

REVENUE CODE OF LIBERIA

ACT OF 2000



APPROVED DECEMBER 15, 2000

**PUBLISHED BY AUTHORITY
OF THE
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
AUGUST 2002**

**AMENDMENT PUBLISHED
NOVEMBER 1, 2011**

**AN ACT TO REPEAL AN ACT ADOPTING A NEW THE REVENUE AND FINANCE
LAW OF 1977, AND ALL THE ACTS AMENDATORY THERETO, AND TO ENACT
THE REVENUE CODE OF LIBERIA, PHASE ONE OF THE REFORM TAX CODE OF
LIBERIA, A. D. (2000), AS AMENDED¹**

WHEREAS, a modern Tax Code to replace An Act Adopting a New Revenue and Finance Law of 1977, and related laws amendatory thereto is timely necessary in line with profound changes affecting taxation in many developed and developing countries alike to facilitate rapid economic growth and development;

WHEREAS, sustainable domestic growth and prosperity in Liberia require the removal or minimization of financially stringent trade barrier through a realistic tax code to enhance the competitive trade position in and among sovereign states in Africa and other countries for the attraction of investment capital and promotion of international trade, and commerce;

WHEREAS, the purpose of the Reform Tax Code are best solved by the fair distribution of the establish a uniform Reform Tax Code to control and govern all matters of taxation by repealing all relevant tax laws, regulations and statutes, and place moratorium on payment of Hut Tax for 5 years as of the effective date of this Act;

NOW, THEREFORE, IT IS ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF LIBERIA, IN LEGISLATURE ASSEMBLED:

Section 1.

That from and immediately after the passage of this Act, there shall be enacted an Act entitled AN ACT TO REPEAL AN ACT ADOPTING A NEW THE REVENUE AND FINANCE LAW OF 1977, AND ALL THE ACTS AMENDATORY THERETO, AND TO ENACT THE REVENUE CODE OF LIBERIA, PHASE ONE OF THE REFORM TAX CODE OF LIBERIA, A. D. (2000):²

¹ The Revenue Code of Liberia Act of 2000 was amended by Act of the Legislature titled “CONSOLIDATED TAX AMENDMENTS ACT OF 2011”, approved September 14, 2009, published November 2011. The preamble to the Consolidated Tax Amendment Act of 2011 reads as follows:

“WHEREAS, the current world economic climate calls for action to be taken to stimulate the economy by providing tax relief to the citizens of the Republic of Liberia;
WHEREAS, the management of national finances and sources of revenue according to the best practices is both desirable and advantageous to the Republic of Liberia;
WHEREAS, regional natural resource discoveries and changes in the international climate for investment have made Liberia an increasingly attractive venue for foreign investment;
WHEREAS, the sustainable economic development of the Republic of Liberia requires fiscal policies, including tax incentives that are stable and investor friendly;
WHEREAS, principles of fiscal transparency and accountability require that tax be imposed and collected according to published law in a manner that is equitable and clearly stated;
WHEREAS, a review of the tax law and tax incentive structure has identified several ways in which carefully crafted tax incentives can be added to encourage investment in business sectors and geographical zones most in need of economic transformation, as initially developed in draft legislation previously referred to as the Economic Stimulus Tax Act;
WHEREAS, amendments to pivotal provisions of the Liberia Revenue Code will enhance revenues while creating a stimulus effect, as initially developed in draft legislation previously referred to as the Tax Amendments Act;
WHEREAS, the intent of the Legislature and goals of the nation are best served by enactment, as soon as practicable, of the consolidated amendments resulting from careful consideration of these legislative drafts.
It is hereby enacted by the Senate and the House of Representatives of Liberia in Legislature assembled that:

² Section 2 of the Amended Act changed the title of the Revenue Act of 2000 from “Revenue Code of Liberia Act of 2000” to “Liberia Revenue Code of 2000 as Amended”, and directed that the amendments be incorporated into the original Act and that the said Act be reissued and reprinted under the new name. The section read as follows: “Amendments made by this Act shall be

Section 2. Short Title.

This Act may be briefly cited and referred to as “**LIBERIA REVENUE CODE OF 2000 AS AMENDED**”.

Section 3. Privilege of Exemption from Duties.

