

48	No.	Finance Act	2021
	6.	Application for renewal of registration (Section 13)	50,000.00
	7.	Renewal of registration (Section 13)	500,000.00
	8.	License for the manufacturer of a pesticide or chemical (Section 19)	1,000,000.00
	9.	License for an importer of pesticides or chemicals (Section 19)	500,000.00
	10.	License for an exporter of pesticides or chemicals (Section 19)	500,000.00
	11.	License for a distributor of pesticides or chemicals wholesale (Section 19)	250,000.00
	12.	License for warehousing pesticides or chemicals (except in cases of distributors) Section 19)	1,000,000.00
	13.	License for a distributor of pesticides or chemicals for general use (retail) (Section 19)	250,000.00
	14.	License for a distributor of restricted pesticides or chemicals (retail) (Section 19)	1,000,000.00
	15.	Commercial Applicators license (Section 24)	250,000.00

Passed in Parliament this 17th day of November, in the year of our Lord two thousand and twenty.

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..

ACT

Supplement to the Sierra Leone Gazette Vol. CXLXII, No. 1

dated 7th January, 2021

SIGNED this 18th day of December, 2020.

DR. JULIUS MAADA BIO,
President.



No. 1



Sierra Leone

2021

THE FINANCE ACT, 2021

Short title.

Being an Act to provide for the imposition and alteration of taxes, to give effect to the financial proposals of the Government and to provide for other related matters for the financial year 2021.

[/] 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, 2021.

PAY-ROLL TAX ACT, 1972

Amendment of Section 2 of Act No 16 of 1972. **2.** Section 8 of the Pay-Roll Tax Act 1972 is amended in subsection (1) by inserting the following new paragraph immediately after paragraph (c)-

"(d)public international organisations "

THE CUSTOMS TARIFF ACT, 1978

Amendment of First Schedule of Act No 16 of 1978. **3.** The First Schedule of the Customs Tariff Act 1978 is amended as follows -

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

HEADING	H. S. CODE	SITC	DESCRIPTION	TARIFF
11.01	1101.11.00.000		-Wheat (for industrial flour production)	0%

(b) by deleting the headings 8471.30, 8471.41 and 8471.50 and inserting the following new headings

HEADING	H. S. CODE	SITC	DESCRIPTION	TARIFF
84.71			-Portable automatic data processing machine and units thereof	5%
	8471.30.10.000		- Presented completely knocked down (CKD) or unassembled for the assembly industry	
	8471.41.10.000		-Other automatic data processing machines	5%

HEADING	H. S. CODE	SITC	DESCRIPTION	TARIFF
			- Presented completely knocked down (CKD) or unassembled for the assembly industry	
	8471.50.10.000		-Processing units other than those of subheading 8471.41 or 8471.49	
			Presented completely knocked down (CKD) or unassembled for the assembly industry	5%

THE EXCISE ACT 1982

4. The First Schedule of the Excise Act 1982 is amended as follows- Amendment of First Schedule to Act No 6 of 1982

(a) deleting the tariff item No. 15.11, the corresponding description in column 2 and the corresponding rates in column 3 and inserting the following new tariff item numbers, descriptions and excise rates on import-

HEADING	H. S. CODE	SITC	DESCRIPTION	EXCISE RATE
15.11	1511.90.10.000		-Vegetable oil and its fractions, whether or not refined, but not chemically modified. - Put up for retail sale in packings with a net content of 5 litres or less	10%

HEADING	H. S. CODE	SITC	DESCRIPTION	EXCISE RATE
	1511.90.90.000		- Other	10%
	1511:90:20:000		Palm Olein	10%
	1517:10:90:000		Magarine, edible mixtures or preparation of vegetable fats or oils fractions of different fats or oils.	10%

(b) by deleting heading 34.01 and inserting the following new headings.

