shall, unless sooner revoked, cease to have effect—

- (a) if the Bill to which it relates is not passed within a certain period from the date of its first reading in Parliament as may be prescribed by Parliament;
- (b) if, after the introduction of the Bill to which it relates, Parliament is prorogued or dissolved;
- (c) if, after the passage of the Bill to which it relates, the President refuses his assent thereto; or

- (d) at the expiration of a period of four months from the date it came into operation or such longer period from that date, as may be specified in any resolution passed by Parliament, after the Bill to which it relates has been introduced.

(3) For the purposes of this Section, a Finance Bill shall be a Bill whose principal purpose relates to the imposition or alteration of taxation, management of public finances and other financial related matters."

GOOD AND SERVICES TAX (GST) ACT, 2009

18. Sub-section 2 of section 15 of the Goods and Services Act 2009 is amended by replacing Le 350,000,000 with Le 100,000,000. Amendment of section 15 of Act No. 7 of 2009.

19. Section 37 of the Goods and Services Tax Act 2009 is amended by inserting the following new subsections immediately after subsection (3). Amendment of section 37 of Act No. 7 of 2009.

“(4)A tax payer who fails to file a GST return-

- (a) within 30 days after the due date shall be termed a late filer;
- (b) after 30 days of the due date shall be termed a non-filer.

(5) The following penalties shall apply to a late filer of a GST return without good course-

- (a) large taxpayer -Le50,000,000
- (b) medium taxpayer -Le25,000,000

(6) A GST taxpayer who fails to file a GST return without good course shall be liable to the following penalties-

- (a) large taxpayer -Le100,000,000
- (b) medium taxpayer -Le50,000,000"

Amendment of section 58 of Act No. 7 of 2009.

20. Section 58 of the Goods and Services Tax Act 2009 is amended by repealing and replacing that section with the following new section.

Failure to pay GST by due date.

58 A person who fails to pay GST on or before the date due for payment is liable to a penalty equal to one-twelfth of the 364 day treasury bill rate for each month in which the GST remains outstanding until the payment is made"

Amendment of section 99 of Act No. 7 of 2009.

21. Section 99 of the Goods and Services Tax Act 2009 is amended by repealing and replacing that section with the following new section-

"(99) The Commissioner-General shall issue to a resident person and a non-resident person with no permanent establishment in Sierra Leone but whose income source is from Sierra Leone, a unique Taxpayer Identification Number (TIN), which number may be the same used to identify the person for the purposes of income tax, customs duty, Goods and Services Tax or non-tax revenue or any other transaction with the National Revenue Authority".

Amendment first schedule of Act No. 7 of 2009.

22. The Goods and Services Tax Act 2009 is amended in the first schedule by inserting item 3 immediately after item 2 "The consumption, supply or use of renewable energy from mini-grids connected solar power in Sierra Leone".

Amendment second schedule of Act No. 7 of 2009.

23. The Second Schedule of the Goods and Services Tax Act 2009 is amended as follows:

(a) by repealing and replacing paragraph (13) with the following new paragraph -

13. Supply-	Plant, equipment and machinery
Description-	Plant, equipment, machinery, apparatus and appliances designed for use exclusively in-

- (a) agriculture, veterinary, fishing and horticulture;
- (b) manufacturing; and
- (c) mining

This paragraph shall be classified as exempt under the harmonized systems commodity classification code"

(b) by deleting paragraph 29 and inserting the following new paragraphs immediately after paragraph (28)-

""(29). **Supply:-** Materials for the conduct of national elections

Description: All materials imported by Government or development partners on behalf of Government for the conduct of elections by the National Electoral Commission.

(30). **Supply:** Arms, ammunition, and security equipment

Description: Arms, ammunition, specialized security vehicles, public order and communication equipment imported by the Government or by a person authorized by Government to do such for and on its behalf.

""(31). **Supply:** Medals and Medallions

Description: items of medals, medallions and other decorations imported directly by or for the Government for awards by the President and for the use of the Ministries of Defence and Internal Affairs."

