

- (4) The utilization of funds from the Account shall be approved by the President pursuant to paragraph (c) of subsection (2) of Section 114 of the Constitution, and shall not be subject to the the Public Procurement Act 2016 or any other enactment 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".

#### MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is mainly to provide for the imposition and alteration of taxation in support of the Government's fiscal policies for the year 2022.

MADE this 12th day of November, 2021.

DENNIS K. VANDY,  
*Minister of Finance.*

FREETOWN,  
SIERRA LEONE  
NOVEMBER, 2021.

## BILL

*Supplement to the Sierra Leone Gazette Extraordinary Vol. CXLXII, No. 68*

*dated 12th November, 2021*

No.

2022



**Sierra Leone**

#### A BILL ENTITLED

#### 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.**

[ ]

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) by deleting the heading 2206 and inserting the following new Heading 2401

(d) by inserting the following new headings immediately after 2401—  
"2402  
2403"

### THE EXCISE ACT 1982

3. 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%

**THE INCOME TAX ACT 2000**

Amendment  
of Section 2  
of Act No. 8  
2000.

4. 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."

5. 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"

6. 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 otherwise; 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."

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

Amendment  
of Section  
110 of Act  
No. 8 2000.

- (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 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 Le1,000,000,000 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.

8. 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)

9. 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 Le6,000,000 monthly or Le7,200,000 per annum"

10. 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 and shall 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. 11. 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. 12. 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) The Commissioner-General shall pay to the third party or whistle brower 25% of the amount received under subsection (4).

Amendment of Section 150 of Act No. 8 2000. 13. Section 150 of the Income Tax Act 2000 is amended by repealing and replacing that section with the following new section

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."

14. 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

15. 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.

Amendment of Ninth Schedule of Act No. 8

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

(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 expenditures and other financial related matters."

#### GOOD AND SERVICES TAX (GST) ACT, 2009

Amendment of section 37 of Act No. 7 of 2009". 16. Section 37 of the Goods and Services Tax Act 2009 is amended by inserting the following new subsections immediately after subsection (3).

“(4) A taxpayer 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.

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

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

(6) A taxpayer who without good cause 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"

17. 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 58 of Act No. 7 of 2009.

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

19. 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 -

Amendment second schedule of Act No. 7 of 2009.

13. **Supply- Description-** Plant , equipment and machinery  
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 inserting the following new paragraphs immediately  
after paragraph (29)-

""(30). **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.

(31). **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.

""(32). **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

20. 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:

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

“(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

21. 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

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

22. 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—

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

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

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

"(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.

24. 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.

25. 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".

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

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

- "(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

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

27. 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-

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

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

28. 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 25 of Act No. 11 of 2018.

29. 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 30 of Act No. 11 of 2018.

30. 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"

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

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

"(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."

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

33. 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 =

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

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

#### THE NATIONAL DISASTER MANAGEMENT ACT 2020

34. 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)

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

(3) The minister responsible for finance shall establish and manage 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.