

(2) A lump sum amount from an approved retirement fund derived by an individual on retirement is exempt from income tax.

28. Exemption of pensions

(1) A wound or disability pension is exempt from income tax if it is granted to –

(a) a member of the Armed Forces of The Gambia or a Commonwealth Force; or

(b) a person injured as a result of action by enemies of The Gambia.

(2) A pension granted to a person under the provisions of the Widows' and Orphans' (European Officers) Pensions Act 1913 or the Widows' and Orphans' (African Officers) Pensions Act is exempt from income tax.

(3) A pension paid by the Government of The Gambia to a retired civil servant is exempt from income tax.

29. Exemption of certain interests

(1) Interest derived by a resident individual from savings at the Gambia Post Office is exempt from income tax.

(2) Interest payable on a loan charged on the public revenue of The Gambia is exempt from tax to the extent specified by the President in a notice published in the *Gazette*.

30. Exemption of shipping and aircraft income

(1) Subject to subsection (2), the business income derived by a non-resident person from the operation of ships or aircraft is exempt from income tax, other than income derived from the operation of ships or aircraft in the transportation of passengers between places in The Gambia.

(2) Subsection (1) does not apply to a non-resident person if the person's country of residence does not allow a similar exemption to a resident person.

31. Exemption of certain commissions and allowances

(1) Subject to subsection (2), a commission or allowance derived by a person under the Provinces Act or the Lands (Provinces) Act or by a Seyfo or an Alkalo under the Customs

Act in respect of the collection of a tax, duty, or fee under that Act is exempt from income tax.

(2) The amount exempt from income tax under subsection (1) for a tax year shall not exceed seven thousand five hundred dalasis.

32. Exemption of scholarships

A scholarship granted to a student to meet the cost of the student's education is exempt from income tax.

33. Power of the President to exempt

The President may, with the approval of the National Assembly, by order published in the *Gazettes*, exempt any person from income tax if the President considers that the exemption is for the economic benefit of The Gambia.

Sub-Part III - Deductions

34. General principles of deductibility

(1) Subject to this Act, a person is allowed a deduction for any expenditure incurred in deriving gross income.

(2) If an amount of expenditure is incurred partly in deriving gross income and partly for another purpose, a deduction is allowed only for the part of the expenditure that relates to the derivation of gross income.

(3) Subject to this Act, if the expenditure referred to in subsection (1)–

(a) is incurred in acquiring a depreciable asset or an intangible asset; or

(b) is pre-commencement expenditure,

the expenditure is deducted in accordance with section 36, 37, 38, or 39, as the case may be.

(4) Unless the Act provides otherwise, the rules in Sub-Part IV of this Part apply in determining when an amount is incurred for the purposes of this Act.

35. Deductions not allowed

(1) No deduction is allowed for –

(a) any domestic or private expenditure;