THE CUSTOMS ACT 2011

Amendment
of section 40
of Act No. 9
of 2011.

24. Section 40 of the Customs Act 2011 is amended by—

- (a) inserting the following new subsection (3) immediately after subsection (2) and renumbering the section accordingly:

“(3) For the purpose of section (6), the most convenient route for international transit shall be as follows:

- (a) from customs office entry to customs office of exit (transit through);
- (i) Port of Freetown to Gbalamuya Customs Post
 - (ii) Port of Freetown to Jendema Customs Post
 - (iii) Port of Freetown to other Customs Posts
 - (iv) Gbalamuya Customs Post to Jendema Customs Post
- (b) from customs office of entry to customs inland office (inward transit);
- (i) from Jendema customs post to any inland customs office
 - (iii) from port of Freetown to any inland customs office

- (b) inserting the following new subsection (7) immediately after subsection (6)

“(7) The Commissioner-General shall from time to time publish the most convenient routes for international transit subject to the approval of the minister.”

THE PUBLIC PROCUREMENT ACT 2016

25. Section 1 of the Public Procurement Act 2016 is amended by repealing and replacing subsection (3) with the following new subsection—

Amendment of section 1 of Act No. 1 of 2016.

"(3) Where the minister responsible for defence or national security, with the approval of the Defence Council, determines that a procurement related to national defence or national security requires the application of special measures, the rules and procedures set out in this Act shall not apply but special measures shall apply which shall be governed by defence or national security considerations".

THE PUBLIC FINANCIAL MANAGEMENT ACT 2016

26. Section 12 of the Public Financial Management Act 2016 is amended in subsection (2) by repeal and replacing paragraph (b) with the following new paragraph—

Amendment of section 12 of Act No. 13 of 2016.

(b) the executive -secretary or the head of administration if the budgetary agency is a statutory body.

27. Section 13 of the Public Financial Management Act 2016 is amended by inserting the following new sub-section (6) immediately after subsection (5)

Amendment of section 13 of Act No. 13 of 2016.

"(6) Notwithstanding this Act or any other law where the vote controller or other responsible person of a—

- (a) budgetary agency ;
- (b) sub-vented agency;
- (c) other entity in the central government
- (d) local council;
- (e) social security fund ; or
- (f) public enterprise

fails to implement or respond to the internal and external audit recommendations within thirty working days from the effective date of the publication or issuance of the report, his remuneration, fees and allowances shall be withheld subject to the authorization of the minister until the vote controller, or other responsible person, implements the internal and external audit recommendations".

Amendment of Section 57 of Act No. 13 of 2016.

28. Section 57 of the Public Financial Management Act 2016 is amended by inserting the following new subsections (4) and (5) immediately after subsection (3)

"(4) Where a budgetary agency or sub-vented agency fails to comply with subsection (3) of section 17 of the Public Procurement Act 2016 the minister may annul in whole or in part any unauthorized act or decision of a procuring entity including—

- (a) commencement of a procurement activity;
- (b) award or signing of a contract; or
- (c) any decision or act bringing a contract into force."

(5) The minister shall respond to any request referred to under section 17 of the Public Procurement Act within ten working days from receipt of the request.

Amendment of section 66 subsection (2) of Act No. 13 of 2016.

29. Section 66 of the Public Financial Management Act 2016 is amended by repealing and replacing subsection (2) with the following new subsection—

(2) "The ministry shall prepare and publish in the Gazette and the website of the Ministry a quarterly statement of the Consolidated Fund containing—

- (a) the actual revenues and expenditures of the Consolidated Fund;
- (b) an overview of progress in budget execution from the Consolidated Fund; and
- (c) any other information the Accountant-General deems to be appropriate".

30. Section 75 of the Public Financial Management Act 2016 is amended by inserting the following new subsections (5) and (6) immediately after subsection (4)—

Amendment of section 75 of Act No. 13 of 2016.

