



# NATIONAL REVENUE AUTHORITY

## **Procedures for administration of duty and tax deferment amid COVID-19 Pandemic**

Cognizant of the potential impact of COVID-19 on growth and survival of businesses across the country, and in addition to the recently published revised revenue administration processes, the National Revenue Authority (NRA), with the approval of the Ministry of Finance, wishes to communicate to the public the following facilities and procedures for access to same:

### **1.0 Deferment of the payment of import related duties and taxes on import of essential goods**

1.1 For this context, deferment of payment of import related duties and taxes implies that goods will be admitted under the Customs Warehousing Suspense Regime that will enable the importer pay duties and taxes at a later date when goods are removed from the warehouse.

#### **1.3: Essential Commodities**

1.3.1 In consultation with the Ministries and Trade and Industry and of Finance, the NRA hereby publishes the attached list of essential goods that qualify for this facility.

1.3.2 The List shall be updated monthly to reflect market conditions.

#### **1.4: Requirement for Deferred payment**

Importers are to complete a:

1. License process of warehousing, while the NRA will waive the required license fee of Le1 million
2. Obtain a bond guarantee from an insurance company (instead of the usual condition for a reputable commercial bank bond) to cover suspended duties and taxes
3. Send an application to the Commissioner General for approval
4. A triple lock system to be maintained by NRA and the warehouse owner.
5. Ex-warehousing is only permitted when duties and taxes on the good warehoused are paid for.

#### **1.5. Conditions**

1. Only eligible to importation of essential goods
2. This deferral facility is applicable for the period of three (3) months starting, subject to renewal as the situation dictates.



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## **2.0: Tax Relief/Concessions to Cushion COVID-19 impact on Businesses**

### **2.1; Purpose**

2.1.1: to provide tax deferral for an initial period of three months for the following category of businesses and organisations

1. Businesses in the hospitality sector such as hotels, restaurants, bars and pubs
2. Businesses in the Aviation sector such as airlines, airline agents, security and utility providing companies at the airport.
3. Businesses whose products do not have a readily available market domestically and whose key customers and partners are currently out of business or closed both locally and internationally
4. Local and international NGOs whose sources of funds have been suspended or terminated due to the COVID-19

### **2.2 Eligibility Criteria**

1. The beneficiary must provide evidence that no activities are carried out by them at the moment due to the outbreak or significant halt in their activity levels.
2. That they continue to maintain their staff and be able to pay net salaries and/or emoluments to their staff
3. Must provide evidence of their bank statement to show that their cash flow positions cannot make it possible to meet their tax obligations within this three (3) month period.
4. Must provide evidence of lack of funds by key financiers or donor partners due to the outbreak and hence unable to meet their relevant operational costs.
5. Must provide verifiable evidence showing a major loss of income due to the outbreak and hence result in expected corporate and income tax loss as result of suspension or significant reduction in level of activity.
6. Must have been a compliant taxpayer for the most recent three years of assessment.

### **2.3 Tax Handles Affected**

1. PAY-AS-YOU-EARN (PAYE) tax
2. Personal Income tax



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3. Benefit -In-Kind (BIK)
4. Corporate Income Tax
5. Payroll tax or foreign expatriate tax

**Note:** All interest and penalties relating to the deferral period will be waived accordingly.  
Note also that GST is not exempt during this period.