It is hereby provided that upon the passage of this Act, a Legislator shall enjoy and be entitled to a duty-free privilege on one vehicle at least once every calendar year. The foregoing exemption shall extend to and cover the personal effects of a Legislator.

Section 4.

The Electrical Services Act in Title 35 is hereby repealed.

Section 5. Transitional Rules for Implementation of this Act

1. Effective Dates
2. Specific Transitional Rules
3. Phase-Out of Tax Concessions and Investment Incentives
4. Conforming Amendments and Regulations
5. Financial Procedures

1. Effective Dates

(a) **General Rule.** Except as provided in subsection (b), the effective date of this law is January 1, 2001.

(b) **Exceptions.** The following exceptions to the effective date provided in subsection (a) apply—

(1) Registration under Section 53 and Parts III and IV shall proceed according to the schedule established in a notice or regulations to be issued by the Minister.

(2) The provisions of Part II, Income Tax, shall take effect beginning with the taxpayer’s first full tax year that starts on or after July 1, 2001, except that—

(A) the rate schedule in Section 200(c) as applied to income from employment shall take effect the earlier of July 1, 2001, or when withholding regulations are issued;

(B) the fair market value exclusion shall be phased in over a period of years beginning July 1, 2001 with 40 percent of value, as provided in regulations to be issued by the Minister;

(C) the withholding of tax on payments in the course of business, as provided in Section 905(e), is effective on January 1, 2002 and the Section 905(g) credit for tax withheld on Section 905(e) payments is effective on January 1, 2002, to the extent that the penalties

incorporated into the text of the Liberia Revenue Code of 2000, which shall then be re-issued and re-printed under the title "Liberia Revenue Code of 2000 as Amended" followed by the date of approval of this Act.”

provided under Section 905(h) are applicable to persons affected by Section 905(e) and 905(f), those penalties are not effective until January 1, 2002; and

(D) voluntary registration for the income tax (as allowed under Section 901(f)) is not permitted until the taxpayer's tax year following the taxpayer's first full tax year that begins on or after July 1, 2001.

(3) The provisions of Part III, Goods and Services Tax, shall take effect July 1, 2001.

(4) The Section 2001(c) rates on improved land shall be effective on January 1, 2001, except that a postponed effective date of July 1, 2006 applies to the flat rate of tax on huts.

2. Special Transitional Rules

(a) ***Business Income Tax:*** In determining the amount of advance payments due under Section 904 for the taxpayer's first full tax year beginning after July 1, 2001, but not thereafter, a person whose gross income for the person's preceding tax year was reported to be \$5,000,000 or more shall be entitled to make advance payments equal to 2 percent of gross turnover. For tax years subsequent to the taxpayer's first full tax year beginning after July 1, 2001, the advance payments shall be the amount of income tax liability for the preceding tax year or 2 percent of gross turnover for the current tax year, which is greater.

(b) ***Appointments to the Board of Tax Appeals.*** Of the 7 members to be appointed to the Board of Tax Appeals under Section 60, the initial terms of appointment shall be: 1 member for 5 years; 2 members for 4 years; 2 members for 3 year; and 2 members for 2 years. Thereafter, appointments shall be for 5 years as provided in Section 60.

3. Phase-Out of Tax Concessions and Investment Incentives

(a) After the effective date of the Code, there shall not be granted any new tax concession or investment incentive contracts having a tax reduction effect (for example, permitting the reduction of tax rates or release from the obligation to pay tax), aside from incentive provisions included in the Code. Any putative concession shall be null and void if the procedures set out in the Code have not been followed.

(b) Any such concessions or investment incentive contracts existing on the effective date and scheduled to be in force for a period of 10 years or less are continued for that period, but not beyond their scheduled expiration date or re-negotiation dates.

(c) Concessions or investment incentive contracts existing on the effective date of the Code are nontransferable and become invalid if the conditions for application of Section 405 apply.

(d) Beginning with the first tax year that the Code is effective, any person holding the right to a concession or investment incentive contract having a tax reduction effect is required to file an income tax return for information purposes. A statement of the terms of the concession or investment incentive shall be attached to the return filed for the first tax year.

