

# ACT

*Supplement to the Sierra Leone Gazette Vol. CLXIV, No. 40*

---

*dated 22nd June, 2023*

---

## TAX AND DUTY EXEMPTION ACT, 2023

### ARRANGEMENT OF SECTIONS

Sections.

#### PART I-PRELIMINARY PROVISIONS

1. Commencement.
2. Interpretation.
3. Application.

#### PART II-GENERAL PROVISIONS

4. Prohibition of exemptions.
5. Responsibility of MDAs.
6. Responsibility of the Minister.
7. Approval and modification of an exemption request.

#### PART III-PRIVILEGE INSTITUTIONS AND PERSONS EXEMPTED

8. The President.
9. Cabinet Ministers, Chief Justice and Judges of the Superior Courts of judicature.
10. Members of Parliament, including the Speaker and Deputy Speaker of Parliament.
11. Diplomats Diplomatic Missions.
12. Religious Organisations.
13. Donor and Charity Organisations.
14. Returning Diplomats and Returning Sierra Leoneans within Government Employment.

#### PART IV -INTERNATIONAL TECHNICAL COOPERATION, TECHNICAL ASSISTANCE AND DEVELOPMENT PARTNER PROJECTS

15. Technical Cooperation Projects.
16. Programmes and projects funded by grants.
17. Concessional facility projects.

---

**PART V- MINISTRIES DEPARTMENTS AND AGENCIES**

18. Provision for MDAs Negotiated Contract.

**PART VI- STATE SECURITY AND OTHER SPECIAL GOVERNMENT TRANSACTIONS**

19. Transactions for Security Goods and Personnel.
20. Medals, Medallions, and other decorations for National Awards.
21. Election related Materials.

**PART VII- PRIVATE INVESTMENT EXEMPTIONS**

22. Sector specific tax incentives for strategic investment.

**PART VIII- USER CHARGES , FEES AND TRANSITIONAL LEVIES**

23. Service or user charges and fees.
24. Transnational Levies.

**PART IX - OTHER SPECIAL PRIVILEGES**

25. Persons with disability.
26. Wildlife conservation.
27. Government printing materials and equipment.
28. Executive Approval.

**PART X - MISCELLANEOUS PROVISIONS**

29. Disembarking Passenger.
30. Transfer of ownership of exempt item by holder of an exemption.
31. Revocation of an exemption.
32. Clearance on Permit.
33. Procedures for customs clearance of an exemption item.
34. Offences and Penalties.
35. Consequential Amendments.
36. Regulations.

SIGNED this 2nd day of May, 2023.

DR. JULIUS MAADA BIO,  
*President.*

LS

No. 25



Sierra Leone

2023

**Tax and Duty Exemptions Act, 2023**

Short title.

**Being an Act to provide for the regulation and administration  
of tax and duty exemptions and to provide for other related matters**

[

] Date of commencement.

ENACTED by the President and Members of Parliament in  
this present Assembly of Parliament

**PART I-PRELIMINARY PROVISIONS**

Commencement. 1. Unless otherwise provided this Act shall be deemed to have come into operation on the 1st day of April 2023

Interpretation. 2. In this Act unless the context otherwise requires-

"diplomat" means any person or individual appointed by a national government or an intergovernmental organization, such as the Economic Community of West African States, United Nations, European Union for the purpose of carrying out diplomatic activities in Sierra Leone, which the Ministry of Foreign Affairs and International Cooperation attests enjoying Diplomatic Immunities and Privileges under the Vienna Conventions on Diplomatic Relations and on Consular Relations or other similar treaties and agreements, or under principles of recognized law;

"diplomatic mission" means a group of people from another State and includes embassies and consulates or of an intergovernmental organization representing and safeguarding the political, economic, and social interests of such State or organization through the conduct of official engagements and negotiations;

"charitable organisation" means a philanthropist, or not-for-profit organisation whose overall purposes are charitable in nature and carrying non-commercial activities directed to only provide public benefits, an identifiable group in need and not to the self-interests of specific individuals;

"clearance on permit" means the approval granted by the ministry responsible for finance to allow an importer of items specified in this Act to collect the goods before the start of the Customs clearance procedures;

"Commissioner General" means the person appointed under Section 19 of the National Revenue Act 2022 (Act No. 21 of 2022).

"concessional facility" means a loan, or any development support operation provided on concessional terms to Sierra Leone, under the direction and/or participation of the Ministry responsible for finance;

"*customs duties*" means import tariffs generally collectable on imported goods by the National Revenue Authority based on the application of an appropriate rate on the Cost, Insurance and Freight (CIF) value of the goods;

"development partners" include European Union, International Monetary Fund, World Bank, other bilateral partners or institutions, other multilateral institutions, and aid co-ordinating groups;

"development partner project" means a programme or project supported directly or indirectly by a development partner, public international or regional organization through loans, grants and direct aid for the purposes of a technical cooperation programme or project;

"domestic taxes" means direct and indirect taxes collected on income generated and on goods and services consumed within the geographical confines of Sierra Leone, which income tax, corporation tax, domestic GST, withholding tax on interest, dividend, and domestic excise.

