



National Revenue Authority

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TAX AND NON-TAX Revenue GUIDE 2019

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1.1 INTRODUCTION

The NRA collaborates with the Ministry of Finance to regularly amend the existing fiscal regime in order to align the laws with the prevailing business environment and strategic objectives in the annual budget. The changes are normally set out in Finance Acts and they are expected to be effective from the start of the Calendar year. The amendments cover a range of Acts and other existing laws but more emphasis is levied on the area of taxes.

The responsibility of the NRA is to assess and collect domestic taxes, customs duties, and other revenues specified by law, and of administering revenues.

This booklet is for use by our clients and staff and it is intended as a guide only and not a comprehensive summary of Sierra Leonean Tax Laws and practice. Application of its contents to specific situations would require the assistance of professional advisors.



2.1 DOMESTIC TAXES

The Authority administers taxes payable to government including the major revenue contributors. The Domestic Taxes Department (DTD) of the NRA has been established as a 'one-stop shop' for the administration of all Sierra Leone's domestic taxes – namely the Goods and

Services Tax, Pay-As-You-Earn (PAYE), Corporation Tax, Withholding Tax, Payroll Tax, Personal Income Tax, Rental Income Tax, Foreign Travel Ticket Tax, Capital Gains Tax and Domestic Excise Tax.

2.1.1 SUMMARY INFORMATION ON DOMESTIC TAXES IN SIERRA LEONE

Tax Type: pay-as-you-earn (PAYE)			
Definition	Tax Base	Tax Rate	Legal Basis
Tax on employment income e.g. salary	Employment income	0% - 30%	Income Tax Act, 2000 as amended in Section 11 of the Finance Act, 2019
Tax Type: Corporate Income Tax (CIT)			
Tax on profit made by corporate entity	Company's profit	30%	Section 5 of Income Tax Act 2000
Tax Type: Capital Gains Tax (CGT)			
Tax on profit from sale of capital asset	Profit from sale of capital asset	30%	Section 57-61 of Income Tax Act 2000 as amended
Tax Type: Payroll Tax			
Tax paid by non-citizens	Non-citizens employed	Le1.5M & Le5M for ECOWAS & non-ECOWAS citizens respectively per annum	Payroll Tax Act 1972 as amended in Section 4 of Finance Act 2017



Tax Type: Withholding Taxes:				
Tax	Definition	Tax Base	Tax Rate	Legal Basis
Rent tax	Tax on rental income	Rental income	10%	Section 120 (3) Income Tax Act 2000
Payment to Contractors	Tax on contract value	Contract value	5.5% & 10.5% for resident & non-resident respectively	Section 117 Income Tax 2000 as amended
Dividends	Tax on dividends	Dividend	10%	Section 118 Income Tax 2000
Interest Payment	Tax on interest payment	Interest	15%	Section 119 Income Tax Act 2000
Management Fees	Tax on the value of management fees paid	Value of management fees	20%	Income Tax Act 2000 as amended in Section 22 of Finance Act 2019
Tax Type: Goods and Services Tax				
	Definition	Tax Base	Tax Rate	Legal Basis
	Tax on goods imported, paid as a percentage of their value at the time they entered the country	Value of Taxable Import	15%	GST Act 2009 Section 14
	Tax on the domestic consumption of imported and locally-produced goods and/or services, paid at 15% of their value at the time they are sold	Taxable supply of Goods / Services sold	15%	GST Act 2009 Section 14

2.1.2 INCOME TAX

A. Relevant Information on income tax

Income tax is levied in each year on the total income of both resident and non-resident persons in Sierra Leone.

In general, resident persons are taxed on their worldwide income while non-resident persons are taxed on income which has a source in Sierra Leone. Income has a source in Sierra Leone if it accrues in or is derived from activities in Sierra Leone irrespective of where the contract is awarded or signed.

Resident Persons

An individual is generally resident for tax purposes in Sierra Leone if that individual is:

- ♦ Present in Sierra Leone for an aggregate period of 182 days or more in any 12-month period that commences or ends during the year;
- ♦ A citizen, including one who is temporarily absent from Sierra Leone or has a permanent home outside Sierra Leone; or
- ♦ An employee of the Government of Sierra Leone posted abroad.
- ♦ A Sierra Leonean permanent establishment is treated as a resident company for the purposes of income taxation.

TEMPORARY RESIDENT INDIVIDUAL

An individual treated as resident, shall be treated as temporarily resident in Sierra Leone for the entire year of assessment if that individual:

- ♦ Is not a citizen of or domiciled in Sierra Leone;

- ♦ Does not intend, during the year of assessment, to reside in Sierra Leone for a total period of more than four years, and
- ♦ As of the end of the year, has not been resident in Sierra Leone for more than four years.

A partnership is resident for a year if any of the partners resided in Sierra Leone at anytime during that year.

A company is resident if it is incorporated under the Companies Act 2009; or its management and control is exercised in Sierra Leone at any time during the year.

Persons not meeting the above criteria are considered to be non-resident persons.

Income Tax Year

The Income Tax Year of assessment is 1st January to 31st December. A taxpayer may elect to choose a substituted year of assessment upon approval of the Commissioner-General.

INCOME SOURCES

The chargeable income of a person for any calendar year is the total of that person's income for the year derived from activities in Sierra Leone from each business, employment, and investment less the total amount of deductions allowed to that person.

A percentage of turn-over maybe used to ascertain chargeable income of a taxpayer (15% and 20% of turnover as the case maybe), if some form of records or no records are used by the taxpayer respectively for any year of assessment. This is known as Minimum Chargeable Income (MCI) basis of assessment.

B. Pay-As-You-Earn (PAYE)

The Income Tax Act of 2000 as amended taxes basic salary and all fringe benefits whether in cash or kind as employment income with the exception of

one-month basic salary as leave allowance. Fringe benefits include the provision of a motor vehicle, housing, meals, chauffeur and domestic staff etc. to top executive officers of an organization.

Annual and Monthly tax rates

The table below indicates the income tax bands and rates generally applicable to the chargeable income of resident individuals both annual and monthly basis:

Year	Chargeable Income (Le)	Chargeable Income (Le)	Rate
2019	Per annum (Le)	Monthly (Le)	%
Not Over	6,000,000.00	500,000.00	Nil
Next	6,000,000.00	500,000.00	15
Next	6,000,000.00	500,000.00	20
Next	6,000,000.00	500,000.00	25
Excess Over	24,000,000.00	2,000,000.00	30

Note: Further, for individuals receiving employment income, there is a threshold on non-taxable allowance of Le6, 000,000.00 per annum or Le500, 000.00 per month. For employees receiving leave allowance in excess of their gross monthly salary, the excess shall be subject to income tax at 30% or the higher marginal band.

Social Security scheme

Sierra Leone has a contributory Social Security scheme. The total minimum contribution by both the employee and employer is 15% of basic salary. The employee and employer contribute 5% and 10% of the employee's basic salary respectively. The amount is remitted to the National Social Security and

Insurance Trust (NASSIT). The amount contributed by the employee is granted as an allowable deduction before personal income tax computation.

The chargeable income of non-resident individuals is generally taxed at a flat rate of 25%

DUE DATE FOR PAYMENTS

Monthly: against 15th day of the month 7

following the payment of staff salary.

PENALTY FOR DEFAULT

- ⇒ 10% if paid within 30 days from the due date.
- ⇒ 15% % if paid after 30 days and up to 90 days from the due date.
- ⇒ 25% if paid after 90 days from the due date.

FILING OF PAYE RETURNS

The employer is required to file a monthly PAYE Returns (Spreadsheets) on or before the 15th of the month following the payment of staff emoluments. A penalty of Le 1,000,000 is levied for late filing of PAYE returns for each month a return is not filed.

Box 1: Example of PAYE Computation

Mr. X is an employee of BZ Ltd, his emoluments for the month of January 2019 are shown below:

	Basic Salary	5,652,000.00	
	Cost of living allowances	1,695,600.00	
	Subsistence allowances	1,243,440.00	
	Entertainment allowances	678,240.00	
	Transport Allowances	847,800.00	
	Housing allowance	1,413,000.00	
	Clothing allowance	1,130,400.00	
	Tips	500,000.00	
	Achievement Award	1,500,000.00	
	Bonus	5,652,000.00	
	Overtime	450,000.00	
	In lieu of leave	5,625,000.00	
	Leave Allowance	5,625,000.00	

Computation

Step 1	Account for NASSIT (where applicable)		
		Le	
	Basic Salary	5,652,000.00	
	Less: NASSIT @ 5%	(282,600.00)	
	Net Basic Salary	5,369,400.00	
Step 2	Consolidate all Allowance		
	Cost of living allowances	1,695,600.00	
	Subsistence allowances	1,243,440.00	
	Entertainment allowances	678,240.00	
	Transport Allowances	847,800.00	
	Housing allowance	1,413,000.00	
	Clothing allowance	1,130,400.00	
	Total Consolidated Allowances	7,008,480.00	

Step 3	Adjustment for Taxable Allowance		
		Le	
	Total Consolidated Allowances	7,008,480.00	
	Less: Non Taxable Allowance Threshold	(500,000.00)	
	Taxable Allowance	6,508,480.00	

Step 4	Aggregate all income to get chargeable income		
	Income Type	Le	
	Net Basic Salary	5,369,400.00	
	Taxable Allowance	6,508,480.00	
	Tips	500,000.00	
	Achievement Award	1,500,000.00	
	Bonus	5,652,000.00	
	Overtime	450,000.00	
	In lieu of leave	5,625,000.00	
	Chargeable Income	25,604,880.00	
Step 5	Tax Computation		
Chargeable Income	25,604,880.00		
Next	500,000.00	-	-
	25,104,880.00		
Next	500,000.00	0.15	75,000.00
	24,604,880.00		
Next	500,000.00	0.20	100,000.00
	24,104,880.00		
Next	500,000.00	0.25	125,000.00
Exceeding 2,000,000	23,604,880.00	0.30	7,081,464.00
PAYE Due			7,381,464.00

Assume Mr. X has the under mentioned additional benefit from his employment which total 2,780,000.00.

Benefits-in-Kind (BIK)		
Motor Vehicle- Domestic		550,000.00
Utilities		300,000.00
Accommodation		1,100,000.00
Domestic Servants		230,000.00
Others		600,000.00
Total BIK		2,780,000.00
Tax Charged		834,000.00

Note:- the higher marginal band of the Tax Payer should be applied to the Total BIK, hence since the highest marginal band of Mr. X, PAYE is 30%, then the Tax of BIK is $(30\% * 2,780,000.00) = 834,000.00$.

C. Payroll Tax

According to the Payroll Tax Act- 1972, an annual lump sum tax (known as payroll tax) is levied on all foreign nationals working in Sierra Leone. The payroll tax is payable by the employers, on behalf of each foreign national in its workforce.

The amounts payable are as follows:

- ♦ Citizens from ECOWAS – SLL1, 500,000
- ♦ Non-ECOWAS Citizens – SLL 5,000,000 (ECOWAS - Economic Community of West African States)

The Payroll Tax Act as amended requires every employer who employs individuals who are not citizens of Sierra Leone to pay a tax not later than 31st January every year. This tax is payable irrespective of the time during which the employee is employed in Sierra Leone.

The Act does not apply to the following **employers**:

- ♦ The President.
- ♦ Religious or Charitable Institutions in respect of Clergymen & Missionaries
- ♦ Diplomatic and Consular Missions.
- ♦ Employers who have been granted a tax holiday.

The following **individuals** are exempted from the tax:

- ♦ Persons who are exempted from Income Tax.
- ♦ Persons whose services are provided directly or indirectly under a Technical Assistance Programme between the Government and any other Government.
- ♦ Temporary teachers at a University, College or School.

- ♦ Employees of ecclesiastical, charitable or educational institutions who are not connected with a business carried on by the institution.
- ♦ In addition, The Development of Industries Act 1983 (No 6 of 1983) also exempted from Payroll Tax those foreigners hired for training citizens in an industrial establishment and for other foreigners engaged in a Sierra Leone (industrial) enterprise.

