

Write up on the National Revenue Authority Press Conference

May 17, 2019

The Commissioner General of the National Revenue Authority held a press conference to promote accountability and transparency on revenue generation and collection. The press conference focused on the following:

- i. Tax exemption
- ii. Personal Income Tax (PIT)
- iii. First quarter revenue collection

1. Background

- The National Revenue Authority was established in April 2018 and mandated to collect tax revenue taking over the Customs Directory.
- The recruitment of core staff of the NRA is still ongoing
- The NRA is grappling with sharing information as misinformation continues to be spread widely.
- Before the establishment of the NRA, processing tax exemption was done by the Ministry of Finance; that process is now the legal mandate of the NRA.

As of Monday 20 May 2019, issuing of all cover letters granting tax exemption on humanitarian goods will be done by the NRA. Organisations were informed that during the transition period, granting of tax exemption letters may be delayed and as such, applications should be done in advance and not when the goods are already at the port of entry.

2. Requirements for applying for tax exemption

1. All employees of the organisation applying for the exemption ought to have paid PIT. Organisations will have to provide proof of payment of employees PIT. *Reference: section 92 of the NRA Act.*
2. Submit procurement plan so that the NRA is aware of goods that are coming into the country earmarked for humanitarian use.

The Commission General underlined that the exempted fees are the Government of South Sudan's contribution to the humanitarian response.

The Commissioner General said that the GoSS is in talks with Kenyan authorities to ensure that humanitarian goods coming through Mombasa port (or other ports) are tax exempted.

3. Operationalisation of the Single Treasure Account

The NRA is the only government branch with the authority to operate a government account in its name. Organisations/individuals should deposit PIT in USD or SSP into one of the ten (10) banks provided. [*Refer to Circular No. NRA/SS/J/CG-06/12/18 Operationalisation of Single Treasure Account for the list of approved banks*]

4. Tax collected in the first quarter

January – March 2019

USD 19, 619, 198 (USD 19, 069, 860 remitted to the Central bank)
SSP 3, 557, 619, 192

April 2019

USD 5, 572, 443 (USD 5, 416, 440 remitted to Central Bank)
SSP 1, 498, 055, 341

The NRA retains 2% of the tax collected plus bank charges hence the difference in the revenue collected versus the amount remitted to the government.

5. Q&As

NSIF and Gratuity

Section 58(d) of the Taxation Act 2018 and the Social Insurance Act of Sudan are contradictory laws, as such the Commissioner General has exercised his authority to grant a general ruling that NSIF and gratuity after 9 May will be tax exempted. This ruling is not retroactive.

It is the responsibility of the employer to ensure that PIT of all employees is paid.

Tax payment at the national v state

There is a difference between state income tax and national income tax but there is currently no legal definition on what differentiates the two. For now, the Commissioner General said there is a 'gentleman's agreement' with the states which allows certain staff categories as well as staff locally recruited within the state to pay tax at the state level. The new law will address the discrepancy.

Work permits

Work permits should not be paid in cash. Any organisation which is requested to pay for work permits in cash should alert the NRA in writing.

Recruitment process of NRA staff

The NRA has contracted an HR firm to handle the recruitment process to ensure transparency. There was a delay however five (5) positions have been filled with three (3) positions remaining. The remaining positions will be re-advertised as no qualified candidates were shortlisted.

Tax clearance certificates

There is no specified cargo listed for tax exemption; the cargo should satisfy that it is for humanitarian use.

Going forward, the NRA is the only office with authority to issue tax clearance certificates on request and purpose.