"(5) Where the vote controller or other responsible person of a budgetary agency, sub-vented agency, other entity in the central government, local council, social security fund, public enterprise fails to grant internal auditors unrestricted access to all its records, physical properties and to carry out audit assignments, the remuneration, fees and allowances of the vote controller or other responsible person shall be withheld subject to the authorization of the minister until the vote controller or other responsible person complies with the request of the Internal Audit personnel.

(6) Notwithstanding this Act or any other law, where a person fails to respond to an query or observation from the Internal Audit, his remuneration , fees and allowances shall be withheld subject to the authorization of the Director of Internal Audit until the officer responds to the Internal Audit's query or observation."

THE EXTRACTIVE INDUSTRIES REVENUE ACT 2018

31. Section 15 of the Extractive Industries Revenue Act 2018 is amended in subsection (2) by repealing and replacing paragraph (a) with the following new paragraph-

Amendment of section 15 of Act No. 11 of 2018.

"(a)interest and other financial gains including any amount treated as interest income under the Income Tax Act 2000"

32. Section 24 of the Extractive Industries Revenue Act 2018 is amended in subsection (1) by deleting the figure (1) immediately after the word "subsection " on the first line of the sentence and inserting the figure "(2)"

Amendment of section 24 of Act No. 11 of 2018.

33. Section 25 of the Extractive Industries Revenue Act 2018 is amended by deleting the word "included" found on the third line and inserting the word "deducted"

Amendment of section 25 of Act No. 11 of 2018.

Amendment
of section 30
of Act No 11
of 2018.

34. Section 30 of the Extractive Industries Revenue Act 2018 is amended by repealing and replacing subsection (1) with the following new sub-section—

"(1)A holder of a petroleum licence that has accumulated net receipts for a year of assessment from production activities of a separate petroleum operation shall pay petroleum resource rent tax"

Amendment
of section 38
of Act No. 11
of 2020.

35. Section 38 of the Extractive Industries Revenue Act 2018 is amended by repealing and replacing subsection (2) with the following new subsection—

"(2) Paragraph (d) of subsection (1) of section 24, paragraphs (d) and (e) of subsection (1) of section 25 and section 28 shall apply, with the necessary modification, in calculating a petroleum right holder's income from a business that includes processing of petroleum, but only to the extent the expenses and funds relate to that processing."

Amendment
of section 40
of Act No. 11
of 2018.

36. Section 40 of the Extractive Industries Revenue Act 2018 is amended in subsection (1) by inserting the word "agreement" immediately after the word "industry" in the second line of the subsection

Amendment
of second
schedule of
Act No. 11
of 2018.

37. The Second Schedule of the Extractive Industries Revenue Act 2018 is amended in Part II by repealing and replacing paragraph 4 with the following new paragraph

"4. The income tax rate for minerals and petroleum operations shall be 25%"

THE NATIONAL DISASTER MANAGEMENT ACT 2020

Amendment
of section 38
of Act No. 11
of 2018.

38. Section 38 of the National Disaster Management Act 2020 is amended by inserting the following new subsections (3), (4) and (5) immediately after subsection (2)

- (3) The minister responsible for finance shall establish a special emergency account to be known as the Disaster Management Account to provide funding for disasters and the implementation of disaster management for any emergency response and emergency response operation for disaster affected persons.

- (4) Funds from the Account shall be authorised by the President pursuant to paragraph (c) of subsection (2) of Section 114 of the Constitution, and upon the request of the National Disaster Management Agency and shall not be subject to the the Public Procurement Act 2016 but the utilisation of funds from the Account shall be subject to audit by the Auditor General up to a maximum of thirty days, following the utilisation.
- (5) Each withdrawal from the Account shall be done upon the instructions of the minister responsible for finance and authorized by the Accountant-General".

GENERAL PROVISION

There shall be a minimum floor price levied at Le 18 per megabyte for telecommunication data services.

Passed in Parliament this 21st *day of December*, in the year of our Lord two thousand and twenty one.

PARAN UMAR TARAWALLY,
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.

PARAN UMAR TARAWALLY,
Clerk of Parliament.