Penalty for non-payment

Payment of the sum equal to ten (10) per centum (%) of the amount of the payroll tax payable by the employer shall be added to the amount of the tax remaining due and payable after the 31st day of January in the relevant year irrespective of any further notice issued by the Commissioner to the employer and the provisions of the Act relating to the collection and recovery of the payroll tax shall apply to the collection and recovery of such sum.

It shall be sufficient for the Commissioner as soon as possible each year to give notice in the Gazette or otherwise requiring every employer liable to pay payroll tax under the payroll Act to do so within the time prescribed and to produce to his satisfaction evidence of compliance not later than the fifteenth day of the month next following or on such other date as the Commissioner may direct.

D. Rent Tax

Rental Income Tax is charged on income generated from rented houses or buildings located in Sierra Leone irrespective of the country of residence of the owners, as long as they are meant for commercial activity in Sierra Leone i.e. both ten-

ancy for residency purpose and tenancy for commercial or business purpose.

The rate is 10% of the rental value of such property after deducting a non-taxable threshold of Le 6,000,000.00 per annum and a further 10% allowance for wear and tear on the residue. Both individual / private residency (of at least \$1,000 per annum) and institutional tenancies are liable to withhold the 10% tax on the rent payable to the landlord.

The Rental tax must be paid over to the National Revenue Authority within thirty days of payment or finalization of the

rental agreement whichever is earlier. A penalty of 25% will be levied for late payment of such tax. A copy of the tenancy agreement must be submitted to the NRA if rental value is above the taxable threshold.

Rental income taxpayers are obliged to file rental income tax returns within 30days of payment of such tax. Failure to file such a return will accrue a penalty of Le 5,000,000.00

Imputed rental income tax is also payable to the NRA on owner's occupied premises for business purpose.

Box 2: Example of RENTAL TAX Computation

Rental income tax is calculated on the total gross income received by the landlord for the year of assessment by deducting the non- taxable threshold of le 6,000,000

Thereafter, a further 10% is deducted from the balance.

Finally, the rate is then applied on the remaining balance.

Example Mr. . X who owns a house at Murray Town receives a rental income of 4,000,000 per month.

This figure is multiplied by 12 to get the yearly amount.

			Le
	Gross Rent		48,000,000.00
	Less: Non- taxable threshold		6,000,000.00
			42,000,000.00
	10% Deductible Allowance		4,200,000.00
	Taxable Rent		37,800,000.00
	Rental Tax(10%)		3,780,000.00

Note: If 10% tax payable based on the computation outlined above is a final tax to the taxpayer who receives rental income tax as a sole source of income. If other incomes are received by the taxpayer from other sources in Sierra Leone, then such income have to be declared and taxed according under the relevant provisions of the Income Tax Act 2000.

If the taxpayer is involved in solely holding and letting business, then the income for all property are aggregated and taxed accordingly using the income tax rules at the marginal rate of 30%. Institutional Tenant should withhold 10% from the payment to the Land Lord and pass it on to the National Revenue Authority

E. CAPITAL GAINS TAX

Capital Gains Tax (CGT) is a tax on gains — the profit realized on the sale of a non-inventory asset that was purchased at a cost amount that was lower than the amount realized on the sale of such an asset. Simply, it is tax payable on the excess of the purchase consideration over the adjusted cost base of the disposed asset.

Capital gains tax shall be payable by a chargeable person (vendor) at the rate of 30% of the capital gain accruing to or derived by that chargeable person from the disposal of a chargeable asset owned by a chargeable person.

Returns should be filed together with the payment within 30 days of disposal of the chargeable asset.

There is a penalty of Le 5,000,000.00 for failing to file Capital Gains Tax returns on the due date. Penalty is due on the amount payable as indicated above as per other income taxes not paid on the due date.

Chargeable disposal” means the sale, realization or change of hands of a chargeable asset including shares and gifts other than those specifically exempt from capital gains tax by law. Chargeable person” means a person, individual, corporation and related organizations

including permanent establishment, associates, affiliates and joint

ventures which have made chargeable disposal of a chargeable asset during a year of assessment.

Exemption from capital gains computation

- ♦ Capital gain of a person that is up to and under the minimum chargeable income of Le6,000,000 per annum or per transaction;
- ♦ Capital gain accruing to or derived by a company out of a merger, amalgamation or re-organization of the company where there is continuity of underlying ownership in the asset of at least one quarter.
- ♦ Capital gain resulting from a transfer of ownership of the asset by a person to that person’s spouse, children, parent, brother or sister;
- ♦ Capital gain resulting from a transfer of ownership of the asset between former spouses as part of a divorce settlement or a genuine separation agreement;
- ♦ Capital gain where the amount received on realization is, within one year of realization, used to acquire a chargeable asset of the same nature (referred to as “replacement asset”).

Box 3: Example of CAPITAL GAINS TAX Computation

	Le
Consideration (Selling Price)	400,000,000.00
Total Cost Base	220,000,000.00
Gain	180,000,000.00
Less Exempt Gain of Le 6,000,000	6,000,000.00
Taxable Gain	174,000,000.00
Tax @ 30%	52,200,000.00



E. Foreign Travel Tax (FTT)

FTT is payable by every person departing from Sierra Leone by ship, aircraft or other means of transport. It shall be paid on or before the date of departure. Foreign Travel Ticket Tax is collected by the person issuing the ticket (whether hard-copy or e-tickets), and is payable not later than 15 days after the end of every month following its issuance.

The following are the rates applicable: A penalty of 15% per month is chargeable where a person collects the tax and fails to pay it to the NRA on time. Persistent failure to collect tax by owners of aircraft or ships may lead to the suspension of their operating licenses and action taken for tax evasion which may incur a fine of Le 50,000,000.00 and or 5 years imprisonment.

F. Withholding Tax

Withholding tax is deducted at source of income or payment for goods and or services that exceeds Le 500,000.00 per transaction. Withholding tax rates vary

depending on whether the recipient of the income is resident or non-resident and the nature or type of payment. Below is a withholding tax table as applicable to various types of transactions / payments.

Types of Payment and Rates to be withheld from payments made in Sierra Leone

Type of Payment	Rate (%)		Legislation
	Resident	Non-Resident	
Payments to contractors*	5.5	10.5	Section 117 of the Income Tax Act
Dividends	10	10	Section 119 of the Income Tax Act
Interest	15	15	
Rents	10	10	Section 120 of the Income Tax Act
Royalties	25	25	
Pensions and Annuities	15	25	Section 121(2) of the Income Tax Act
Natural Resource Payments	25	25	Section 122 of the Income Tax Act
Real Property	10	0	Section 123A of the Income Tax Act
Winnings of Le 500,000 and above from any lottery	10	0	
Employment Income	0	25	Section 116 of the Income Tax Act
Payments to or applications for benefit (s)	0	25	Section 123 of the Income Tax Act

Note: There is an additional 0.5% withholding tax levy on all contracts exceeding Le500,000.00. This is an allowable deduction towards the National Health Insurance Scheme. Withholding tax returns should be filed together with payment fifteen days following the month in which Payment is made.

G.Company/Corporate Income Tax (CIT)

Corporation tax is a form of Income Tax that is levied on corporate bodies such as limited liability companies, trusts and co-operatives.

Resident companies and non-residence companies that meet the requirements of a Permanent Establishment are taxable at a rate of 30% on their taxable income. Corporate Income Tax is paid in installments by both private and public companies that declare taxable profits in a year of assessment. The installments are spread evenly at 25% of the total tax due or are simply divided into four (4) equal installments and payable on or before the 15th of the 3rd, 6th, 9th and 12th months of the year of assessments

which may coincide the tax year (January to December) or a substituted year of assessment.

Capital allowances

Capital allowances are granted to persons who own depreciable assets and use those assets to produce income from business.

Capital allowances granted to a person are to be taken in the year granted and cannot be deferred.

An importer or manufacturer of excisable goods shall be granted 50% capital allowance on machinery and equipment imported for the purpose of affixing excise tax stamps. Depreciable assets are grouped in the following classes for the purpose of capital allowances:

Depreciable assets are grouped in the following classes for the purpose of capital allowances:

Group	Assets included	Rate (%)	Basis
1	Plant, machinery and equipment, including automobiles and trucks	40	Reducing balance
2	(All other tangible depreciable assets except buildings & intangible depreciable assets	10	Reducing balance
3	Buildings used to house industrial, manufacturing, or agricultural activities	15	Reducing balance
4	Buildings used to house commercial activities other than those described in group 3	10	Straight-line
5	Buildings other than those described in groups 3 and 4:	5	
6	Expenditure on start-up costs on mineral and petroleum prospecting and exploration	100	
7	Production rights and other expenditure incurred on mineral and petroleum development	40 (Initial allowance)	
		20 (Annual allowance)	

INVESTMENT ALLOWANCES

The amount of investment allowance to be deducted from business income is 5% of the cost of the relevant asset in its year of acquisition. This is known as First Year Allowance.

Deductions not allowed

In general, expenses that are of a capital nature or not wholly, exclusively and necessarily incurred in the production of income are not allowed to be deducted. Examples of expenses that are not allowed as deductions not allowed for tax purposes are personal and capital expenditure.

Deductions allowed

Expenses that are wholly, exclusively and necessarily incurred in the production of income are allowed as a deduction for tax purposes.

Examples of allowable expenses are as follows:

- ◆ capital allowance (see below),
- ◆ specific bad debts,
- ◆ tax losses carry forward for up to ten years,
- ◆ repairs and improvements,
- ◆ losses incurred on the realization of business or investment assets and liabilities,
- ◆ incentive for hiring female managers,
- ◆ employment of disable persons,
- ◆ cost of promotion,
- ◆ social development and research costs,
- ◆ interest and financial costs that meet the thin capitalization rule etc.

Business Investment Relief

The maximum relevant amount of business investment relief available to an individual is 50% of qualifying investments totaling not more than Le 3,000,000 in any year of assessment

For legal reference, you may refer to Section 5 (1) and Part III of the First schedule of Income Tax Act, 2000 (as amended) and Section 150 (1) of Income Tax Act, 2000 (as amended).

FOREIGN TAX RELIEF

Foreign tax credits are available to relieve double taxation on overseas income. Credits are calculated separately for each source of business, employment and investment income and may not exceed the average rate of Sierra Leonean income tax of that person for the year of assessment applied to that person's taxable foreign income for the year. Double tax relief may be claimed by parties with which has a double taxation agreement or which is provided for by an international body for which Sierra Leone is a signatory.

CORPORATE GROUPS AND BRANCHES

Corporate groups, irrespective of their affiliations, prepare accounts separately and are taxed separately. Capital allowance is not transferable. They should be utilised under a separate cover by each group member. Companies or businesses with branches and outlets outside Freetown are obliged to show separately under the segmentation rules, the activities of each branch or outlet and must maintain copies of such records in the regions or places outside Freetown in which they operate for audit inspection.

RELATED PARTY TRANSACTIONS

Although nothing in the law disallows related party transactions, the Commissioner-General has authority to disregard or reverse any transaction that is geared towards tax avoidance schemes that are impermissible. Transactions can also be reclassified or re-characterised under the anti-avoidance provisions.

TRANSFER PRICING AND THIN CAPITALISATION

Sierra Leone does not yet have transfer pricing regulations, but on the verge of enacting one. However, in addition to the powers of the Commissioner-General to reclassify or re-characterised transactions consistent with the anti-avoidance rules, the law requires associated persons to disclose and include information or details of parent and holding companies, subsidiary companies, associates or joint ventures for transactions undertaken with related parties, irrespective of their residential status for tax purposes.

Detailed Thin Capitalization rules are yet to be developed by the Authority. However, there are restrictions on shareholder loans as follows:

- ♦ The amount allowable in respect of

interest expenses deductibility is restricted on loans from a shareholder or his associate to the extent of interest on one half (50%) the excess of that loan over the shareholder's paid up share capital. Any excess of this will be treated as dividend and taxed at the rate of 10% (Deemed Dividend Rule).