(e) Beginning with the sixth tax year that the Code is effective, any concession or investment incentive contract having a tax reduction effect is limited to 50 percent of the tax reduction otherwise provided by the concession or incentive contract.

(f) Beginning with the first year the Code is effective, the Minister shall report annually the amount of revenue foregone as a result of concessions and investment incentive contracts having a tax reduction

effect. The Minister's report shall be presented to the Legislature within 60 days of the end of each calendar year after the effective date, and shall be a public document. The report shall not disclose confidential information of any taxpayer (as defined in Section 54).

(g) If any clause of this transitional rule is determined to be invalid under the Constitutional Law of Liberia, International agreements to which Liberia is a party, and concession agreements entered into by Liberia and duly approved by the Legislature that clause (or portion thereof) is severable from the other clauses of this rule.

4. Conforming Amendments and Regulations

The Minister shall issue regulations as necessary from time to time to give effect to this Code, make conforming changes to the text of this act as necessary, and correct spelling numerical, and typographical errors. In no case shall any substantive change be made except through the Legislative approval process. The revised text of the complete Code along with the Regulations issued thereunder shall be submitted for printing.

To the extent consistent with [the Consolidated Tax Act of 2011], all regulations and procedures in force immediately prior to the approval [September 14, 2009] of this Act shall remain in force unless inconsistent with the provisions of this Act.³

Amendment to Central Bank Law, Section 53 (Central Bank of Liberia Act).⁴ The text of Section 53 is hereby replaced with the following text:

Section 53. Exemption from Taxation

The Central Bank is exempt from income taxation. It shall be subject to other taxes imposed by the Liberia Revenue Code, except that Excise Tax, Goods and Services Tax, and Customs duties (and related levies) shall not be applied to the Central Bank's importation of bank notes.

Amendments to the Liberia Revenue Code.⁵

The amended sections or subsections of the Liberia Revenue Code, set out word for word as follows, are to be inserted in place of the same-numbered sections or subsections of the Liberia Revenue Code as they existed immediately prior to approval of this Act. An ellipsis ("***") is used to indicate omitted text not affected by this Act....

5. Financial Procedures

³ The paragraph is a new one added to the Liberian Revenue Code of 2000 by Section 3, Sub-section 4 of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 2011.

⁴ The provisions amending Section 53 of the Central Bank Act are a new addition to the Liberian Revenue Code of 2000, as contained in Section 5 of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁵ The Amendments to the Revenue Code provisions are new additions to the Liberian Revenue Code of 2000, and are stated in Section 6 of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

All administrative fees set by ministries, government enterprises and other government agencies prior law shall remain in effect until new regulations are issued under this Code or unless they are superseded by the provisions of this Code. The Customs User Fee shall remain in effect until the effective date of the Goods and Services Tax under

Phase II Covers:

- 1.0 Reform of Property Taxation;
- 2.0 Reform of Natural Resources Taxation;
- 3.0 Issuance of Government of Liberia securities, and marketable securities to raise non tax revenue;
- 4.0 Taxation of electronic commerce;
- 5.0 Taxation on Intellectual Property;
- 6.0 Taxation of the Insurance Sub-sector; and
- 7.0 Other taxation policy matters.

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PART I. GENERAL PROVISIONS
Chapter 1. GENERAL PROVISIONS

Subchapter A.
General Provisions

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Section 1. Matters Regulated By The Revenue Code Of Liberia

- (a) This Code which shall be referred to as The Revenue Code of Liberia, Phase One, governs taxation in the Republic of Liberia.
- (b) The definitions and rules established by this Code are employed only to govern matters connected with taxation.

Section 2. Legal Basis For Taxation

- (a) Every person is obliged to pay the taxes for which the person is liable.
- (b) No one may be required to pay taxes that are not provided for by this Code.

Section 3. Tax Legislation Of The Republic Of Liberia

Section 3. Tax Legislation of the Republic of Liberia

- (a) The tax legislation of the Republic of Liberia consists of this Code and regulations promulgated thereunder.
- (b) In the case of a conflict between this Code and other legislation, the provisions of this Code are applied for purposes of taxation. Concepts and terms of civil, family, and other branches of

legislation of the Republic of Liberia used in this Code, are applied in the same meaning as they are used in these branches of legislation, unless otherwise provided by this Code.

