

**Finance Ministers Meeting**

*Implementation of Shared Taxes and 2012-13 Planning Process  
(April 4<sup>th</sup> and 5<sup>th</sup> 2012)*

*Venue: South Sudan Hotel, Juba*

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**'Implementation of the IGFR Recommendations on centralized collection of  
shared taxes'**

*H.E. Kosti Manibe Ngai*

*Minister of Finance, Republic of South Sudan*

*Closing Remarks*

Honourable State Ministers of Finance, our development partners, ladies and gentlemen. I am grateful for your attendance at this conference over the last three days on the Task Force recommendations and implementation progress. I understand that the discussion has been heated at times but all of you stayed and worked out our collective differences.

The first meeting of the Joint Monitoring Committee has been long overdue. I appreciate your state's patience. I understand that collectively the committee has reached many agreements to further the taxation collection centralization plan reached last April.

**You raised many concerns including:**

- 1. The Composition Joint Monitoring Committee.**

2. The composition of the Joint Monitoring

3. Secretariat of the committees.

4. The fairness of the Sales Tax Adjustment Grant distribution formula,

and

5. Retention of Personal Income Tax by the States

I understand that you have managed to reach agreement, maybe not universal agreement but agreement none the less. I congratulate you all for your persistence and mutual respect. Let us now join together and commit ourselves to the motions passed. I encourage all of you to sign the minutes of the Joint Monitoring Committes as the actions we agreed to be taken after this meeting.

## Resolutions of the Initial Meeting of the Joint Monitoring Committee

Full Committee Composition was approved as follows:

- Minister MoFEP or his nominee
- 2 representatives from each State ministry of finance
- 2 representatives from the Revenue Department
- 2 representatives from the Directorate of Taxation
- 2 representatives from the Customs Department
- 1 representative from the SSFFAMC

It was advised, however, that each minister should be allowed to be accompanied by one ex-officio (non-voting) technical person.

- I. It was decided that the committee would be meeting on quarterly basis, shortly after the quarterly collection results are published.
- II. Quarterly the full JMC will meet and produce implementation progress reports to explain the reasons for any deviations from the recommendations.
- III. The committee is allowed to stand if 50% +1 members are present.
- IV. In case the committee fails to meet and carry out its duty, SSFFAMC is to report it to Parliament through the Minister of Finance.

Subcommittee's Composition was approved as follows:

- 3 representatives from the states
  - 2 representatives from the Revenue Department, MoFEP
  - 1 representative from the Directorate of Taxation
  - 1 representative Customs Department
  - 1 representative SSFFAMC
- I. It was agreed that the terms of reference are to review and monitor implementation of the agreements achieved by the IGFR Task Force. The

subcommittee would produce regular reports back to all 10 states and the Ministry of Finance and Economic Planning.

- II. It was decided to have 3 month rotation schedule for the subcommittee representatives from the states.
- III. It was agreed that the next meeting of the subcommittee will be on Wednesday, 6 February 2013. The subcommittee quorum requires that all state representatives (or their nominee) are present.

#### **Support to the committees:**

Secretariat, technical support, will be provided by the MoFEP. It was proposed to consider a proposal to have a committee officer position. This could be a separate person or two to take care of all the committees. A suggestion was made to have John Awan in that capacity for now.

#### **Changes to increase the fairness of the distribution.**

1. Decided to allow all ten states to update their figures for the first 4 months of 2012. This would help revise the % allocations of available resources for STAG. The deadline is the 31st of January.
2. More detailed reports from the director of taxation and customs should be made available to JMC sub-committee on monthly basis. A copy of the collection report will be sent to each state monthly by Customs and Taxation directorates. This would increase the transparency.
3. Motion for the State Ministers of Finance to support national administration.  
Result: passed.

**Personal Income Tax**


**Motion: Deduction of PIT collected and retained by the State and County**

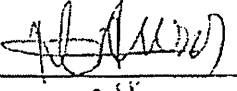
governments from their employees for the purpose of the STAG calculations be stopped. In addition, States and Counties will not collect PIT from non-state or non-county employees nor interfere with the National Directorate of Taxation, which is mandated to collect National PIT from non-state employees within their states or counties. The National Government will pay the states up to 6 million SSP per month to compensate for the loss of their revenue.

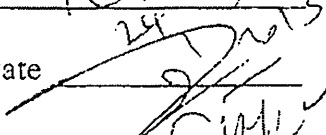
Motion passed subject to the approval of funding by the Minister of Finance and Economic Planning. 8 yes, 1 no, 1 abstain.


Minister of Finance and Economic Planning agrees.

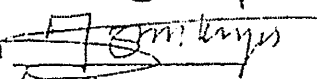
Signed by:

Kosti Manibe Ngai, Minister of Finance, RSS 

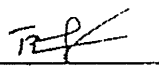
Marial Awou Yol, Deputy Minister of Finance, RSS 

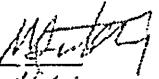
Ayong Awer Lual, Minister of Finance, Upper Nile State 


Thomas Jal Thomas, Minister of Finance, Unity State 


Sam Felix Makuja, Minister of Finance, Eastern Equatoria 

Achuil Akoch Magardit, Minister of Finance, Warrap 

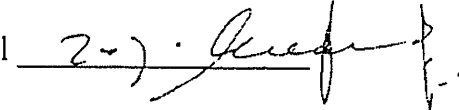
John Russie Waribari, Minister of Finance, Western Equatoria 

Madut Santino Deng, Minister of Finance, Northern Bahr El Ghazal 

Aquilla Maluth Mam, Minister of Finance, Jonglei 

Prof Paul Lodu Bureng, Minister of Finance, Central Equatoria 

Zacharia Joseph Garang, Acting Minister of Finance, Western Bahr El

Ghazal 2-7 

Adak Costa Mapuor, Acting Minister of Finance, Lakes 