



**DTBB/004/2016**

***Domestic Taxes Business  
Brief 004 (2016): Who is  
entitled to a GST Relief  
Purchase Order?***

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## **Purpose**

The purpose of this brief is to clarify the eligibility for a GST Relief. Only organisations that are eligible for GST relief will use a GST Relief Purchase Order (GRPO) to facilitate their purchases.

## **Who should read this?**

The following individuals, institutions and organisations should be very much interested in this brief:

- Diplomatic and Consular Missions;
- International and Local Non- Governmental Organisations;
- Multinational Corporations that are entitled to GST relief;
- Government Ministries/Departments/Agencies (MDAs);
- Charitable Organisations;
- Donor Funded Projects;
- Suppliers, Contractors, and Sub-contractors of Multinationals, Diplomatic and Consular Missions and Non-Governmental Organisations.

## **Background**

The GST Act 2009 as amended is very clear about the eligibility for GST relief. However, the National Revenue Authority regularly receives request from various organisations that they should be granted GST relief without any legal backing.

In light of the above, this brief will clarify the issue of eligibilty for GST relief to ensure that only entitled organisations apply for a GRPO.

## **Current Position**

The Third Schedule of the GST Act 2009 as amended, relieves the following from paying GST:

- The President of the Republic of Sierra Leone.

- Commonwealth, Foreign Embassies and Missions (on a reciprocal basis).
- Other International Agencies subject to an agreement with the Government of Sierra Leone and duly approved by Parliament.
- An import of goods (including foodstuffs) for use in rehabilitation or relief following a natural disaster and as approved by the Minister of Finance.

Therefore, in accordance with the GST Act 2009 as amended, GST relief will only be granted to those listed above.

When applying for a GRPO, eligible relieved Individuals/Institutions/Organisations must provide the National Revenue Authority with the necessary evidence for them to be granted GST relief status.

Organisations that do not meet the criteria set out in the Third Schedule of the GST Act 2009 as amended will not be granted GST relief.

These are some of the circumstances that will not enjoy GST relief:

1. The Third Schedule of the GST Act 2009 as amended does not relieve **Government Ministries/Departments/Agencies (MDAs)** from paying GST when acquiring goods and services, therefore **NO** Government MDA is entitled to GST relief even if the supplies relates to donor funded projects.
2. **Local and International NGOs** that receive donor funds for projects. Since NGOs are not entitled to GST relief in accordance with the GST Act 2009 as amended, GST relief will not apply in this scenario.

3. **Projects funded by donors** will not enjoy GST relief because the organisation that effects the project, be it a Government MDA or a separate project office or by a NGO are not entitled to GST relief.
4. **Charitable organisations** will not enjoy GST relief as they are not listed under the Third Schedule of the GST Act 2009 as amended.

Also see *DTDBB/002/2016: What is a GST Relief Purchase Order* and *DTDBB/003/2016: How to use a GST Relief Purchase Order* for more information on GRPOs.

### **Where can I get further information?**

For further information please contact the Domestic Taxes Helpline on Telephone Numbers: [078/025/030/044 - 970844](tel:078025030044).

The Domestic Taxes Helpline is available Monday to Friday, 8am to 5pm.

We can also be contacted through [dtd@nra.gov.sl](mailto:dtd@nra.gov.sl).

Information on Domestic Taxes and other taxes can be found on the NRA website [www.nra.gov.sl](http://www.nra.gov.sl).