(c) All changes relating to taxation are instituted by amendments to this Code, notwithstanding contrary provisions of other laws.

(d) Matters connected with taxation may not be included in non-tax legislation, except for provisions on the priority of tax obligations as included in the bankruptcy law.

(e) Where an international agreement ratified by the Legislature has entered into force and establishes rules inconsistent with those provided by this Code, the international agreement takes priority over and supersedes this Code to the extent of the inconsistency.

(f) Privileges contemplated by international treaties on the avoidance of double taxation do not apply to a resident of a state that is party to the treaty if such resident has been used or established by another person who is not a resident of such state for the purpose of obtaining the privileges.⁶

Section 4. Taxes In Effect In The Republic Of Liberia

The taxes in effect in the Republic of Liberia are:

(a) The Personal and Business Income Tax, Chapters 2-9 of this Code, and royalties stated in this Code;⁷

(b) The Goods and Services Tax, Chapter 10 of this Code;

(c) Excise Taxes, Chapter 11 of this Code;

(d) Customs Duties, Chapters 12-18 of this Code; and

(e) The Real Property Tax, Chapter 20 of this Code.

(f) Obligatory payments required of a person under a mining or petroleum agreement with the Government of Liberia in accordance the Mining Law or Petroleum Law (for example, concession fees, social development fund charges, signature bonus payments), are not taxes under this Code, but may be collected according to the procedures of this Code as if they were tax liabilities under this Code, and the person having the obligatory payment obligation may be treated as a taxpayer.⁸

Section 5. Persons Regulated By Tax Legislation

⁶ Section 3 (a) through (f) reflect amendments made to the Liberian Revenue Code of 2000 by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁷ Sub-section (a) of Section 4 of the Liberian Revenue Code of 2000 was re-worded by the addition of "royalties" as subject to tax, done by amendment of the Section under the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁸ Sub-section (f) of Section 4 is a new provision to the Liberian Revenue Code of 2000, added by amendments stated in the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

The following persons are subject to the Liberia Revenue Code:⁹

- (a) Natural and legal persons considered taxpayers in accordance with this Code;
- (b) All persons considered tax agents in accordance with this Code;
- (c) Tax offices, agencies and their employees, including the Minister and Deputy Minister and their delegates, and the offices, agencies, and employees of the Revenue Department;
- (d) Customs offices, agencies, and their employees (in cases where responsibility for the collection of tax or tariff under this Code devolves upon the Commissioner of Customs);
- (e) The Ministry of Finance, finance agencies (in cases where tax receipt, collection, or withholding responsibility is assigned by this Code to finance agencies);
- (f) Other agencies and officials responsible for tax collection, receipt, or enforcement;
- (g) Members of the Board of Tax Appeals; and
- (h) Any other persons whose rights, authority, or duties are determined by this Code.

Section 6. Amount Stated In Dollars¹⁰

(a) **Accounts.** Dollar amounts stated in this Code are in Liberian dollars, and taxation books of account may be kept in Liberian dollars or US dollars (but if kept in US dollars the Liberian dollar equivalent of taxable income and tax must be shown in the financial statement). Tax may be assessed either in Liberian dollars or US dollars and may be paid in Liberian dollars or US dollars. If payment is made in US dollars, the amount due in Liberian dollars is to be translated into US dollars at the market rate of exchange published by the Central Bank in effect on the day payment is made. The term "Liberian dollar" refers to money authorized and duly issued under the law establishing the Central Bank.

(b) **US Dollars.** The Government of Liberia may, by regulation, require that—

- (1) Certain user fees, license fees, and other fees which are designed to cover the cost of providing a service be stated in US dollars;
- (2) Customs duties be stated in US dollars and paid in US dollars.

⁹ Sub-sections (a) through (h), as presently worded, replace the previous sub-sections (a) through (h) of the Revenue Code of Liberia (2000), done by amendment contained in the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

¹⁰ Section 6 reflects new wordings and additions to the previous Section 6 of the Revenue Code of Liberia (2000), done by amendments to the said Code by the new Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(c) **Foreign Exchange Transactions.** Except as otherwise provided by this Code, when it is necessary to translate foreign currency into Liberian or US dollars, or US dollars into Liberian dollars, the exchange rate shall be the applicable buying rate published by the Central Bank.

