

Profile—— Republic of The Gambia (Gambia for short)

I. Jurisdiction Background

Republic of The Gambia (Gambia in short) is a country in western Africa situated on the Atlantic coast and surrounded by the neighboring country of Senegal. It occupies a long narrow strip of land that surrounds the Gambia River, with Banjul as the capital, and English as the official language. Peanut cultivation and processing is a traditional core industry, and tourism is the second largest employment industry and one of the main sources of foreign exchange. The Gambia implements a free trade policy and has active entrepot trade.

II. Organizational Structure

The Gambia Revenue Authority (GRA) is the merger of the Customs & Excise Department and the Central Revenue Department (Income Tax Department) under the GRA Act 2004. It was set up purposely to enhance efficiency in tax administration, harmonize and optimize revenue collection, encourage and improve compliance by taxpayers as well as improve service delivery. Headed by the Commissioner General, the GRA is comprised by the Office of the Commissioner General and departments respectively in charge of customs and excise, domestic taxes, human resources and administration, finance and accounting, legal and Board services, technical services, internal audit and enterprise risk management, reform and modernization and IT/MIS (ERM/MITD). The Office of the Commissioner General oversees the general administration of the GRA.

III. Current Tax System

Major types of tax in Gambia include income taxes on both individuals (Personal Income Tax) and corporates (Corporate Income Tax) and value added tax (VAT). There are also other types of taxes and duties such as Fringe Benefit Tax, Stamp Duty and National Education Levy, etc.

IV. Overview of tax preference policies

To encourage sustainable investment into priority sectors and regions, the Gambia Investment & Export Promotion Agency (GIEPA) offers a variety of incentives for investors, mainly including schemes of Special Investment Certificate (SIC) and Export Processing Zone License (EPZL). In accordance with the GIEPA Act 2015, priority sectors and regions are eligible to receive incentives. Priority sectors include agriculture, fisheries, tourism, forestry, manufacturing, energy and other services. Priority regions include the West Coast, Lower River Region, North Bank, Central River Region and Upper River Region.

◆ **Special Investment Certificate (SIC)**

The SIC is available for domestic and foreign investors if they invest a minimum of, respectively, \$100,000 and \$250,000 in a priority sector and/or in a priority area, employ a minimum number of Gambians set by the regulations, or create value addition. Fiscal incentives include exemption from income tax for five years for priority sectors and eight years for priority areas; annual allowance at the rate of 15% for the depreciation of buildings, including structural improvements; exemption from import duty with respect to capital goods; and an exemption from import VAT for five years.

◆ **Export Processing Zone License Incentives**

Export incentives schemes are available for enterprises either operating outside or in an export processing zone. An EPZL holder exporting at least 80% of its outputs shall benefit from the incentives under the GIEPA Act including corporate or turnover tax, withholding tax on dividends, VAT, import and excise duties on imported direct inputs and depreciation allowance, etc. EPZL holders exporting at least 30% of its outputs can benefit from 10% concession on corporate/turnover tax for 5 years.

V. Tax Collection and Administration

The Domestic Taxes Department under the GRA plays a key role in the tax collection and administration. It is composed of several units with respective functions. The Headquarter Functions Unit performs supervisory and monitoring responsibility in terms of systems administration, taxpayer services, operational policies and process and procedure manuals development and review, etc. The Large Taxpayer Unit manages the tax affairs of the large taxpayers, and renders dedicated and central services to them. The Small & Medium Taxpayers Unit with thirteen Tax Offices spread across the country administers all other taxpayers. And the Tax Audit Unit is responsible for the verification and confirmation of the accuracy of taxpayer returns and declarations and their compliance with other tax obligations.

VI. Taxpayer Services

The GRA has put forward a Taxpayer Charter to demonstrate its commitment to deliver quality services to taxpayers and other stakeholders towards the implementation of its statutory mandate. The GRA adopts various measures to foster voluntary compliance such as simplification of forms, provision of tax education, publication of tax documents, and provision of services for filing, payments, tax clearance, etc. It offers a wide range of e-services including e-registration, e-filing, e-payment, Tax Clearance Certificate check, TIN checker and Tax agent checker, etc.

To provide taxpayers with a third-party arbitration body to independently review and determine the price of disputed customs valuations, demonstrating the fairness of the tax

system, Tax and Customs Arbitration Tribunal was established in 2012 which accepts administrative cases for examination of taxation and customs. Taxpayers not satisfied with any tax decisions can object to such decision through the Objection and Appeal process.

VII. Tax Legislation Process

The legislation of the core taxes includes the Customs and Excise Act 2010, the Income & Value Added Tax Act 2012, the Payroll Tax Act (Cap 83.04) and the Stamp Act, etc. The authorities are exploring to establish a process for annual review and amendment of the Revenue Laws (revenue measures through gazetting). Tax changes also follow the Budget for each fiscal year, e.g. various changes are made as part of the Budget for 2024 including new return-related penalties and increase in excise tax on certain items.

VIII. Future Tax Reform Plan

Gambia's future tax reform plan focuses on digitization of tax collection and administration. The strategic goals set by the tax authority include the following:

- ◆ Maximize revenue mobilization through improved compliance, increased access to GRA services, strengthened Revenue Laws and audits and enhanced collections;
- ◆ Optimize client service delivery for improved customer relation and corporate image;
- ◆ Enhance staff competencies and inclusiveness for improved productivity;
- ◆ Transform business procedures and processes by leveraging ICT for improved efficiency;
- ◆ Strengthen oversight mechanisms and M&E programs.

IX. International tax cooperation

Gambia's deepening international cooperation in the field of tax has promoted cross-border investment and trade. It has established the tax treaty network, with tax treaties signed with Norway, Sweden, Turkey and United Kingdom, etc. Gambia is a member of the Economic Community of West African States (ECOWAS), where trade between member states is tariff-free and products and handicrafts originating in the member states of the West African Monetary Union are tariff-free. It is a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes. Gambia is also a Council Member of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM).

X. Others

None.