HEADING	H. S. CODE	SITC	DESCRIPTION	TARIFF
34.01	3401.11.00 3401.11.10.000 3401.11.20 3401.11.90 3401.19.00 3401.19.10 3401.19.30 3401.19.90 3401.20.00		Soaps for toilet use Medicated soap Toilet Soap Bath Soap Multipurpose Soap Household Soap Soap noodles Laundry Soaps Soaps in other forms	20%
29.15	2915.60.00 2915.60.00 2915.70.00		Palmitic acid, steric acid their salts & esters Other salts of Palmitic acid	20%
38.23	3823.11.00		Industrial monocarboxylic fatty acid oils Steric acid - other forms of steric fatty acids	20%

(c) deleting the tariff item No. 22.09 , the corresponding description and excise rate and inserting the following new tariff item numbers, descriptions and excise rates -

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

- (d) deleting the tariff item No.73.17 the corresponding descriptions and the corresponding rates and inserting the following tariff item numbers, descriptions and rates-

HEADING	H. S. CODE	SITC	DESCRIPTION	EXCISE RATE
73.17	7317.00.10.00		- Nails	5%

THE FORESTRY ACT 1988

Amendment of Section 25A of Act No. 7 of 1988.

5. Section 25A of the Forestry Act 1988 is amended by repealing and replacing that section with the following new section -

"Royalty on timber export 25A. An exporter of timber log, timber and timber products shall pay to the National Revenue Authority a timber royalty of \$3,000 per any 33.2 cubic metres before he exports any timber log, timber and timber products excluding furniture, edge glue boards, plywood and wooden transmission poles from planted forests.

THE INCOME TAX ACT 2000

Amendment of Section 2 of Act No. 8 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 means the total income derived from all sources of a taxable person before any deduction or allowance"

- (b) deleting the definition of "impeding tax administration" and inserting the following new definition -

"impeding tax administration" means any action by a person to corruptly, by force or threat of force (including any threatening letter or communication) intimidate, harm or obstruct any officer or employee of a person or agent assisting the National Revenue Authority for revenue collection purposes, including any member of the family of such an officer or employee of a person or agent,".

- (c) deleting the definition of associate person and inserting the following new definition -

"associated persons" refer to two or more persons where-

- (i) one person is controlled by the other;
- (ii) such persons are each controlled by the same person or persons.

One person is controlled by another person under paragraph (i) where -

- (i) one person acts or is likely to act in accordance with the directions, requests, suggestions or wishes of the other person whether or not the directions, requests, suggestions or wishes are communicated to that person, or
- (ii) the other person is a legal person, or the other person holds or controls more than 25 percent of the share capital or the voting rights in the other person.

Amendment of Section 3 of Act No 8 2000.

7. Section 3 of the Income Tax Act 2000 is amended by inserting the following new subsections immediately after subsection (3)-

“(4) For the purpose of subsection (1) a person liable to income tax on chargeable income and taxable activities from a source in Sierra Leone shall register with the National Revenue Authority.

(5) A person liable for registration under subsection (4) shall include all electronics, online and digital transactions and activities of a resident taxpayer.

(6) A person who fails to register under subsection (4) commits an offence and shall be subject to the penalty provisions under the Act”.

Amendment of Section 5 of Act No. 8 2000.

8. Section 5 of the Income Tax Act 2000 is amended by inserting the following new paragraph immediately after paragraph (b)

“(c)Subject to section 3, corporate income tax for manufacturing entities or factories whose management and functional activities are exclusively set up outside the Western Area shall be 15 percent.”

Insertion of new section in Act No. 8 of 2000.

9. The Income Tax Act 2000 is amended by inserting the following new section immediately after section 6-

Minimum turnover tax for online and digital transaction

6A

Subject to section 3 a minimum tax of 1.5 percent shall be imposed on the turnover of all digital and electronic transactions and sales on the universal income derived by a resident taxpayer in Sierra Leone ”

10. Section 3 of the Income Tax Act 2000 is amended in paragraph (s) of subsection (1) by deleting the word "gross" found immediately before the word "monthly" and inserting the word "basic" Amendment of Section 23 of Act No. 8 2000.

11. Section 32 of the Income Tax Act 2000 is amended in subsection (2) by inserting the following new paragraph immediately after paragraph (c) - Amendment of Section 32 of Act No. 8 2000.

"(d)group members of a company fully registered in Sierra Leone with a minimum of 25 percent holding in the group, shall recoup losses of members in the same group up to ten years as provided for in this Act

Provided that ownership and control are tested by reference to the ordinary share capital, voting rights, dividend rights and rights to distributions on liquidation”.

12. Section 35 of the Income Tax Act 2000 is amended by repealing and replacing that section with the following new section Amendment of Section 35 of Act No. 8 2000.

Interest expense

35

(1) In ascertaining a person's chargeable income for a year of assessment , the total deduction for financial costs shall not exceed the amount referred to in subsection (2)

(2) The amount of financial costs referred to in subsection (1) shall be equal to the sum of-