Section 7. Tax And Revenues

Unless expressly provided otherwise by law, all tax revenues shall be considered general revenues of Liberia, and shall be paid into the Consolidated Fund and available for appropriation by the Legislature for the general purposes of the government.

Section 8. Inflation Adjustment For The Payment Of Taxes

If, during a calendar year, the average market rate of exchange between U.S. and Liberian dollars changes by 10 or more basis points from the average rate prevailing for the preceding calendar year, the Minister shall make an inflation adjustment to the Liberian dollar amounts set out in this Code. The determination that the requisite change has occurred in the average annual market rate of exchange is to be made by the Minister by January 31 of a calendar year, with regard to the preceding year and by comparison between that preceding year and the year immediately prior to it. If the Minister determines that the requisite rate change has occurred, then the inflation adjustment is to be made and is to be effective for the current calendar year and, with respect to taxpayers using a fiscal year, for any fiscal year ending after June 30 of the current calendar year.

The amount of increase or decrease in the Liberian dollar amounts stated in this Code is to reflect the proportionate change in the average annual rate of exchange as determined by the Minister, but amounts may be rounded off.

Section 9. Exempt Persons¹¹

(a) **General Rule.** The Government of the Republic of Liberia, government agencies, and charitable private organizations that are approved by and registered with the Ministry of Finance, Republic of Liberia, are referred to as “Exempt Persons” and are exempt from tax to the extent provided by this Code.

(b) **Public Corporations.** A public corporation that is not a government agency as defined in Section 10 is subject to taxes imposed by this Code.

(c) **Regulatory Agencies.** A regulatory agency or regulatory authority is subject to Customs duties but not to other taxes imposed by this Code, except as a withholding agent. If it is structured to achieve a profit it is subject to income taxation under Part II.

(d) **Central Bank.** The Central Bank is exempt from income taxation. It shall be subject to other taxes imposed by this Code, except that Excise Tax, Goods and Services Tax, and Customs duties (and related levies) shall not be applied to the Central Bank’s importation of bank notes.

¹¹ Section 9 of the Revenue Code of Liberia (2000), which contained two sub-sections (a) and (b), which form the current sub-sections (a) and (e), was amended by the addition of new sub-sections (b), (c), (d) and (f), and the re-ordering of sub-section (b) to now form sub-section (e). The amendments were done by a new section 9 contained in the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(e) **Foreign Agencies.** Foreign governments, foreign diplomatic representatives, foreign consular officials, international organizations and officials of international organizations that are exempt from taxation under international agreements and conventions are exempt from tax to the extent required by those agreements or conventions.

(f) **Registered Charities.** A private charitable or not for profit organization qualifies for registration as a registered charity if it is a noncommercial organization established for the purpose of carrying out charitable activity.

(1) An organization does not qualify as a registered charity, or if registered is subject to loss of its approved and registered status, if—

(A) it pursues political goals or performs political activities, including direct or indirect participation in the election campaign of any political party, public organization or movement, or person; or

(B) the revenue or property of the organization is used in a way inconsistent with the charitable purposes for which the organization was established.

(2) If a registered charity engages in activity inconsistent with its charitable purposes, or has income from business activity (whether or not consistent with its charitable purposes), the charity is subject to tax with respect to those activities and, under conditions as specified in regulations, may lose its approved and registered status.

(g) **Cross-Reference.** Nonresident natural and legal persons are taxable on their Liberia-source income as provided in Chapter 8, Income Taxation of Nonresidents.

Section 10. Definitions¹²

(a) **Assessment.** The term "assessment" means an assessment as defined in Section 74 of this Code. An assessment is the amount of a taxpayer's unpaid tax liability, and is immediately due and payable. The Minister is empowered (subject to the conditions specified in Section 64 and 65) to enforce an assessment on the assessment date.

(b) **Board of Tax Appeals.** The term "Board of Tax Appeals" means a 5-member deliberative body convened to review taxpayer protests of the Minister's determinations. The composition of the Board of Tax Appeals and its obligations under the Code are set out in Section 60. A decision of the Board of Tax Appeals is a final administrative determination for purposes of Section 6.2 of the Judiciary Law (1972) as amended.