"donation or grant" means any transfer of gift made in cash, goods or services between another country and Sierra Leone, an organization in another country and Sierra Leone,

or an organization in another country and an organization in Sierra Leone, for which no repayment is required;

exemption means a deviation over a tax period from a tax, duty, levy, fee or charge provided for under a general tax law, and for which the taxpayer has a reduced or lesser tax liability than he would have had without such deviation from a tax general law.

"fee, levy or charge" includes rates of any kind or any moneys charged or levied on persons, goods, services pursuant to any enactment;

"general tax law" means a law in force of fiscal impost of Sierra Leone, which forms the primary basis for applying such fiscal impost in the country;

"harmonised Commodity Description and Coding System" means the nomenclature comprising the headings, sub-headings and their related numerical codes, the section, chapter and sub-heading notes and the general rules for the interpretation of the Harmonised System contained in the text of the International Convention on the Harmonised Commodity Description and Coding System approved by the Customs Co-operation Council on 14th June, 1983 and the relevant Schedules attached to it;

identifiable group" includes a community, a religious body, a health facility, a training centre, an educational institution, a registered association or a relevant government entity;

"import" means to bring or cause goods to be brought into the country;

"import taxes" include excise duty, import GST, ECOWAS Levy, African Union Levy and other charges collectible on imported or exported goods;

"international organization" means a regional or an intergovernmental organization in which Sierra Leone has a membership and participates pursuant to any treaty, bilateral or multilateral agreements or under the authority of the Constitution of Sierra Leone, 1991 or any Act of Parliament or any other legal instruments authorizing or giving an approval for such participation;

"International technical cooperation" means an engagement of a foreign government with Sierra Leone in an economic cooperation for the transfer of sector specific skills, technical knowhow and technology required for accelerating the pace of economic and social development of the country;

"investment" means the direct investment of foreign or domestic capital into a business enterprise in Sierra Leone;

"investor" means any natural person or legal entity, including companies, business associations, partnerships, sole proprietorships and other organisations constituted or otherwise duly organised under the laws of Sierra Leone to operate a business enterprise;

"incentives" in relation to investment, means the legal fiscal provisions specifically designed to encourage investment and includes the conferment of any advantage in respect of particular investments;

"levy" includes any specified fiscal imposition payable pursuant to an enactment;

*"manufacture"* means to make, produce or cause to be made or produced, goods;

*"Minister"* means the Minister responsible for finance and Ministry shall be construed accordingly;

*"persons with disability"* means an individual with a physical, mental, or sensory impairment, including a visual, hearing, or speech functional disability which gives rise to physical, cultural or social barriers that substantially limits one or more of the major life activities of that individual;

*"port, user, service fees or charges"* are fees or charges paid at the port by users of the port;

*"privileged persons"* means the President, diplomats, diplomatic missions, persons with disability, or any other person or entity recognised under this Act;

*"religious organisation"* means organization which is recognised as having a sole purpose for advancing religion in a manner not considered for profitmaking but engaging in activities to purposefully advance religious beliefs and interests

*"security service"* means a service connected with national security as the National Security Council may determine;

*"Ministry, Department or Agency"* means a Sierra Leone State entity and includes a central government, local government authority, a state enterprise or public corporation;

*"vehicle"* means a conveyance for the transport by land of goods or persons.



## 3. (1) This Act shall -

Application.

- (a) apply to all categories of exemptions; and
- (b) be read together with any other enactments relating to the imposition of taxation, levies, fees and charges and other related public financial management matters.

(2) Where there is a conflict or inconsistency between this Act and any other enactment related to tax and duty exemptions, this Act shall prevail.

(3) Where there is a fiscal stability clause in an agreement ratified by Parliament before the commencement of this Act, it shall be recognised as an approved fiscal stability clause under this Act to the extent that it protects a right holder of the agreement from-

- (a) the imposition of new discriminatory taxes or Government charges that does not exist at the date the agreement is ratified;
- (b) the alteration of an existing tax or Government charge in the agreement, in a discriminatory manner; or
- (c) the alteration which materially affects the tax and other similar payment obligations of the right holder of the agreement to the Government

(4) For the purpose of subsection (3) an approved fiscal stability clause shall be a clause in an investment agreement signed with the Government of Sierra Leone that shall warrant the fiscal regime in the agreement to continue to apply or remain unaltered to the detriment of the investing party.

## PART II -GENERAL PROVISIONS

Prohibition  
of  
exemptions.

