

**POLITICAL PARTIES (REGISTRATION AND REGULATION)  
(AMENDMENT) BILL, 2023**

*(Bill No. 31 of 2023)*

**EXPLANATORY STATEMENT ON OBJECTS OF AND REASONS  
FOR THE BILL**

The object of this Bill is —

- (a) to amend section 26 of the Political Parties (Registration and Regulation) Act by exempting, from business tax, moneys obtained from the Fund established pursuant to section 27 and moneys received by political parties in the form of donations, gifts and membership subscriptions; and
- (b) as a consequence of the amendment in the Political Parties (Registration and Regulation) Act, to amend the Business Tax Act.

**Dated this 6<sup>th</sup> day of December, 2023.**

**NAADIR HASSAN  
MINISTER OF FINANCE,  
NATIONAL PLANNING AND TRADE**

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**ARRANGEMENT OF SECTIONS**

**SECTIONS**

**PART I - PRELIMINARY**

1. Short title

**PART II - AMENDMENT TO THE POLITICAL PARTIES  
(REGISTRATION AND REGULATION) ACT**

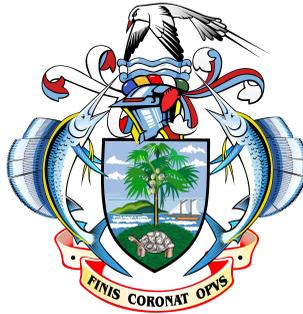
2. Amendment of section 26

**PART III - CONSEQUENTIAL AMENDMENTS TO THE BUSINESS  
TAX ACT (CAP 20)**

3. Amendment of section 15
4. Amendment of Second Schedule

**POLITICAL PARTIES (REGISTRATION AND REGULATION)  
(AMENDMENT) BILL, 2023**

*(Bill No. 31 of 2023)*



**A BILL**

**FOR**

**AN ACT TO AMEND THE POLITICAL PARTIES (REGISTRATION AND REGULATION) ACT, 1995 AND TO MAKE CONSEQUENTIAL AMENDMENTS TO THE BUSINESS TAX ACT.**

**ENACTED** by the President and the National Assembly.

**PART I - PRELIMINARY**

**Short title**

1. This Act may be cited as the Political Parties (Registration and Regulation) (Amendment) Act, 2023.

## **PART II - AMENDMENT TO THE POLITICAL PARTIES (REGISTRATION AND REGULATION) ACT**

### **Amendment of section 26**

2. Section 26 of the Political Parties (Regulation and Registration Act), 1995 is repealed and substituted with the following —

“26. A political party registered pursuant to section 3 shall be exempt from tax insofar as —

- (a) pursuant to Section 24(4D), it relates to moneys received in the form of donations, gifts and membership subscriptions; and
- (b) it relates to moneys of the Fund established pursuant to section 27 of this Act.”

## **PART III - CONSEQUENTIAL AMENDMENTS TO THE BUSINESS TAX ACT (CAP 20)**

### **Amendment of section 15**

3. Section 15 of the Business Tax Act, in this Part referred to as the “principal Act” is amended —

- (a) by deleting in subsection (1) the words “an amount is not allowed as a deduction if the amount” and replacing it with the words “For the purpose of determining what constitutes taxable income pursuant to section 10, the items in the following list shall be construed as non-deductibles”- ; and
- (b) by inserting after paragraph (j) the following new paragraph —
  - “(k) a gift or donation, given to a political party registered pursuant to the Political Parties Registration and Regulations) Act.”

## **Amendment of Second Schedule**

**4.** The Second Schedule to the principal Act is amended by inserting after item 24, the following new item —

**“25.** Income accruing to a political party registered under the Political Parties (Registration and Regulation) Act obtained from —

- (a) the Political Parties Financial Support Fund established under Section 27 of the Political Parties (Registration and Regulation) Act;
- (b) donations;
- (c) gifts; and
- (d) membership subscriptions.”.