(c) **Corporation.** The term "corporation" means a joint stock company, an insurance company, a business trust, and any similar organization or association whether or not incorporated. The

¹² Section 10 was amended, firstly by deleting the word "General" as appeared "Definitions", and secondly by the addition of definitions to new terms not previously appearing in the Revenue Code of Liberia (2000) and the reordering of terms so that they appeared in alphabetical order. The amendments were effected by passage of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

terms "shareholder" and "stockholder" mean any person having an ownership or equity interest in a corporation including a person holding a right, including a contingent right, to participate in the income or capital of a corporation.

(d) **Certification.** The term Certification, when used in this Act, means ensuring compliance and confirmation by the Minister that the standards and policies prescribed by the Commissioners of the National Investment for the grant of Special Investment Incentives as provided in Section 16 are adhered to.

(e) **Day.** Unless otherwise provided, the term "day" means a calendar day, unless the term is used in a stated period of less than 7 days, in which case the term "day" means business or working day.

(f) **Deputy Minister.** The term "Deputy Minister" means the Deputy Minister of Finance for Revenue as defined in Section 21.6 of the Executive Law and any person to whom the Deputy Minister delegates authority to perform a duty of the Deputy Minister (subject to the limitations on delegation described in Section 10.6 of the Executive Law).

(g) **Determination.** The term "determination" means a decision of the Minister listed in Section 70(b). If the taxpayer submits a protest within 30 days, a determination is subject to review by the Board of Tax Appeals. If the taxpayer does not protest within the 30-day period, the determination is a final administrative determination for purposes of Section 6.2 of the Judiciary Law (1972) as amended.

(h) **Employment Contract.** The term "employment contract" means any employment arrangement or relationship, whether agreed to orally or in writing, in which the hiring party has supervisory authority over the other party.

(i) **Estate.** The term "estate" means the property that a deceased natural person owned at the time of death; the estate comes into existence at the moment of death and continues during the period before complete distribution of property to devisees, legatees, trustees or other persons in accordance with a will or the applicable laws of inheritance.

(j) **Fiduciary.** The term "fiduciary" means a person with a legal duty of loyalty or care, and includes a guardian, trustee, executor, administrator, receiver, conservator, or other person acting in a similar capacity.

(k) **Government.** The term "government" means the Government of the Republic of Liberia, and "government agency" means a Ministry, board, council, or other organization created for administrative purposes and carrying out administrative functions of the government including the Central Bank, but not including a public corporation carrying out profit-making endeavors.

(l) **Legal Person.** The term "legal person" means any person other than a natural person. The term has the same meaning as the term "person" in Title 16 of the Liberian Code and includes any legal person created by the operation of law such as a government agency, partnership,

corporation, trust, estate, or similar legal person created under foreign law. A legal person created under foreign law is to be taxed under the rules applicable to the Liberian legal person to which it is most similar.

(m) **Liberia**. The term "Liberia" means the political entity of the Republic of Liberia, and also means the geographical territory of the Republic of Liberia, its territorial waters, and areas adjacent to the territorial waters of Liberia over which Liberia may exercise rights, in accordance with international law, with respect to the seabed, soil, and natural resources.

(n) **Mining Law**. The term "Mining Law" means An Act Adopting a New Minerals and Mining Law (2000) as it may be amended from time to time, or any successor law.

(o) **Minister**. The term "Minister" means the Minister of Finance as defined in Section 21.2 of the Executive Law, and any person to whom the Minister delegates authority to perform a duty of the Minister (subject to the limitations on delegation described in Section 10.6 of the Executive Law).

(p) **Ministry**. The term "Ministry" means the Ministry of Finance, with the authority to collect taxes, audit, maintain records of taxpayer information, monitor and enforce taxpayer compliance with this Code, and to establish offices for the payment of tax and the filing of tax returns.

(q) **Month**. Unless otherwise provided, the term "month" means a calendar month.

(r) **Partnership**. The term "partnership" means any joint enterprise or venture organized to engage in activities for profit, including a syndicate, group, pool, or other unincorporated organization, but does not include a corporation, trust, or estate.

(s) **Partner**. The term "partner" means any member-owner or member-participant in a partnership.