- ♦ In the case of mining companies, the amount allowable in respect of interest expenses is restricted on loans from a shareholder or his associate on total borrowing of the paying company to three times its paid-up share capital. Interest on the excess of the loan in this regard is disallowed as a deduction against taxable profit. Any amount disallowed shall be treated as a deemed dividend.

2.1.3 DOMESTIC EXCISE TAX

Domestic Excise Tax is currently administered on locally produced alcoholic beverages at the rate of 20% on the sales price of alcoholic content of up to 10%; and 30% on alcoholic beverages of more than 10% alcoholic content. Payment and returns filing are due on the 21st day of the month following the month in which the sales was made. There are penalties and enforcement provisions for

non-filing and payment of domestic excise duty. for non-filing of returns on the due date and ---- for non-payment of domestic excise.

There also exists import excise at the rate of 30% on the CIF value of imported cigarettes and related products. Alcohol also has a specific excise duty rate of \$1.5 per litre on alcoholic contents of up to 10%; and \$2 per litre on alcoholic content of more than 10%.

2.1.4 GOODS AND SERVICES TAX (GST)

Sierra Leone's Goods and Services Tax (GST) is a modern form of sales tax—a tax on the domestic consumption of imported and locally-produced goods and/or services, paid as a percentage of their value at the time they are imported, sold, exchanged, or delivered.

GST is applied at a single rate of fifteen

per cent (15%) on the majority of goods and services (including imports) supplied in Sierra Leone for local use or benefit.

GST is collected from customers only by registered businesses when they make supplies of those goods and services that are not specified in the GST Act 2009 as exempt supply. Examples of exempt sup-

ply include rice, fuel and medical supplies.

It was not possible to reclaim sales tax on business expenses under the previous regime. This is provided for under the current GST regime which now shifts the tax burden from the producer to the consumer. Therefore, operating costs for registered businesses will be reduced as a result of input GST claim and they will have the opportunity to pass on this cost to their customers.

Total input GST paid by registered GST traders is deducted from the total output GST received by them from their customers. The net difference is paid over to the authority at the end of the month following the transaction. A credit will be claimed if input GST exceeds output GST. This is subject to audit verification before credits are paid or utilised by registered GST traders. In practice, it is rare for businesses to constantly claim

GST credit except for export businesses and for businesses in perpetual loss situation which may not be sustainable. GST Act 2009 classified four categories of goods and services collectively known as 'supplies.' These are:

- ♦ Standard-rated supplies – 15%
- ♦ Zero-rated supplies – GST charged at the rate of 0%. Input GST can be claimed. Example exports.
- ♦ Exempt supplies – Not part of GST chargeable supply. No input GST claim.
- ♦ Supplies outside the scope of GST. Eg sale of business as a going concern, mergers and acquisitions.

Taxpayers must be registered for GST if their turnover exceeds Le 350,000,000 per annum and they are dealing in chargeable supply. Goods and / or services that are not in the second schedule (exempt supply schedule) as indicated below must register for GST as long as the turnover threshold is attained.

Exempt Supply as per Second Schedule

No.	Exempt Supply as at 2019	Description
1	Animals, fish and birds imported for breeding and rearing purposes; seeds, bulb rooting imported for propagation	Live asses, mules and hinnies, live marine mammals, live fish and aquatic invertebrates (excluding ornamental fish and pets), edible fruits, seeds, bulbs, roots, nuts and vegetables
2	Rice in its raw state	Rice is considered to be in its raw state even if it has undergone stripping or polishing. Supply of Ports Services in respect of the imports of rice
3	Supply: Agricultural inputs	Chemicals used solely as agricultural inputs, including all forms of fertilizers, acaricides, fungicides, romanticises, growth regulators, pesticides, veterinary drugs and vaccine and animal feed unfit for human consumption
4	Local Agricultural produce for Manufacturing	Supply of following local agricultural produce to local industries for exclusively local manufacturing: <ul style="list-style-type: none"> ♦ rubber, palm oil, coffee, cashew and similar cash crops ♦ tuber such as cassava, potato and yam ♦ fruits of all kind such as pineapples, bananas and plantains ♦ others, such as sorghum, cotton, beans, groundnuts, sesame seeds and vegetables

5	Water	Supply of water excluding bottled or other packaged and distilled water
6	Education services	<p>These include tuition or instruction for students provided by an institution duly registered or licensed by the appropriate institution being-</p> <ul style="list-style-type: none"> a) a pre-primary, primary or secondary school; b) a technical college, community college or university; c) an educational institution established for the promotion of adult education, vocational training, improved literacy or technical education; d) an institution established for the education or training of physically or mentally handicapped persons; e) and published by the Minister responsible for education in the Gazette
7	Medical services and pharmaceuticals	Medical services; mosquito nets; and a list of drugs approved and published in the Gazette by the Ministry of Health for treatment of malaria, HIV-AIDS, leprosy, tuberculosis, snake bites, rabies and lassa fever; and condoms as classified in the Harmonised Commodity Description and Coding System.
8	Transportation of passengers	Transportation of persons by bikes, buses and similar vehicles, ferry, train and air excluding internal air travel, boat and hovercraft services
9	Crude oil and hydrocarbon products	Petrol, diesel, liquefied petroleum gas, kerosene and residual fuel oil, bitumen but excluding lubricating oils
10	Financial services	Provision of insurance; dealing in money (including foreign exchange) provision of credit; operation of any bank but excluding fees and similar charges for non-intermediation services including transfers, professional advice such as accountancy, investment and legal; and safe-keeping services
11	Goods for the disabled	Articles designed exclusively for use by the disabled
12	Land and buildings	Land and Buildings; the granting of assignment or surrender of an interest in land or buildings: the rights to occupy land or buildings
13	Machinery	<p>Machinery, apparatus and appliances designed for use exclusively in-</p> <ul style="list-style-type: none"> (a) agriculture, veterinary, fishing and horticulture, (b) manufacturing, and (c) mining <p>And classified as exempt under the Harmonised Systems Commodity Classification Code.</p>
14	Issuance of Identification Documents	Passport, voters' ID Cards etc.
15	Baby foods	Baby food given to children between the age of 1-5years
16	Exercise books	Exercise books used in primary and secondary schools
17	Raw fish	Raw fish that a caught in Sierra Leone territorial waters
18	Solar and Energy Saving Equipment	Importation and sale of photovoltaic system equipment and low energy or energy efficient appliances that meet relevant International Electro-technical Commission (IEC) global standards

Note: The Third Schedule to the GST Act 2009 exempts all UN Agencies or International Organisations protected by the Vienna Conventions. A refund mechanism is currently being considered by the Authority and the Ministry of Finance to ensure that GST paid by these organisations is refunded on a timely basis after verification.

Box 4: Example of how Goods and Services Tax is charged on Value Added

(Value Added = V Purchases = P and Sales = S)

If P=300,000 S = 500,000 and tax = 15%.

Then the alternative approaches are:

Theoretical Calculation

Tax on value added = (500,000 – 300,000)

= 200,000 X 15% tax

= 30,000

Calculation of GST in Practice

Value Added Tax = (500,000 X 15%) – (300,000 X 15%)

= 75,000 – 45,000

= 30,000

Box 5: Example of how GST is computed using Inclusive and Exclusive Value

Inclusive Value: This is the value of a good or service after the applicable GST is added. To calculate the GST, we use the fraction method

the rate of GST i.e. $\frac{15}{115}$ or $\frac{3}{23}$
100 + the rate of GST

Example.

ABC Ltd, a GST registered business sold a laptop computer to XYZ Ltd. for a total amount of Le5,000,000 including GST.

Calculation for this GST transaction

GST = 5,000,000 * $\frac{3}{23}$

= 652,174

Exclusive Value: This is the value of a good or service before any applicable GST is added. To calculate the GST, we use the GST standard rate of 15%.

Using the same example, the exclusive value is

5,000,000 – 652,174 = 4,347,826

Therefore GST = 4,347,826 * 15%

= 652,174

Box 6: Illustration of how GST is charged at all stages

Import of Milk	Price/Value Added	Output Tax	Input Tax	Tax paid to Govt.
Importer				
Imported milk	4,000		600	600
Value added	200			
Price to retailer	4,200	630		3
Retailer				
Value added	200			
Price to customers	4,400	660	630	30
Consumer price (incl. GST)	5,060			
Total Tax Revenue				660

GST is charged at the rate of 15%

There is a total revenue of Le660 to GoSL and the consumer price of Le5,060

2.1.5 TAX INCENTIVES

Tax Incentives are granted on a sectoral basis which is subject to review based on the economic priority of the

government. Key sectors, Legislations and Tax Incentives are listed in the Table below:-

Sector and legislation	Tax incentive
Agriculture (ITA 2000 Section 31)	Income tax-exempt income The income of an individual or a company incorporated in Sierra Leone derived from any agricultural activity involving rice farming and tree crop farming for a period of ten years from the commencement of the agricultural activity (and in the case of company, 50% of any dividend paid in that period).
Airlines (ITA 2000 Section 31A; FA 2016 Section 6)	Income tax-exempt income The income of any Sierra Leone company that provides commercial passenger flights is exempt from tax for the year of assessment ending 31st December 2016 and the subsequent four years of assessment
Fish farming (FA 2015 Section 26)	Income tax-exempt income Fish farms comprising at least ten fish ponds and measuring at least 200 square metres shall, of the 1st January 2015, be exempted from income tax on (a) income derived from any fish farming activity; and (b) 50% of any dividend paid as a result of these activities, for a period of five years

Infrastructure (FA 2011 Section 23)	Income tax-exempt income:- Income derived from any undertaking under the Public-Private Partnership Infrastructure Projects in excess of twenty million dollars shall enjoy a corporate tax relief for fifteen years
Petroleum (Refinery FA 2013 Section 47)	Income tax-exempt person:- A petroleum refinery investing a minimum of \$20,000,000 and employing at least fifty Sierra Leonean citizens shall be eligible for a corporate tax relief not exceeding five years
Pharmaceuticals (FA 2011 Section 25, sub- section (1))	Income tax-exempt business Any new business- (a) manufacturing drugs, medical devices, and other health-related items according to the guidelines of the World Health Organization; and (b) investing a minimum of \$500,000, and (c) employing a minimum of fifty persons for that purpose; shall be eligible for a corporate tax relief not exceeding ten years in addition to other incentives the business may be eligible for.
Poultry (FA 2013 Section 50)	Income tax-exempt income:- The income derived from investment in poultry business shall be exempt from income tax for a period of three years (a) In the case of a Sierra Leonean citizen if the investment is at least \$50,000 (b) in the case of a non-citizen, if the investment is at least \$500,000
Depreciable Assets (ITA 2000 Section 39 ITA 2000 7th Schedule ITA 2000 Section 41)	Income tax deductions:- A capital allowance deduction is allowed for depreciation of a taxpayer's depreciable assets, as per the following groups and depreciation rates 1) Plant, machinery, and equipment, including automobiles and trucks: 40% 2) All other tangible depreciable assets except buildings, and intangible depreciable assets 10% 3) Buildings used to house industrial, manufacturing, or agricultural activities: 15% 4) Buildings used to house commercial activities other than those described in group 3: 10% 5) Buildings other than those described in groups 3 and 4: 5% A deduction is allowed in respect of expenses incurred to repair, renew, alter, or improve depreciable assets
Investment and Employment General Incentive (FA 2015 Section 24)	Income Tax-exempt persons:- Any business registered in Sierra Leone and having, at least, 20% Sierra Leonean ownership as of 1st January 2015, and beyond shall be entitled to corporate tax exemption (a) For a period of 5 years if its fulltime workforce is at least 100 employees and minimum investment is \$5,000,000 (b) For a period of 10 years if its workforce is at least 150 employees and minimum investment is \$7,500,000
Research and Development (FA 2011 Section 14)	Income tax deductions:- For the purposes of income tax, any expenses incurred on R & D by an investor shall be eligible for deduction from profits of 100% of the cost incurred up to the extent of profits of the same year the expenditure is made but any unclaimed amount shall not be made available for future deductions