4. (1) A contract awarded after the commencement of this Act shall not contain any provision relating to the grant of exemption unless it complies with the provisions of this Act

(2) A law or contract that fails to comply with subsection (1) shall have no effect and shall be unenforceable under the laws of Sierra Leone

Responsibility  
of MDAs.

5. (1) A Ministry, Department or Agency shall not facilitate a draft law or enter into a contract that contains an exemption with a private person or contractor unless that exemption is lawfully granted pursuant to this Act.

(2) A Ministry, Department or Agency shall not facilitate any Draft law or enter into an agreement with a private person or contractor to grant an exemption except with the authorisation of the Minister

(3) A Ministry, Department or Agency that wishes to facilitate the passage of a law or enter into a contract containing an exemption shall submit a request for the exemption to the Minister.

(4) Where the Minister receives the request for exemption referred to under subsection (3) he shall prepare a cabinet paper containing all the necessary information relating to the exemption and shall submit the Cabinet Paper to Cabinet for its consideration and approval.

Responsibility  
of the  
Minister.

6. (1) The Minister shall be responsible for the following

(a) negotiating all exemptions on behalf of the State;

(b) submitting any negotiated exemption to

Cabinet for approval and Parliament for ratification pursuant to section 110 of the Constitution of Sierra Leone 1991 before the exemption takes effect;

- (c) seeking executive approval for an exemption during emergencies

(2) After receipt of a request for an exemption from a Government Ministry, Department or Agency, the Minister shall vet the request and ensure that the exemption is consistent with the economic management priorities and general policy of the Government on exemptions before submitting the request to Cabinet for approval or Parliament for ratification .

(3) The Minister shall use an exemption as a development and economic management tool and shall advise Cabinet accordingly.

(4) The Minister shall monitor the use of an exemption and ensure that Ministries, Departments and Agencies and other relevant stakeholders are informed on any policy, law or requirement established to effectively administer exemptions and ensure their compliance.

7. (1) Where an exemption is contained in any draft law or draft contract placed before Cabinet for approval and Parliament for ratification the draft law or draft contract shall be accompanied with the following information -

Approval and modification of an exemption request..

- (a) a detailed assessment of the value of the anticipated exemptions assumed in the contract;
- (b) the list of items and taxes to which the exemptions are applicable;
- (c) a limit on the total value of the exemptions to be granted under that contract; and

(d) the implications of the exemption on development outcomes.

(2) A draft law or draft contract that contains an exemption shall only be considered by Cabinet or Parliament if subsection (1) of Section (3) and subsection(1) of Section (4) have been complied with.

(3) An exemption negotiated by the Minister and placed before Cabinet for approval and Parliament for ratification may be varied by Cabinet or Parliament and the Minister shall notify the party concerned about the variation.

### PART III-PRIVILEGED INSTITUTIONS AND PERSONS EXEMPTED

The  
President.

8. (1) All goods imported or procured for the personal use of the President, including Vice President of Sierra Leone, shall be exempt from customs duties, taxes, fees and charges including port charges.

(2). An exemption for the President under any law shall be deemed for the personal use of the President.

(3) For the purposes of the administration of exemptions, an exemption request from the Office of the President for which the purpose is not for the personal use of the President shall not be treated as a request for the personal use of the President.

(4) A person shall not make a request for exemption for the President which is not for the personal use of the President

(5) A person who contravenes subsection (4) commits an offence and is liable, on conviction, to a fine of not less than One Hundred Thousand New Leones and not more than Five Hundred Thousand New Leones or to a term of imprisonment of not less than six months and not more than five years or to both the fine and imprisonment.

9. (1) A Cabinet Minister, the Chief Justice and Judges of the superior courts of judicature shall be granted exempted from customs duties and import taxes on the importation of one vehicle provided that-

Cabinet Ministers, Chief Justice and Judges of the Superior Courts of judicature.

- (a) the vehicle has an engine capacity of up to 5.7 litres
- (b) the vehicle is imported solely for the personal use of the intended beneficiary and not imported for resale or disposal to another person ; and
- (c) the title of the vehicle is not transferred to any other person.

(2) A request for exemption under subsection (1) shall be made by a Cabinet Minister, the Chief Justice and any Judge of the superior courts of judicatura once every five (5) years.

10 (1) A Member of Parliament, including the Speaker and Deputy Speaker of Parliament shall be eligible to import a 20-ft container of personal household items and one vehicle free of custom duties and import taxes, provided that:

Members of Parliament, including the Speaker and Deputy Speaker of Parliament.

- (a) the vehicle has an engine capacity of up to 5.7 litres
- (b) the vehicle is imported solely for the personal use of the Member of Parliament, the Speaker and Deputy Speaker and not imported for resale or disposal to any other person; and
- (c) the title of the vehicle is not transferred to any other person.

(2) A request for exemption under subsection (1) shall be made by a Member of Parliament once during each cycle of Parliament.

