

# THE REPUBLIC OF SOUTH SUDAN (RSS)



## MINISTRY OF FINANCE AND PLANNING

March 29, 2017


To: All NGOs and Businesses

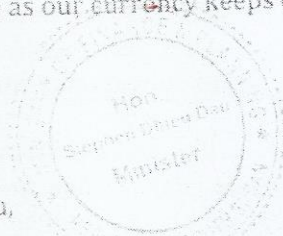
Subject: Tax payment in USD

Any income earned within the boundaries of South Sudan is taxable in accordance to Taxation Act 2009 (amended 2012 and 2016). If the income earned is denominated in dollars the tax payment must be in dollars. On the other hand if the income is denominated in SSP the payment must be in SSP also.

This ministerial directive does not in any way contradict the earlier circular issued by the Director General of Taxation on February 11 2016. Rather it reinforces since there is no policy directive we know of which nullifies it.

We expect all NGOs and businesses to adhere strictly to the February 2016 circular issued by the Director General of Taxation until perhaps a new policy directive is issued in the near future as our currency keeps depreciating against the dollar and other major currencies.

  
Hon. Stephen Dhieu Dau,  
Minister,  
Ministry of Finance and Planning, RSS/Juba



CC: Deputy Minister of Finance & Planning  
CC: 1<sup>st</sup> Underscretary of Finance  
CC: Undersecretary of Planning  
CC: DG Taxation  
CC: DG Budget & Revenue  
CC: Customs  
CC: Treasury



# Republic of South Sudan (RSS)



## MINISTRY OF FINANCE & ECONOMIC PLANNING (MOFEP) Director General for Taxation

TO: All NGO's and Businesses

11 February 2016

SUBJECT: Payment of tax in USD

1. It has been the practice of the Directorate of Taxation to accept monthly withholding tax returns prepared in USD and paid in USD. Previous guidance related to computation of monthly exemption from wage withholding and determination of applicable tax rate were prepared based on an exchange rate of 3 SSP equals one USD (3:1). With the realignment of the exchange rate, computations using the ratio of 3:1 are no longer valid.
2. Recognizing that there have been difficulties in exchanging hard currency and, in an effort to minimize burden on the South Sudanese businesses, the Directorate of Taxation will accept tax returns computed in USD and payment of taxes in USD will continue to be accepted by commercial banks.
3. Since the daily rate fluctuates making it difficult to determine what rate to use in calculating the correct withholding amount and to minimize the computation and record-keeping burden, the tax administration has fixed a rate of 23:1 as the basis for computing personal income tax withholding from employee wages and salaries. This computation is subject to change, but will remain in effect until further notice. If there is a significant long-term variation in the current official exchange rate, the computation will be changed.
4. For salaries paid in February and reported in March, and for all subsequent months, the following computation will apply in determining the exemption amount and the amount subject to tax at 10% and the amount subject to tax at 15%:  
300 SSP/23 is equal to USD 13 – that is the exempt amount  
Amounts from USD 15 up to USD 217 (SSP 5,000/23) are taxable at 10%  
Amounts over USD 217 are taxable at 15%

Example: (assume a monthly salary of USD 2,000)

Salary	2,000
Exemption	13
Gross Taxable Amount	1,987
Tax	20 (amount of tax on first 217 less the 13 exemption at 10%), plus 267 (tax at 15% on \$1,783)
Total tax	287 USD
Net salary to employee	1,713 USD

5. Computation of tax on salaries paid in SSP remains unchanged as follows, assuming a monthly salary of SSP 10,000:




Gross Salary	10,000
Less Exempt amount	300
Taxable amount	9,700
Tax	470 (10% of first 5,000 less the exempt amount)
	750 (15% of 5,000)
Total Tax	1,220
Net Salary to employee	8,780

6. Any payroll paid in USD must be computed according to the instructions provided in paragraph 4 and the related example. Any payroll paid in SSP must be computed and paid in SSP according to the instructions and example in paragraph 5 of this memo. These provisions apply only to withholding taxes on employee wages and salaries.
7. Amounts due from rental withholding or other withholding must be paid in the currency in which the rental payment, or other payment subject to withholding, is made.
8. Where the salary is paid in one currency and rental payment is made in another currency, it will be necessary to submit two separate monthly withholding tax returns checking the box that relates to the currency in which the report is being submitted. DO NOT check either the box indicating an original return or amended return – leave both of those boxes unchecked. Make the following statement on the two returns:

"I am filing two returns for the month of \_\_\_\_\_; one reporting amounts paid in USD and one reporting amounts paid in SSP."

9. Any questions should be directed to the Directorate of Taxation offices in the Lukak Building located across from Green Rokon.

  
 Albino Chol Thiik  
 Director General of Taxation  
 Ministry of Finance and Economic Planning  
 MoFEP/RSS – Juba

cc: Minister, Ministry of Finance and Economic Planning  
 First Undersecretary of Finance  
 Undersecretary of Planning



# THE REPUBLIC OF SOUTH SUDAN(RSS)



## MINISTRY OF FINANCE & PLANNING (MoFP) NATIONAL DIRECTORATE OF TAXATION DIRECTOR GENERAL OF TAXATION

TO: All commercial business  
All Governmental & Non-Governmental organizations  
All National and international projects  
All National and International organizations  
All Embassies

6<sup>th</sup> April 2017

### Subject: Implementation of Taxation Amendment Act of 2016

The Taxation Amendment Act of 2016 was signed on 20 December 2016 and it includes some revision of excise tax schedules, sales tax rate,, implementation of an advanced payment of income tax to be paid at the border on imports, withholding tax on technical fees, withholding tax on government contracts, removal of all kind of exemptions which were being granted by investment and emolument act and other non-tax legislative laws. The following are main changes within the taxation amendment act 2016

1. The exemption for PIT-withholding has increased from 300-600 SSP
2. Sales tax rate has increased from 15% to 18% of the total turnover
3. Rental withholding tax 20% at the time of payment regardless of whether the tenant or landlord is an international or not
4. New withholding tax of 10% of gross compensation on technical fees, managerial services and consultancy services paid to non-resident of south Sudan provided in section 149(g)
5. New withholding tax of 20% on all government contracts issues to any individual
6. Removal of exemptions on Personal income tax granted by non-tax legislations
7. Removal of exemption on Business profit tax granted by non-tax legislations like investment promotion act, other laws
8. Penalty of 500 hundred south Sudanese pounds per month when the taxpayer fails to register his/her business.
9. Other changes and adjustment on the payment of penalty and interest
10. Changes in excise tax, see attached schedule as per the taxation amendment act 2016.

The taxation amendment Act, 2016 was approved by the National Legislative Assembly and signed by the president on 20<sup>th</sup> December 2016 and the effective date of applying all the above changes is January 2017.

Additional information and copies of the taxation amendment Act, 2016 can be obtained from tax administration offices at Lukak Building in Hai Malakia opposite Green Rokon Hotel & Eden Commercial Bank.

Regards



Malou Pout Thoot,

Director General of Taxation

MoF&P/RSS -Juba

Cc: 1<sup>st</sup> Undersecretary of Finance

MoF&P/RSS -Juba

Cc: Undersecretary of Planning

MoF&P/RSS -Juba

Cc: Director of Taxation for Tax Operation

Cc: Director of Taxation for Administration & Finance

Cc: All D/ Directors

Cc: All A/Directors

Cc: All Heads of the Sections