Training Expenses (FA 2011 Section 15)	Income tax deductions:- For the purposes of income tax, any expenses on training of local staff in an approved training programme shall be eligible for deduction from profits of 100% of the cost incurred up to the extent of profits of the same year the expenditure is made, but any unclaimed amount shall not be available for future deductions
Manufacturing (FA 2013 Section 48)	Income tax-exempt person:- A new business investing a minimum of \$2,000,000 and employing at least twenty Sierra Leonean citizens shall be eligible for a corporate tax relief not exceeding five years
Disabled Persons (FA 2011 Section 21)	Income tax deductions:- For the purposes of income tax, there shall be deducted from the taxable profits of any business or establishment, 200% of the actual cost of the remuneration payable to any physically or mentally disabled employees, up to the extent of the profits of the year in which the expenditure is made, but any unclaimed amount shall not be available for future deductions
Social Services (FA 2011 Section 16)	Income tax deductions:- Any expenses on social services, such as building of schools and hospitals and any investment that is outside the scope of the original investment and which would be also available to the general for use free of charge, shall be eligible for deduction from profits of 100%% of the cost incurred up to the extent if profits for the purposes of the Income Tax Act 2000
Women Employment (FA 2016 Section 38)	Income tax credit:- Any business employing a female employee in a management position between 1st day of January 2016 and 31st of December 2018 shall be eligible to a tax credit at a rate of 6.5% on the PAYE of that female employee
Youth Employment (FA 2015 Section 23)	Income tax credit:- Any small or medium size business employing any Sierra Leonean youth who is (a) between the age of 18 and 35, and (b) previously unemployed or working part time, between 1st December 2014 and before 1st December 2015 shall be eligible to a 6.5% tax credit on employee PAYE of that employee
Youth and Women Skills Development (FA 2015 Section 25)	Income Tax deduction:- For the purposes of income tax, any investor who makes a donation into the Skills Development Fund shall be eligible for 100% deduction of the donation from the profits for the same year that the donation is made, but any unclaimed amount shall not be available for future deductions

<p>Minerals and Minerals and (Petroleum ITA 2000 Section 42 and sixth schedule FA 2016 Section 16)</p>	<p>Income tax deductions Expenses incurred to acquire mineral and petroleum exploration and production rights and in respect of mineral and petroleum development are treated as if they were incurred for a depreciable asset – (a) an initial allowance of forty percent of cost in the year of expenditure; and (b) an annual allowance of twenty percent of cost for each of the three years succeeding the year of expenditure The rate of capital allowances (a) on expenditure (start-up costs) on mineral and petroleum prospecting and exploration shall be 100% (b) on production rights and other expenditure incurred on mineral and petroleum development shall be (i) an initial allowance of 40% of cost in the year of expenditure; and (ii) an annual allowance of 20% of cost for each of the three years succeeding the year of expenditure A loss in any year of assessment may be carried forward as a deduction against income of the subsequent year of assessment. Accumulated losses can be carried forward up to a maximum of ten years from the date of commencement of commercial production.</p>
<p>Tourism (DTA 1990 Sections 30, 31, 32, 36)</p>	<p>a. Income Tax deductions Where for the purpose of an Approved Development by Income Tax way by constructing a new hotel, extending, restoring, or renovating and other an existing hotel; or any tourist facility or amenity with a minimum number of rooms for hotels established in the Western Area of 50 ensuite bedrooms and 10 ensuite bedrooms for the rest of the country, eligible expenditure is incurred, such expenditure shall qualify for relief by way of capital allowance. Any net loss incurred by any person during the tax holiday period shall for the purpose of ascertaining the total income of that person be carried forward and be available for set-off against the profits or income arising from any business in the basis period of the year of assessment immediately following the expiration of the tax holiday period or against the profits or income arising from such business in any of the basis periods of the next following five years of assessment immediately following the expiration of the tax holiday period. Income tax-exempt income Where for the purpose of an Approved Development by Income Tax way by constructing a new hotel, extending, restoring, or renovating and other an existing hotel; or any tourist facility or amenity with a minimum number of rooms for hotels established in the Western Area of 50 ensuite bedrooms and 10 ensuite bedrooms for the rest of the country, relief from income tax (a) For a period not exceeding five years (b) in value, not exceeding, during the tax holiday period, one hundred and fifty percent of the original capital invested. Original capital invested means, for the purpose of taxation, both the equity and non-equity capital initially utilized in setting up the business.</p>

2.1.6 REGISTERING A NEW BUSINESS

There is a one stop shop facility for new business registration at the Office of the Administrator and Registrar General (OARG) at Walpole Street, Central Freetown – where registration is done for sole proprietorship and partnership businesses and at Fort Street where registration is conducted for companies and corporation. At the registration centre, a Taxpayer Identification Number (TIN) is

issued to a new taxpayer which uniquely identifies the taxpayer with the authority at no financial cost. The taxpayer needs to produce a form of identification and proof of address in order to be able to register a new business and also register for various tax-types which now provides the platform in establishing a relationship with the National Revenue Authority.

2.1.7 TAXPAYER SEGMENTATION

- i. Currently, taxpayers are divided into two main categories: Large Taxpayers – with a turnover of Le 5.5Bn and above. These account for about eight percent of the total domestic revenue and they are managed by the Large Taxpayers Office (LTO). The normal regime as contained in the various revenue acts govern their operations.
- ii. Small and Medium Taxpayers – This has a further division of Medium Tax-

payers Office (MTO) – with a turnover of under Le 5.5Billion to Le 350Billion; and Small Taxpayers Office (STO) – with a turn over of under Le 350Million to Le 10Million. Small taxpayers are governed by the Small and Micro Taxpayers Regime (SME Regime). This regimes levy taxes on turnover basis as final tax as shown below with no credit for withholding taxes and other taxes at source.

Amount of Turnover	Income Tax Payable in Leones
Under Le 10,000,000	Nil
Le10,000,000 – Le 20,000,000	Le100,000 plus 2% of the amount of turnover above Le10,000,000
Le20,000,000 – Le100,000,000	Le300,000 plus 4% of any amount of turnover above Le 20,000,000
Le100,000,001 – 200,000,000	Le3,500,000 plus 5% of the amount of turnover above Le100,000,000
Le200,000,000 – Le350,000,000	Le8,500,000 plus 6% of the amount of turnover above Le 200,000,000



For taxpayers engaged in commercial transport services, the following minimum taxes are paid annually at the point of registration:

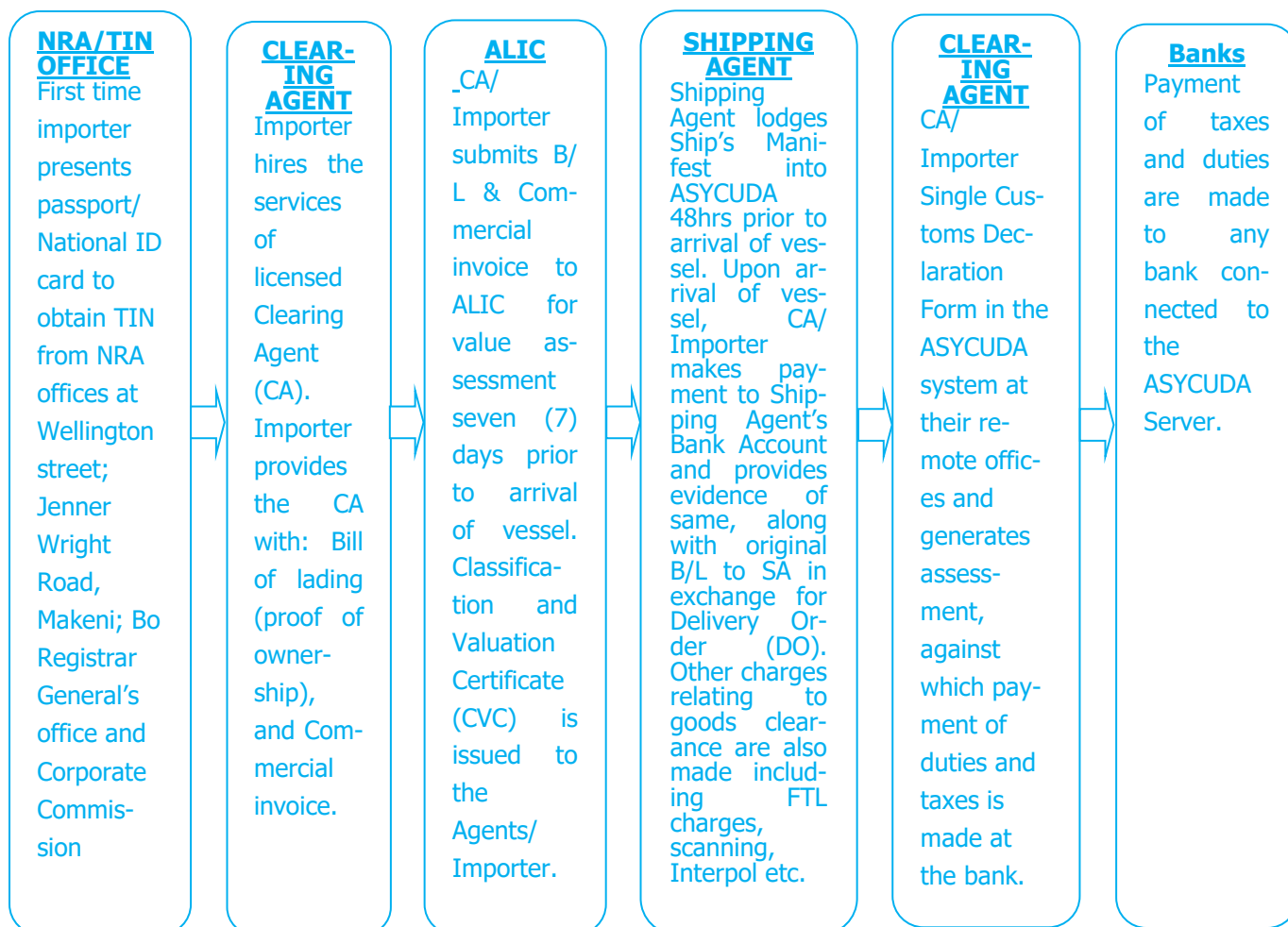
Providers of Transport Service	Income Tax Payable in Leones
Trucks, tankers, large tippers or trailers	Le1,000,000
Buses, mini-buses, delivery vans or small tip-pers	Le500,000
Taxis, mini-taxi or motorbikes	Le200,000