Diplomats  
Diplomatic  
Missions.

11. (1) Goods and vehicles imported by or for the official use of diplomatic missions shall be exempted from payment of customs duties and other import taxes on the following conditions -

- (a) an exemption to a diplomat and diplomatic missions shall be on a reciprocal basis; and
- (b) goods and vehicles imported by or for the official use of diplomatic missions shall be exempted from the payment of customs duties and other import taxes.

(2) Exemptions of custom duties and other imports taxes on household goods and other personal effects of diplomats based in Sierra Leone shall be permitted for-

- (a) heads of diplomatic missions and their immediate families accompanying them; and

- (b) officers of diplomatic missions, including consular officers who are eligible and considered in the diplomatic list and their dependent families;

(3) Any exemption of customs duties and other import granted under this section shall be in accordance with the following-

- (a) the imported goods should be in reasonable quantities and not imported in quantities deemed for resale;
- (b) a staff of an international organisation, a foreign embassy, a development partner agency, a diplomatic mission or a consulate, shall import their household or personal effects within the first six months on the first arrival in Sierra Leone;
- (c) customs duty exemptions shall not be made to citizens of Sierra Leone, including dual nationals, or permanent residents, and those appointed as honorary consuls;
- (d) goods and articles exempt from import duty which are intended for official purposes and consumption by the diplomatic missions, consular posts, third country institutions, shall not be sold, lent, pledged, leased or assigned without notifying the Ministry .;

- (e) authorities shall have the right to inspect personal baggage of a diplomatic member in his presence or his authorized representative if there are serious grounds or reasons to presume that it contains-
- i. goods or articles not imported for the official use of the mission;
  - ii. goods or articles not imported for the personal use of the diplomatic member or members of his dependent family forming part of his household;
  - iii. not imported or exported goods prohibited or controlled by law
- (4) A diplomat or diplomatic mission shall-
- (a) submit import requirements of the mission to the Ministry every six months;
  - (b) apply for an exemption based on the import requirements submitted under paragraph (a);
- (5) A diplomat shall not be exempted from paying the following-
- (a) indirect taxes of any kind that are normally incorporated as part of the price of goods and services;



- (b) dues and taxes on transactions with private income having a source in Sierra Leone;
- (c) dues and taxes on transactions, including the use of private movable and immovable property situated in Sierra Leone;
- (d) fees and payments for specified services rendered, utilities, motorways, transportation and related matters; and
- (e) other dues, fees and taxes specified to be paid under Article 34 of the Vienna Convention on Diplomatic Relations, 1961

(5) For the purposes of this Act, the minister responsible for Foreign Affairs and International Cooperation shall annually submit to the Minister, a list of all diplomats and diplomatic missions that qualify for exemption.

(6) For the avoidance of doubt, exemption under this section shall not apply to persons contracting with a diplomatic institution or head of mission.

12. (1) Religious organisations for the sole purpose of advancing religion shall be exempted from the payment of import duties and import-related taxes on the following worship related imports- Religious Organisations.

- (a) altars, altar bread, altar or communion wine, communion wafers, decorations exclusively for churches, mosques and other recognized

religious facilities, fonts, lecterns, pulpits, plate, clerical or clergy vestments, bells, religious rosaries, statuary objects, ;

- (b) musical instruments, including pews, pianoes, organs, keyboards, drums, guitars, and public address systems subject to such conditions as the Commissioner General may impose;
- (c) limited computers, photocopiers, printers subject to such quantity as the Minister may impose;
- (d) limited number of cars, vans and pickups specifically acquired for use on the condition that the religious entity is also engaged in charitable work subject to the quantity imposed by the Minister; and
- (e) other religious requisites notably used exclusively for public worship as recommended by the Minister responsible for Religious Affairs and approved by the Minister.

(2) For the purposes of paragraph (d) subsection (1), cars, vans pickups imported for religious purposes shall attract the applicable rates on goods and services tax and other consumption taxes.

13. (1) Subject to sub-section (2) imports of a charitable institution a philanthropist or any other non profit organisation including a donation from a donation partner for the purposes of carrying charitable work in education , health , social services and WATSAN s shall be imported free from import duty and import taxes

Donor and  
Charity  
Organisations.

(2) An application for exemption under this section shall be processed by the entity concerned after satisfying the following conditions -

- (a) the application for exemption letter shall be signed by the official head of the beneficiary entity, supported by a recommendation from the relevant sector minister and approved by the Minister;
- (b) an application for exemption shall spell out in detail the specific items and the quantity of each item expected in the donation or procured as charitable items;
- (c) a charitable organisation shall not be engaged in any commercial activity connected to the imported items;
- (d) the nature of the imports, especially the type, volume and quantity of imports shall be in accordance with and be proportional to the actual needs of their permitted activities;