

PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2021

Arrangement of Sections

Section

1.	Short title and commencement.....	2
2.	Repeal and replacement of section 110 of the principal Act.....	2
3.	Amendment to Eleventh Schedule of the principal Act.	3
4.	Amendment to Twelfth Schedule of the principal Act.....	3



PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2021

A BILL FOR AN ACT TO AMEND THE PUBLIC FINANCE MANAGEMENT ACT, TO EMPOWER THE FINANCIAL SECRETARY TO AUTHORISE THIRD PARTIES TO COLLECT TAXES AND ARREARS

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Public Finance Management Act, 2021 (*No. 8 of 2021*) may be cited as the Public Finance Management (Amendment) Act, 2021.
- (2) This Act shall come into force on the 1st day of July, 2021.

2. Repeal and replacement of section 110 of the principal Act.

Section 110 of the principal Act is repealed and replaced as follows —

“110. Outsourcing of receipt and collection of taxes.

- (1) The Financial Secretary may, with the approval of the Minister, engage a third party on such terms and conditions as may be specified by agreement —
 - (a) to receive taxes on behalf of the Government;
 - (b) to collect arrears of taxes due and owing to the Government by any person liable to pay the tax.
- (2) An agreement made pursuant to subsection (1) shall specify that the third party can demonstrate that there exists within its institution, key features of internal systems of control to enable —
 - (a) efficient systems for managing receipts;

- (b) the confidentiality and security of personal information;
 - (c) adequate records to enable receipts to be recorded and pursued in full;
 - (d) credit management systems to pursue amounts outstanding;
 - (e) controls to prevent diversion of funds and other frauds.
- (3) Any fees incurred for the services rendered pursuant to subsection (1)(b) shall become a debt due from the person who is liable to pay the arrears of tax.
- (4) A report shall be made in respect of all sums received, and taxes collected on behalf of the Government and a copy of such report shall be included in the annual report in accordance with section 99(4).”.

3. Amendment to Eleventh Schedule of the principal Act.

The Eleventh Schedule to the principal Act is amended by the deletion of the words “(Section 106)” and the substitution of the words “Section 104”.

4. Amendment to Twelfth Schedule of the principal Act.

The Twelfth Schedule to the principal Act is amended by the deletion of the words “(Section 107 and 108)” and the substitution of the words “(Section 105 and 106)”.

OBJECTS AND REASONS

Clause 2 of the Bill seeks to repeal and replace section 110 of the principal Act to empower the Financial Secretary to engage third parties to receive taxes on behalf of the Government and to collect taxes and arrears due and owing to the Government.

Clauses 3 and 4 of the Bill seeks to provide for certain clerical errors in the Eleventh and Twelfth Schedules.