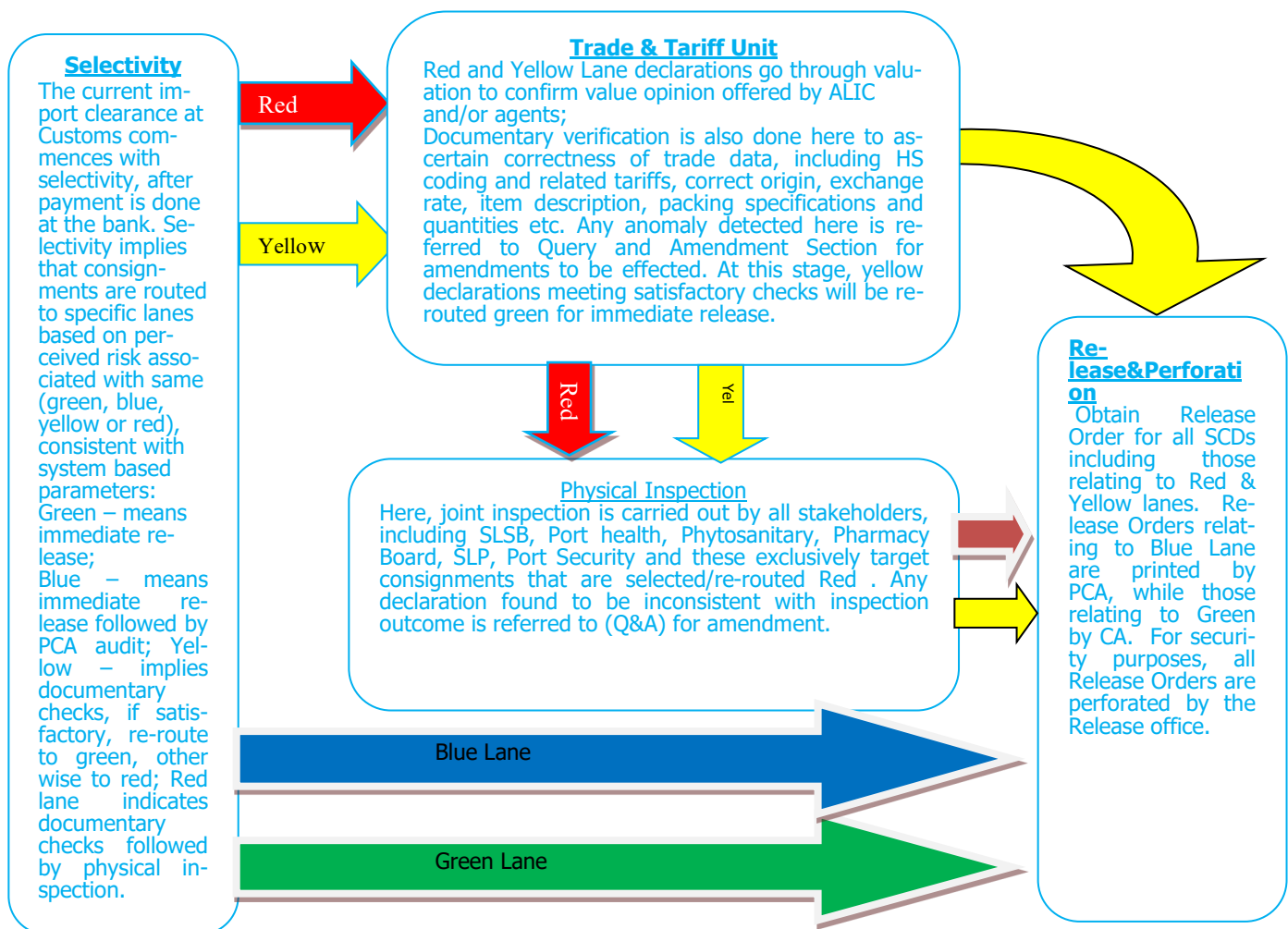
3.1 CUSTOMS SERVICES

3.1.1 CUSTOMS CLEARANCE PATH

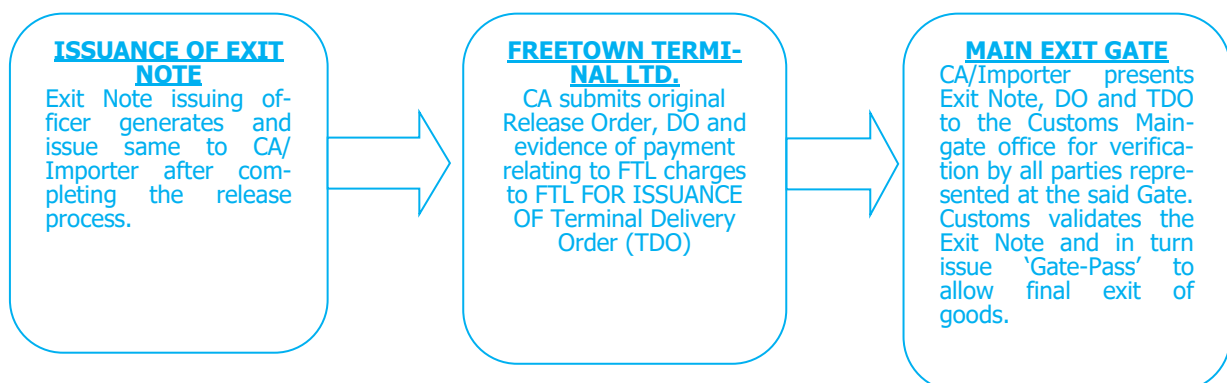
I. PRE- CUSTOMS IMPORT CLEARANCE PROCESS



II. IMPORT CLEARANCE PROCESS MAP



III. POST-IMPORT CLEARANCE PROCESS



3.1.2 Customs Legislations and Tariffs

A. LEGISLATION

The rates of import duty, excise duty and Goods and Services Tax, are determined in accordance with the following legislations:

The Customs Act 2011
The Excise Act, 1982

The Customs Tariff Act 1978
The Goods and Services Tax 2009
All Finance Acts
The ECOWAS Common External Tariff and related regulations

B. RATES OF CUSTOMS DUTY AND TAXES

The rates of Customs duty are contained in the ECOWAS Common External Tariff

system, with few exceptions as provided for in Article 3 of ECOWAS Regulation on supplementary protection measures (SPM).

Below are the tariff rates for frequently imported goods in Sierra Leone as at 2019:

No.	Product Name	Tariff	GST	Excise
1	Milk	20%	15%	
2.	Infant Milk (Baby food)	10%	Free	
3	Egg (fowl)	20%	15%	
4	Egg (others)	20%	15%	
5	Chicken	20%	15%	
6	Cheese	20%	15%	
7	Onion	15%	15%	
8	Potatoes	20%	15%	
9	Broken rice	0%	0%	
10	Wheat flour	10%	15%	
11	Sugar (in powder, crystal or granule from)	20%	15%	
12	Vegetable Cooking oil	20%	15%	
13	Sardines (in 1/4 club cans of height of 30mm or less	20%	15%	
14	Sardines (others)	20%	15%	

15	Margarine	30%	15%	
16	Sweet biscuit	20%	15%	
17	Waffles and wafers	20%	15%	
18	Salt for human consumption	20%	15%	
19	Lubricating oils (meant to be mixed further)	10%	15%	
20	Lubricating oil (others)	10%	15%	
21	Mayonnaise (prepared mustard)	20%	15%	
22	Tomato ketchup and other tomato sauce	20%	15%	
23	Soft drinks	35%	15%	
24	Energy drinks	35%	15%	20%
25	Mineral waters	35%	15%	
26	Aerated waters	35%	15%	
27	Assorted juice (of different flavour)	20%	15%	10%
28	Beer (made from malt)	30%	15%	US\$0.015 per cl or US\$1.50 per litre (Alcohol content less than 10%); US\$0.02 per cl or US\$2.0 per litre (Alcohol content greater than 10%)
29	Wine of fresh grapes	20%	15%	US\$0.015 per cl or US\$1.50 per litre (Alcohol content less than 10%); US\$0.02 per cl or US\$2.0 per litre (Alcohol content greater than 10%)

30	Other fermented beverages (e.g. cider)	30%	15%	US\$0.015 per cl or US\$1.50 per litre (Alcohol content less than 10%); US\$0.02 per cl or US\$2.0 per litre (Alcohol content greater than 10%)
31	Other alcoholic drinks	20%	15%	US\$0.015 per cl or US\$1.50 per litre (Alcohol content less than 10%); US\$0.02 per cl or US\$2.0 per litre (Alcohol content greater than 10%)
32	Non-alcoholic beer	30%	15%	US\$0.015 per cl or US\$1.50 per litre (Alcohol content less than 10%); US\$0.02 per cl or US\$2.0 per litre (Alcohol content greater than 10%)
33	Paints	20%	15%	
34	Soap (medicated)	10%	15%	
35	Soap (household soap and soap in other forms)	15%	15%	
36	School bags	20%	15%	
37	Other bags	20%	15%	
38	Toiler paper	20%	15%	
39	Plywood	20%	15%	
40	Plastic sandal	20%	15%	
41	Plastic sandal (others)	20%	15%	
42	Plastic slippers	20%	15%	
43	Plastic slippers (others)	20%	15%	
44	Ceramic tiles	20%	15%	
45	Ceramic toilet seat (WC)	10%	15%	
46	Iron rod	10%	15%	
47	Batteries (dry cell)	20%	15%	
48	Batteries (auto)	20%	15%	
49	Plastic chairs	20%	15%	

3.1.3 GOODS AND SERVICES TAX (GST) ON IMPORT

A. Description

This tax replaced the previous import sales tax collected by Customs on behalf of the Domestic Taxes Department.

Note: All goods, unless specified in the Second Schedule of the GST Act, 2009 and Section 28 of the Finance Act, 2017 are liable to payment of GST at 15% ad-valorem rate.

Excise Duty (Specific) =
(Tax rate X Goods quantity).

Excise Duty (Ad-Valorem) =
Tax rate (CIF + Import duty)

GST (Goods not excisable) =
(CIF + Import duty) x 15%

B. ESTIMATION OF GST & EXCISE DUTIES

The basis of value for the calculation of excise duty and GST are as follows:

GST (Goods excisable) =
(CIF + Imp. Duty+ Excise tax) x 15%

3.1.4 Other Fees/Levies

No.	Category	Fee/Levy/charge
1	ECOWAS Levy	0.5% of CIF
2	Transit Fee	2.5% of FOB
3	Withholding Income Tax (WIT)	5% of CIF
4	Insurance	1% of FOB
5	ASYCUDA Processing Fee	Le30,000 per declaration

Note: Section 92(2)(a) and Section 15 of the Finance Act, 2018, provides for Customs Service fees to be levied for extra services as follows: requested services by agents/importers outside official working hours; weekends; holidays; and out of duty station are chargeable at rates determined by the Commissioner.



C. Applicable Excise Rates of Duties

Product	Rate	Note
Imported Alcohol ($\geq 10\%$) apv;	US\$0.02 per cl or US\$2.0 per litre	Raw material sourced from abroad
Imported Alcohol ($< 10\%$) apv	US\$0.015 per cl or US\$1.50 per litre	Raw material sourced from abroad
Alcoholic beverages ($\geq 10\%$) apv	30%	Raw materials sourced locally
Alcoholic beverages ($< 10\%$) apv	20%	Raw materials sourced locally
Tobacco products (cigarettes and cigars)	30%	
Energy Drinks	20%	
Fruit Juices	10%	
Petroleum products	Based on formula provided by PRA	Excise rate varies from time to time, depending on changes in landed cost and exchange rate
Luxury Vehicles	20%	Applicable to only luxury vehicles with value

A. Box 7: HYPOTHETICAL CASES OF COMPUTATION OF CUSTOMS DUTIES AND TAXES

1. Assume that a container of alcoholic beverage having 1,500 cartons of (24cans x 330mls x 5% pva) arrives at the frontier awaiting clearance. The invoice price reveals cost, insurance and freight to be \$15,000, 1% and \$2,200 respectively. If the prevailing rate of exchange is (\$1 = Le8,650), the related taxes shall be estimated as follows:

Firstly, the taxes involved shall be: Import duty; Import Excise; Import GST, ECOWAS Levy and Withholding Income Tax.

- a) **Import Duty (ID)** = $(CIF) \times 20\%$;
 But $CIF = FOB(\$15,000) + Insurance(15,000 \times 1\%) + Freight(\$2,200)$
 $= \$ (15,000 + 150 + 2,200) = \$17,350$
 Therefore: $ID = \$17,350 \times 20\% = \$3,470$
 $ID = \$3,470 \times 8,650 = \text{Le}30,015,500$

- b) **Import Excise (IE)** = (Tax rate x Goods quantity): (in the case of Specific Rate).

Note:

- i. 5%pva attracts \$1.5/Liter (rate)
 ii. 1 carton beer = $(330\text{ml} \times 24)/1000 = 7.92\text{Ltr}/\text{carton}$
 iii. Quantity (in Ltr) = $(7.92 \times 1,500 \text{ cartons}) = 11,880 \text{ Ltrs}$
 $IE = \$1.5 \times 11,880 = \$17,820$
 $IE = 17,820 \times 8,650 = \text{Le}154,143,000$

- c) **Imp. GST** = $(CIF + ID + IE) \times 15\%$
 $= (150,077,500 + 30,015,500 + 154,143,000) \times 15\% = \text{Le}50,135,400$

- d) **ECOWAS Levy** = $CIF \times 0.5\% = 150,077,500 \times 0.5\% = \text{Le}750,387.50$
WIT = $CIF \times 5\% = 150,077,500 \times 5\% = \text{Le}7,503,875.00$

B. Where Excise is Ad-valorem:

2. Assume that a container of onions having 1,160 bags arrives at the frontier awaiting clearance. The invoice price reveals cost, insurance and freight to be \$10,000, 1% and \$3,000 respectively. If the prevailing rate of exchange is (\$1 = Le8,650), the related taxes is estimated as follows:
Firstly, the taxes involved are: Import duty; Import GST, ECOWAS Levy and Withholding Income Tax.

a) **Import Duty(ID)** = (CIF) x 20% ;

But CIF = FOB(\$10,000)+Insurance(10,000 x 1%) + Freight(\$3,000)
= \$(10,000+100+3,000) = \$13,100

Therefore: ID = \$13,100 X 20% = \$2,620.00

ID = \$2,620 X 8,650 = **Le22,663,000.00**

b) **Imp. GST** = (CIF+ID) X 15%

= (113,315,000+22,663,000) X 15% =
Le20,396,700.00

c) **ECOWAS Levy** = CIF X 0.5%

= 113,315,000 X 0.5% = Le566,575.00

d) **WIT** = CIF X 5% = 113,315,000 X 5%
= **Le5,665,750.00**

C. A Case Involving ETLS

Imagine soft drinks having Cost, Insurance and freight (CIF) value being \$12,000, \$120 and \$3,000 respectively. The related tax rates are import duty (30%), GST (15%), WIT (5%) and ECOWAS Levy (0.5%). The duty estimates are as follows:

Note: Since consignment is assumed to have come from a member country, the goods will not attract import duty and ECOWAS Levy.

a) **Imp. GST** = (CIF+ID) X 15%

= (130,788,000+ 0) X 15% =
Le19,618,200.00

b) **WIT** = CIF X 5% = 130,788,000 X 5%
= **Le6,539,400.00**

3.1.5. Export Duty

Export duty for most products is zero rated, except diamonds, which attract

3% duty on FOB.

3.1.6. Stamp and Transfer Duty

Stamp duties are levied on a wide range of instruments and documents at rates that vary from 1% to 12.5%. These include agreements, bills of exchange

and promissory notes, bills of lading, bonds, leases and power of attorney letters.

3.1.7. ECOWAS Trade Liberalisation Scheme (ETLS)

This is a regional agreement which allows free movement of goods within ECOWAS member States at zero rate duty for originating goods.

The Scheme covers three groups of products, namely:

Unprocessed goods – these include fish, plants or minerals which have not undergone industrial transformation

exempt from duties and taxes.

Traditional handicraft products -
exempt from duties and taxes

Industrial products - reduce
Customs duties and taxes gradually
over 10 years period, starting 1 Jan
1990, until totally eliminated.

To qualify and benefit:

- ⇒ *product must originate from Member States;*
- ⇒ *products must be approved by ECOWAS;*
- ⇒ *Enterprise producing product must be*

registered in ECOWAS;

- ⇒ *product must be accompanied by a certificate of origin;*
- ⇒ *product must be accompanied by ECOWAS export declaration.*

3.1.8 ECOWAS Common External Tariff (CET)

Good Category	Import Duties (%)
Essential social goods	0
Goods of primary necessity, raw materials and specific inputs	5
Intermediate goods	10
Final Consumption goods	20

3.1.9 Treatment of Imported or Exported Goods

The current arrangement offers a range of procedures under which imported or exported goods may be admitted for processing prior to their release into circulation or for exportation:

- i. **Direct Permanent import** – refers to a customs procedure where imported goods arriving at the Port are allowed into free circulation in Sierra Leone with duties and taxes paid. The related declaration can be done using Form (IM4)
- ii. **Direct Permanent Export** - means the customs procedure applicable to goods which, being in free circulation in Sierra Leone, leave the territory of Sierra Leone and are intended to remain permanently outside Sierra Leone. The related declaration can be done using Form (EX1)
- iii. **Temporary Admission** - means the customs procedure under which imported goods can be brought into

the territory of Sierra Leone to be re-exported after a specified period of time conditionally relieved from payment of import duties and taxes. There would normally be no change in the physical state of the goods, except normal depreciation. The related declaration can be done using Form (IM5)

- iv. **Re-export** – means the customs procedure under which imported goods brought into the territory of Sierra Leone are exported in an altered or unaltered state to another country. The related declaration can be done using Form (EX3).
- v. **Re-importation** - means the customs procedure under which goods which were exported from Sierra Leone and were in free circulation may be taken into home use free of import duties and taxes. The related declaration can be done using Form (IM6).

Vi. **Transshipment** - means the customs procedure under which imported goods are transferred under customs control from the importing means of transport to the exporting means of transport within the area of one customs office which is the office of both importation and exportation. The related declaration can be done using Form (IM8 - 8100).

Vii. **Transit** – means the customs procedure under which imported goods are transferred from one customs office to another or from one customs territory to another by road under Customs control. The related declaration can be done using Form (IM8 - 8000).

Viii. **Warehousing** – means the customs procedure under which imported goods deposited into a bonded warehouse are temporarily relieved of customs duties and taxes, prior to its release into free circulation. The related declaration can be done using Form (IM7).

Ix. **Import Processing Relief** – Section 47(1) permits granting of relief from the payment of customs duties imposed under the Tariff Act, that, but for this section, would be payable in respect of imported goods used in, wrought into or attached to specified goods processed in Sierra Leone and subsequently exported, or other wise as provided for in law.

3.1.10 Punishable Offences/Fraud

No.	Offence Type	Frequency	Penalty
1	Misclassification, undervaluation, misdescription, incorrect origin, incorrect packing, incorrect quantity – (any of these that leads to loss of revenue)	1st time offender	2 x (duties & taxes to be paid)- Sections 78(2)
2	Misclassification, undervaluation, misdescription, incorrect origin, incorrect packing, incorrect quantity – (any of these that leads to loss of revenue)	2nd time offender	3 x (duties & taxes to be paid) – Section 78(2)
3	Misclassification, undervaluation, misdescription, incorrect origin, incorrect packing, incorrect quantity – (any of these that leads to loss of revenue)	3rd offence & above	4 x (duties & taxes to be paid) – Section 78(2)
4	Importation of prohibited goods	On all occasions	Confiscation to the State – Section 74
5	Importation of restricted goods	On all occasions	Detain goods, until permit clearance is produced.
6	Make false/deceptive statements in a declaration; destroy records; evade payment of duty; open/unlock packages without lawful authority;	On all occasions	Not exceeding two hundred million leones (Le200,000,000.00)
7	breaks/tampers with seals/locks/fastenings	On all occasions	Fifty million leones (Le50,000,000.00)

8	Unauthorised breaking of bulk; removal of goods from bond or customs control	On all occasions	Not exceeding two hundred million leones (Le200,000,000.00)
9	To hinder, obstruct or assault an officer in performance of his duties; Wilfully failing to comply with lawful demand made by an officer	On all occasions	Arrest of offender and liable to fine not exceeding ten million leones (Le10,000,000.00) or imprisonment not exceeding 12 months
10	Failure to report imported goods as required by section 8; failing to declare goods in line with provisions of Section 11	On all occasions	A fine not exceeding Le200 million and not less than Le200,000.00.
11	Bribery	On all occasions	Dismissal and referral of matter to the ACC.
12	Abandoned declarations in ASYCUDA	On all occasions	Le2,000,000.00

3.1.11 Import Restrictions and Prohibitions

Section 63(1) provides for prohibitions regarding the importation into or exportation from Sierra Leone of specified goods. They include items that undermine/threaten the protection of:

- (a) Public morals, including the trafficking in illegal drugs, libelous and scandalous materials, indecent or pornographic articles;
- (b) Human, animal or plant life or health including contaminated foods, dangerous weapons, animals and carcasses infected with disease;
- (c) The environment including toxic wastes materials, beads of inflammable celluloid or similar materials;
- (d) National treasures of artistic, historic or archaeological value;
- (e) Base or counterfeit coins/notes or any other counterfeit articles;

(f) Motor vehicles that are 'right hand drive';

(g) Goods prohibited for importation or exportation by any law in Sierra Leone;

Restricted Articles

Section 64 of the Sierra Leone Customs Act, 2011 places restrictions on the importation/exportation of certain commodities, the release of which is subject to the importer or exporter obtaining the required permit, licence, certificate or other approval from the respective authority, and such goods shall be detained by Customs pending lodgement of the required permit, licence, certificate or other approval. They include:

- a) Minerals including, diamonds, gold, silver, iron ore, bauxite, zircon, rutile;
- b) Local foodstuff including palm oil, fisheries products, gari, rice;
- c) Timber products, petroleum products;

- d. Pharmaceutical products
- e. Currency: bank notes, coins, travellers' cheques, electronic units of payment, securities denominated in local currency or in the currency of any other country;
- f. Gambling machines, machines for duplicating keys
- g. Plant, plant product, plant disease or pest, soil, manure, grass, and other parking material liable to harbour dangerous disease or pests of plants;
- h. Explosives, arms and ammunition, handcuffs, weapons for discharge of noxious liquids, nets and traps for animals;
- i. Mercury substance;
- j. All goods, the importation or exportation of which is regulated by law in Sierra Leone.

Customs Control Zones

A Customs Control Zone is normally a place suitable for, or already recognised as a centre of international trade, and is part of an international port, an international land border crossing or an international airport, and suitable and able to provide a high level of service in terms of the traffic flows and clearance demands. Section 7(2) of the CA, 2011, provides that the Minister may appoint areas of land or territorial waters in Sierra Leone as Customs Control Zones for the purposes of administering or enforcing this Act.

Note that only officially approved control zones and/or landing areas shall be recognized by Customs for processing of imports and exports. Goods arriving in the control zones by either sea, land or air

shall be subject to Customs controls, in line with Section 7(1)(5)&(6) of CA, 2011. To date, the only approved landing points in Sierra Leone include:

- Queen Elizabeth II quay
- Susan's bay/Parcel post
- Freetown International Airport (Lungi)
- Kambia
- Dogoloya (Kabala)
- Sanya
- Kono (Njagbema Fiama)
- Bo, Kenema, Gbangbatoke
- Zimmi
- Jendema (MRU)
- ♦ Kailahun (Buedu, Bailu, Koindu)

Customs Controls

Section 7(1) requires that Customs shall carry out all the controls it deems necessary to ensure the correct application of the laws governing the entry, customs exit, transit, transfer and use of goods moved between the territory and other countries or territories outside the customs territory.

Customs control includes:

- ♦ examining goods;
- ♦ verifying goods declaration data and the existence and authenticity of electronic records or written documents;
- ♦ examining books, accounts and records;
- ♦ inspecting means of transport;
- ♦ inspecting luggage and other goods carried by or on persons.

REWARD FOR COMPLIANCE

- ◆ Where importer/broker voluntarily report errors, omissions or infractions to customs, they will not be penalised - Section 79(2)
- ◆ Those who provide reliable information leading to revenue recovery are given financial rewards – Section 79(3)
- ◆ Compliant importers/agents may be admitted to green lane and possibly into the 'Gold Card Scheme'.

3.1.12: Further Scenarios of estimation of charges for clearance of imported goods

SCENARIO 1: 1X40FT USED CLOTHING: FOB(\$24,375), FREIGHT(6,000), Ins.(\$243.75), Rate of Exchange (8,814.56)				
Description	Value (\$)	Value (Le)	Rate	Amt. to Pay (Le)
Shipping & Delivery order Charges				8,100,000.00
ALIC: Conduct Destination Inspection				
Classification & Valuation fee	FOB (24,375)	210,843,750.00	1%	2,108,437.50
Scanning Fee	\$50	432,500.00	0	432,500.00
				2,540,937.50
Clearing & Forwarding Agency				
Documentation & Agency fees				2,500,000.00
Customs/NRA				
Import Duty	CIF: (30,618.75)	264,852,187.50	20.00%	52,970,437.50
GST		317,822,625.00	15%	47,673,393.75
WIT		264,852,187.50	5%	13242609.38
ECO. LEVY		264,852,187.50	0.50%	1324260.938
				115,210,701.56
Freetown Terminal LTD.				1,800,000.00
GRAND TOTAL				130,151,639.06

SCENARIO 2: 1X20FT Ceramic Tiles : FOB(\$5,000), FREIGHT(3,000), Ins.(\$50.00), Rate of Exchange (8,814.56)				
Description	Value (\$)	Value (Le)	Rate	Amt. to Pay (Le)
Shipping & Delivery order Charges				4,050,000.00
ALIC: Conduct Destination Inspection				
Classification & Valuation fee	FOB (5,000)	44,072,800.00	1%	440,728.00
Scanning Fee	\$30	264,436.80	0	264,436.80
				705,164.80

Clearing & Forwarding Agency				
Documentation & Agency fees				1,500,000.00
Customs/NRA				
Import Duty	CIF: (8050)	70,957,208.00	20.00%	14,191,441.60
GST		85,148,649.60	15%	12,772,297.44
WIT		70,957,208.00	5%	3,547,860.40
ECO. LEVY		70,957,208.00	0.50%	354,786.04
				30,866,385.48
Freetown Terminal LTD.				1,100,000.00
GRAND TOTAL				38,221,550.28

SCENARIO 4: 1X40FT Cigarette : FOB(\$45,000), FREIGHT(6,000), Ins.(\$450.00), Rate of Exchange (8,814.56)

Description	Value (\$)	Value (Le)	Rate	Amt. to Pay (Le)
Shipping & Delivery order Charges				4,050,000.00
ALIC: Conduct Destination Inspection Classification & Valuation fee	FOB (45,000)	396,655,200.00	1%	3,966,552.00
Scanning Fee	\$30	264,436.80	0	264,436.80
				4,230,988.80
Clearing & Forwarding Agency				

Documentation &				2,500,000.00
Customs/NRA				
Import Duty	CIF: (51,450)	453,509,112.00	35.00%	
Excise Duty		453,509,112.00	30.00%	
GST		748,290,034.80	15%	
WIT		453,509,112.00	5%	
ECO. LEVY		453,509,112.00	0.50%	
Freetown Terminal				1,100,000.00
Transportation				1,500,000.00
GRAND TOTAL				

4.1 NON - TAX REVENUE

I. ROYALTIES

Royalty is a payment to government for on-going use of its asset or property and this is largely applicable to natural resources (such as minerals, oil and gas, forestry and fisheries) as owned by government. Hence royalty charges are paid to government through the NRA for extraction of these resources.

A. Minerals

6.5% for special stones, defined as those precious stones whose market value is above five hundred thousand United States Dollars

6.5% for precious stones

5% for precious metals

3% for all other minerals, including bulk minerals

B. Telecoms

Telecommunications operators to pay a 0.5% royalty on their turnover, being an allowable deduction in computing the final corporate tax payable.



ii. Mining License

FEE CATEGORY	LICENCE CATEGORY	AMOUNT
New Application	Reconnaissance	\$500
Renewal	Reconnaissance	\$500
New Application	Exploration	\$500
Renewal	Exploration	\$500
New Application	Small Scale	\$1,000
Renewal	Small Scale	\$1,000
Annual License Fee	Small Scale	\$800/ha
Citizen Corporative Mines Manager Certificate	Small Scale	Le1,000,000
Citizen Corporative Mines Manager Certificate	Small Scale	\$1,000
Dredge Permit	Small Scale	\$10,000
Alluvial Diamond Exporter's License	Exporter plus 7 agents per inclusive of two Free Agents (Full Year)	\$35,000
Alluvial Diamond Exporter's License	Exporter (Half Year)	\$30,000
Alluvial Diamond Exporter's Agent Certificate	Exporter Agent (Full Year)	\$6,000
Alluvial Diamond Exporter's License	Alluvial Diamond Exporter's License (Half Year)	\$4,000
Non-Citizen Alluvial Diamond		\$7,000
ECOWAS Citizen Diamond Dealers Agents License		\$3,000
Citizen Diamond Dealers Agent License		\$2,500
ECOWAS Citizen Diamond Dealers Agent Certificate		\$1,500
Citizen Diamond Dealers Agent		\$1,000
Monitoring Fee	Diamond Dealers	\$500
Rehabilitation Fee	Diamond Dealers	\$400
Alluvial Gold Exporters License	Exporter (Full Year)	\$7,500

FEE CATEGORY	LICENCE CATEGORY	AMOUNT
Alluvial Gold Exporters Agent Certificate		\$3,000
Non-Citizen Gold Dealers License		\$1,000
ECOWAS Citizen Gold Dealers License		\$750
Citizens Gold Dealers License		Le750,000
ECOWAS Citizen Gold Dealers Agent Certificate		Le500,000
Citizens Gold Dealers Agents Certificate		Le300,000
Monitoring Fee (Non-Citizen) Gold Dealers		\$400
Rehabilitation Fee (Non-Citizen) Gold Dealers		\$400
Monitoring Fee (Citizen)		Le675,000
Rehabilitation Fee (Citizen)		Le675,000
Industrial and Sand-Based Exporter License	Exporter	\$5,000
Exporters Agents Certificate	Industrial Sand-Based Dealers	\$2,500
Non-Citizen Dealers License	Industrial Sand-Based Dealers	\$1,500
ECOWAS Citizen Dealers License	Industrial Sand-Based Dealers	\$500
Citizens Dealers License	Industrial Sand-Based Dealers	Le750,000
ECOWAS Citizen Dealers Agent Certificate	Industrial Sand-Based Dealers	Le500,000
Citizen Dealers Agents Certificate	Industrial Sand-Based Dealers	Le300,000
Monitoring Fee (Non-Citizen)	Industrial Sand-Based Dealers	\$400

FEE CATEGORY	LICENCE CATEGORY	AMOUNT
Rehabilitation Fee (Non-Citizen)	Industrial Sand-Based Dealers	\$400
Monitoring Fee (Citizen)	Industrial Sand-Based Dealers	Le675,000
Rehabilitation Fee (Citizen)	Industrial Sand-Based Dealers	Le675,000
Blasting License Fee	Large Scale	\$20,000
Blasting License Fee	Small Scale	\$10,000
Blasters Certificate (Non-Citizen)		\$5,000
Blasters Certificate (Citizen)		Le2,500,000
Monitoring Fees to all Industrial License (Large Scale, Small Scale, Exploration, and Reconnaissance)		10% of annual license fees
Demarcation Fees	Artisanal	Le250,000
Financial Supporters Certificate	Artisanal	Le250,000/Acre
Miners Sales Card	Artisanal	Le20,000
Artisanal and Cooperation Mines Manager Certificate	Artisanal	Le100,000/Acre
Monitoring	Small Scale	Le500,000/
Citizen Cooperative Mines Manager Certificate	Small Scale	Le500,000
Non-Citizen Cooperative Mines Manager Certificate	Small Scale	Le1,000,000

iii. Fisheries Fees and Royalties (In US\$)

VESSEL TYPE	COST PER GRT	ROYALTY PER VESSEL	DURATION
Shrimper and Cephalopods Trawler	180	14,625	6 months
	360	29,250	12 months
Demersal & Pelagic Midwater	150	12,010	6 months
	300	24,020	12 months
Tuna Purse Seiner (per vessel)	35,000	Nil	6 Months
	70,000	Nil	12 Months
Tuna Longline/others (per vessel)	22,500	Nil	6 Months
	45,000	Nil	12 Months
Purse Seine for small pelagics (per vessel)	21,000	Nil	6 months
	42,000	Nil	12 months
Decked Semi-industrial fishing vessel	750	Nil	6 months
	1,500	Nil	12 months
Undecked Semi-indust	350	Nil	6 months
STD 5-10 canoe snapper/herring	500	Nil	12 months
STD 5-10 canoe croakers	975	Nil	6 months
	1,6250	Nil	12 months
Ghana Plank herring/Bon	650	Nil	6 months
Ghana Plank (Croakers)	975	Nil	6 months
	1,350	Nil	12 months
Foreign Canoes	2,300	Nil	6 months
	4,000	Nil	12 months

VESSEL TYPE	COST PER GRT	ROYALTY PER VESSEL	DURATION
Transshipping fishing vessels with license to fish in SL (per vessel per transshipment)	700	Nil	12 months
Transshipping Fees For Fishing vessels with Foreign License (per vessel per transshipment), which must pay charges for 20 kg of fish as per charges in schedule for export	2,000	Nil	12 months
Supply vessel / local carrier	6,000	Nil	12 months
Processing Plants	45,000	Nil	12 months
Cold rooms	6,000	Nil	12 months
Mothership for processing	45,000	Nil	12 months
Mothership with canoe supports	29,250	Nil	12 months
Aquaculture: Semi- Commercial	1,500	Nil	12 months
Aquaculture: Commercial	3,000	Nil	

iv. Supplementary Fees for Imports and Other Activities

DETAILS	UNITS	AMOUNT
Import fee	Per 20kg. ctn	Le 500.00
Local discharge	Per 20kg. ctn	Le 300.00
Export levy: fishing companies that repatriate	Per 20kg. ctn	US \$ 1.5
Export levy: Fish Processing plants with local partnership agreement with majority shares	Per 20kg. ctn	US \$ 2.0
Export fee for Fish Processing plants with local partnership agreement without majority shares	Per 20kg. ctn	US \$ 3.0
Export fee for Fish Processing Plants exporting croakers (gwangwa, lady)	Per 20kg. ctn	US \$ 3.0
Export fee for smoked Fish	Per 20kg. ctn	US \$ 5.0
Export Fees for crustaceans (shrimps, lobsters, crabs etc.)	Per 20kg. ctn	US \$ 5.0
Export fees for cephalopods (squids, octopus etc.)	Per 20kg. ctn	US \$ 5.0
DETAILS	UNITS	AMOUNT
Export fee for Fish bladder	Per 20kg. ctn	US \$ 5.0
Export fee for sea cucumber	Per 20kg. ctn	US \$ 10.0
Entry clearance permit for fishing vessels	Per vessel	US \$ 500
Letter of intent for the establishment of a new fishing company	Per request	US \$ 5,000
Fisheries Protection		
Fisheries Statistics & Research	Per /vessel/year	US \$ 5,00

V. Timber Royalty/Export Levy

An exporter of any timber or timber products shall prior to exportation pay to the National Revenue Authority a

timber royalty of US \$2,500 on every 20feet container.

VI. Other Fees

A. IMMIGRATION

DESCRIPTION	Amount
Passport Forms	Le10,000
Passport (New & Replacement)	Le750,000
Seaman's Passport	Le 100,000
Naturalization Fee	US\$3,000
Naturalization Form	Le100,000
Emergency Travel Certificate	Le100,000

B. LANDING VISA

Country	Amount (Le)	Duration	Remark
United Kingdom	470,000	6 months	
	990,000	1 year	
Europe/Australia/ New Zealand	500,000		Single
	650,000		Multiple
Israel/ Philippines	500,000		Single
	830,000		Multiple
Ireland	500,000		Single
	900,000		Multiple
USA/South America	1,200,000		Single & Multiple
Iran/Iraq	370,000		Single & Multiple
China	277,000	3 months	
	463,500	6 months	
	675,000		Multiple
Germany	556,000		Single
	1,112,000		Multiple
Belgium	556,000		Single
	834,000		Multiple
Asia/India	300,000		Single
	450,000		Multiple
Libya	310,000		Single & Multiple
Egypt	300,000		Single & Multiple
Canada	350,000		Single
	655,000		Multiple
Russia	500,000		Single
	565,000		Multiple
Morocco	450,000		Single & Multiple

Country	Amount (Le)	Duration	Remark
United Kingdom	470,000	6 months	
	990,000	1 year	
Europe/Australia/ New Zealand	500,000		Single
	650,000		Multiple
Israel/ Philippines	500,000		Single
	830,000		Multiple
Ireland	500,000		Single
	900,000		Multiple
USA/South America	1,200,000		Single & Multiple
Iran/Iraq	370,000		Single & Multiple
China	277,000	3 months	
	463,500	6 months	
	675,000		Multiple
Germany	556,000		Single
	1,112,000		Multiple
Belgium	556,000		Single
	834,000		Multiple
Asia/India	300,000		Single
	450,000		Multiple
Libya	310,000		Single & Multiple
Egypt	300,000		Single & Multiple
Canada	350,000		Single
	655,000		Multiple
Russia	500,000		Single
	565,000		Multiple
Morocco	450,000		Single & Multiple

(b) Registration of Non-Citizens

Category	Amount (Le)
Employees/petty Traders	5,000,000
House Wife of Petty Trader	1,000,000
Missionaries	500,000
Miners (Owner of Company)	10,000,000
Miner Employees	10,000,000
Domestic Staff	5,000,000
Maid	5,000,000
House Keeping	5,000,000
Chef/Cook	5,000,000
Self Employed Foreigners	5,000,000
Foreign Teacher	500,000.00
Wife of Employee/Businessman	5,000,000
Researcher	1,000,000
Volunteer	1,000,000
NGO	1,000,000

Dependent of Employees

Category	Amount (Le)
Adult	1,000,000
Below 21 years	250,000

Category	Amount (Le)	
	Private Educational Institution	Non Private/Public
Foreign Teachers	500,000	250,000
Foreign Student	100,000	100,000

Educational Institution Universities

Category	Amount (Le)
Foreign Lecturers	500,000
Foreign Student	100,000

Telecommunication

Category	Amount (Le)
Employer	10,000,000
Employee	15,000,000

Merchandise/ Business, Banking & Insurance, Manufacturing Industry, Security Agencies, Fishing Companies, and Construction Companies

Category	Amount (Le)
Employer	4,500,000
Employee	5,000,000

(C) LABOUR AND SOCIAL SECURITY

A. Work Permit

Description	Amount (Le)	
	ECOWAS	NON-ECOWAS
Application Form	100,000	100,000
Mining Sector	5,000,000	6,250,000
Energy Sector	4,000,000	5,000,000
Aviation	5,000,000	6,250,000
Shipping Agencies	5,000,000	6,250,000
Marine Sector	5,000,000	6,250,000
General Merchandise	1,250,000	2,500,000
GSM//Telecom Industry	3,750,000	5,000,000
Banking /Insurance	3,750,000	5,000,000
Manufacturing Industries	1,000,000	2,000,000
Construction Industries	3,000,000	4,000,000
Hotel/Catering/Restaurant/Entertainment	1,000,000	2,000,000
Educational Institutions	500,000	1,000,000
Casinos	2,000,000	5,000,000
Lottery/Betting companies	2,000,000	5,000,000
Consultants/Research	1,000,000	2,000,000
Garages/Automobile/Car Dealers	2,000,000	5,000,000
Sport	500,000	1,000,000
Health Services (Hospital, Clinics)	1,000,000	1,500,000
Private Security Companies	1,250,000	2,500,000
Water Drilling	1,000,000	2,000,000
Wild Life Zoo	500,000	1,000,000
Insurance Companies	3,750,000	5,000,000
Agricultural Industries	1,000,000	2,000,000
Foreign Exchange Bureau	2,000,000	1,000,000
NON GOVERNMENTAL ORGANISATIONS		
NGO	1,000,000	1,000,000
Volunteers	500,000	600,000
Full Time staff	1,000,000	5,000,000
Short term staff (0-6 months)	1,000,000	2,000,000

(D) FACTORIES

FINANCIAL CLASSES	PROJECT COST (Le)	ANNUAL REGISTRATION FEES (Le)
Premier Class	1.25bn and above	2,000,000
Category 1	600m to 1.25 bn	1,000,000
Category 2	350m to 600m	600,000
Category 3	178m to 350m	400,000
Category 4	Not more than 175m	300,000

(E) NATIONAL CIVIL REGISTRATION AUTHORITY (NCRA)

Description	Registration Cost		Certification Cost
	EARLY	DELAYED	RE-ISSUE
Birth	Free	10,000.00	25,000.00
Death (including foetal death)	Free	10,000.00	25,000.00
Marriage Christian, Muslim, etc)	Free	25,000.00	50,000.00
Divorce	Free	25,000.00	50,000.00
Adoption	Free	50,000.00	150,000.00
Nullity	Free	25,000.00	50,000.00
Judicial Separation	Free	25,000.00	50,000.00
Recognition	Free	25,000.00	50,000.00
Legitimate	Free	25,000.00	50,000.00

(F) MINISTRY OF WORKS AND PUBLIC ASSETS

	LOCAL	FOREIGN
A. REGISTRATION OF CONTRACTORS		
Premier Class, Works Categories A,B,C,D	6,000,000	9,000,000
Financial Class I, Works Categories A,B,C,D	3,000,000	4,500,000
Financial Class II, Works Categories, C & D	1,800,000	2,700,000
Financial Class III, Works Categories, C & D	1,200,000	1,800,000
Financial Class IV, Works Categories, C & D	900,000	1,350,000
B. RENT OF MIATTA CONFERENCE HALL		
Miatta Conference Hall		6,000,000

JOB ASSESSMENT FOR THE CENTRAL MECHANICAL WORKSHOP

SERVICING OF ENGINES	RATES
Cars	60,000
Vans	80,000
Lorries	120,000
Brake Work	30,000
Clutch Work	30,000
Gear Dropping	Rates
Cars	50,000
Vans	60,000
Lorries	80,000
Others including Carburettors, Steering Box and all minor repairs	31,250
Changing Oil	25,000
AUTO ELECTRICAL WORKSHOP	RATES
Re-Wiring of vehicles	30,000
Repairs of alternators	20,000
Repairs of starter motors	20,000
Charging of batteries	10,000
Others including horns, wipers, head lights, Traficant light, park lights automatic doors and all minor repairs	12,500
PANEL BEATING WORKSHOP	RATES
Paneling of:-	
Cars	60,000
Vans	80,000
Lorries	100,000
Fixing of doors glasses	40,000
MACHINE SHOP	RATES
Threading of bores and dicing of studs	20,000
CUTTING OF ADAPTORS	RATES
Manuel	20,000
Electrical	30,000
Cutting of cylinder head	50,000

Cutting of hinges (per pair)	20,000
Valve seat	20,000
DRILLING OF PIECES FOR	RATES
Vehicles	40,000
Others	30,000
Changing of engine sleeve (per Sleeve)	20,000
Pressing and replacement of bush arms (per arm)	20,000
Cutting of bushing for starter, steering rack etc	40,000
Drilling of saddle	40,000
Cog works	30,000
Bearing works	20,000
CALIBRATOR SHOP	
INJECTOR PUMP CALIBRATION	RATES
Testing fees	50,000
Manual	100,000
Electrical	20,000
Testing of nozzle (each)	20,000
Testing of metal (per journal)	20,000
Repairs to water pump	30,000
Threading of pieces	20,000
BLACKSMITH AND WELDING SHOP	RATES
Manufacturing of Steel Doors	
Single	140,000
Double	200,000
Manufacturing of Steel Windows	RATES
Single	100,000
Double	140,000
Meter Guide	30,000
Manufacturing of the following	RATES
Railings (12 feet in length)	140,000
Railings (6 feet in length)	60,000
Guard Bars (single)	50,000
Guard Bars (double)	100,000
Coal Pot(single)	30,000
Coal Pot(double)	50,000
Bill Board	400,000
Water Tank	300,000
Tower Bolt (per dozen)	25,000
Hinges (per pair)	15,000

PLANT YARD SECTION	RATES
Repairs to the following	50,000
One (1) Cylinder Generator	80,000
Two (2) Cylinder Generators	80,000
Two (2) Cylinder Compressors	150,000
Four (4) Cylinder Compressors	100,000
Welding Plants	-
Heavy duty water pumps other heavy	-
duty earthwork machines and equipment	300,000
CAPENTRY WORKSHOP	
JOB DESCRIPTION FOR FURNITURE	RATES
To manufacture a dining chair	50,000
to manufacture a dining table with plywood top	150,000
To manufacture a double wardrobe	250,000
To manufacture a single wardrobe	150,000
To manufacture a dining table with timber top	120,000
To manufacture a 4x6 single bed without bedside drawer	100,000
To manufacture a front panel door	100,000
To manufacture a batten door 2"-6" -6"	50,000
To manufacture a flush door (single)	50,000
To manufacture a writing desk	100,000
To manufacture 5"-0" typist writing desk	120,000
To manufacture executive writing desk	120,000
To manufacture China cupboard	300,000
To manufacture a chest of drawer	300,000
To manufacture C-6 set of chairs	350,000
To manufacture single dressing table	100,000
To manufacture a continental box bed	300,000
To manufacture 4ft 6" box bed	150,000
To manufacture lounge upholstery set of chairs	800,000
To manufacture coffee table ordinary	250,000
To prepare a sets of chair les (single)	20,000
To prepare a sets of table legs (single)	20,000
To prepare a set of table legs (special)	30,000
To rip 2x12x14 timber	8,000
To rip 2x12x14 timber	8,000
To rip 2x12x14 timber	80,000
To manufacture pillar	100,000
To rip 2x3x14 timber	8,000

To rip 1x12x14 timber	10,000
To rip 2x4x14 timber	10,000
To plain 2x4x14 timber	10,000
To prepare 2x12x14 door frame	20,000
To prepare 2x12x14 ordinary fillet	20,000
To prepare 2x12x14 chair per fillet	20,000
To prepare 2x12x14 panel	30,000
To prepare 2x12x14 timber	6,000
To prepare 2x12x14 corner strips	20,000
QUARRY OPERATIONS	RATES
Quarry operations where blasting is allowed	15,000.00
Quarry operations where blasting is not allowed	9,000.00
Quarry operations where blasting is not allowed and mini crushers are used for crushing	4,500,000

PETROLEUM STORAGE	PRODUCT	QUANTITY	FEE(LE)
REGULATIONS			
Class A	Dangerous Petroleum	180 litres	500,000
Class B	Dangerous Petroleum	900 litres	1,000,000
Class C	Dangerous Petroleum	900 litres	1,500,000
Class D	Dangerous Petroleum	900 litres	1,500,000
Class E	Dangerous Petroleum	900 litres	1,500,000

G. STANDARD BUREAU

DESCRIPTION	RATES
Import clearance tests for petroleum products	0.05% OF CIF/FOB AMOUNT PER PRODUCT
Recertification tests for shore tank petroleum products	Le150,000 per works unit for tests carried out
Compliance tests for imported base oil lubricants	Le150,000 per works unit tests carried out
General quality assurance tests for petroleum products and base oil lubricants	Le150,000 per works unit for tests carried out
OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL	
DESCRIPTION MARRIAGE REGISTRATION	RATE (Le)
Civil marriage	300,000
Registration of Muslim marriage certificate	50,000
Registration of Christian certificate	50,000
Fee for both Muslim and Christian marriage certificate	50,000
Certificate of both marriage certificates	20,000

Fee for Muslim divorce	50,000
Christian marriage license	300,000
BUSINESS REGISTRATION	
DESCRIPTION	RATE (Le)
Sole proprietorship	220,000.00
Partnership	300,000.00
Change of Name	60,000.00
Change of Address	60,000.00
Certified Copy	60,000.00
TRADE MARKS	
Description	RATE (Le)
Registration of Trade Marks	400,000.00
Renewal of Trade Marks	400,000.00
Assignment of Trade Marks	200,000.00
Merger of Trade Marks	200,000.00
Change of Name	200,000.00
Change of Address	200,000.00
Search Fee	200,000.00
withdrawal of Trade Marks	200,000.00
Cancellation Of Trade Marks	200,000.00
amendment of Trade Marks	200,000.00
Trademarks Certified True Copy	50,000.00
Opposition of Trade Marks	200,000.00
Restoration fee	800,000.00
Surcharge	100,000.00
CONVEYANCE SECTION	
DESCRIPTION	RATES
Registration of Instrument	200,000.00
Will Deposit	100,000.00
Will Withdrawal	100,000.00
Certify True Copy	50,000.00
Search Fee	50,000.00
Stamp Duty Fee	0.01 of consideration
LAND TAX	
DESCRIPTION	RATES
Central Freetown	200,000.00 Per Acre
Other Areas In The West	100,000.00 Per Acre
Farm Land	10,000.00 per Acre