(t) **Petroleum Law**. The term "Petroleum Law" means An Act Adopting the New Petroleum Law of the Republic of Liberia (2002) as it may be amended from time to time, or any successor law.

(u) **Person**. The term "person" means any legal person or any natural person.

(v) **Regulations**. The term "regulations" means the rules, promulgated by the Deputy Minister with the consultation and concurrence of the Minister, for the purpose of interpreting this Code and to specify the procedures or standards for compliance with it.

(w) **Rent**. The term "rent" means periodic payments received for the use of real or personal property under a lease agreement whether written or oral. The term "real property" includes buildings or structures fixed to the land and the term "personal property" includes structures that are not fixed.

(x) **Tax.** The term "tax" means any tax, tariff, duty, impost, or license or registration fee imposed by this Code, including an advance payment under Section 904, and shall be subject to the assessment and collection rules of Subchapter B of this Part.

(y) **Tax Court.** The term "Tax Court" means the Tax Court established under Chapter 6 of the Judiciary Law (1972) as amended. If a Tax Court is not constituted or operational in a county or territory of the Republic of Liberia, any other court of competent jurisdiction is empowered to hear matters that otherwise would be referred to the Tax Court, including the Circuit Court.

(z) **Taxpayer.** The term "taxpayer" means any person subject to a tax imposed by this Code, or subject to a related obligation to pay interest, penalties, or fees. In the case of a renewable resource project subject to Chapter 6, or a mining project or petroleum project subject to Chapter 7—

(1) The Chapter 6 contractor or Chapter 7 produce is the taxpayer legally responsible for reporting, withholding, and paying tax on behalf of a project.

(2) If the contractor or producer is organized as a partnership or similar form of unincorporated joint venture, each partner shall be considered a taxpayer with respect to the activities of the project.

(3) A taxpayer is not permitted to combine or consolidate projects for the purpose of determining liability for any tax under this Code.

(aa) **Tax Return.** The term "tax return" means any return, tax declaration, voucher, Customs entry form, or withholding statement required to be submitted under this Code (including a statement required to be filed with an advance payment under Section 904).

(bb) **Trust.** The term "trust" means any testamentary or inter vivos arrangement under which property is placed in the hands of a trustee for management or distribution. A trustee is:

(1) An executor, administrator, tutor, or curator,

(2) A liquidator or judicial manager,

(3) A person having or taking on the administration or control of property subject to another person having a beneficial interest in the property,

(4) A person acting in a fiduciary capacity,

(5) A person having the possession, control, or management of the property of a person under a legal disability, or

(6) A person who manages property under a private foundation or other similar arrangement.

(cc) **Value.** The phrase "fair market value" (including its short form, "value") means the fair market value as determined in an arm's length transaction by parties acting without obligation or coercion. A transaction between related persons is assumed not to be at arm's length, and regulations may specify disclosure and documentation requirements not applicable to transactions between unrelated persons. The meaning of "arm's length" may be established for related-person transactions through a methodology specified in an advance pricing agreement in accordance with Section 18.

Section 11. Interest Rate

Except as otherwise provided by this Code, when it is necessary to determine an interest rate, the rate shall be the market rate as published by the Central Bank of Liberia.

Section 12. Tax As A Debt Due To Government Of Liberia

(a) **General Rule.** Any amount of tax due by a person under this Code is a debt due to the Government and is payable to the Minister in the manner and at the place prescribed. Payments of tax debts to the Government shall be treated as made in the following order: interest; penalties; amounts of taxes.

(b) **Recovery Of Unpaid Tax.** Tax that has not been paid by the due date may be sued for and recovered in any court of competent jurisdiction by the Minister acting in an official capacity in the manner provided for in subsection (c).

(c) **Judgment Debt.** If any person fails to pay tax when due, the Minister may file, with the clerk or registrar of a court of competent jurisdiction, a statement certified by the Minister setting forth the amount of tax due by the person. The statement shall be treated for all purposes as a civil judgment lawfully given in that court in favor of the Minister for a liquid debt in the amount specified in the statement. The court shall issue a writ of execution in respect of the debt against the defaulter.

Section 13. Bad Tax Debts

(a) **General Rule.** Bad debts owed for taxes, penalties, and interest shall be written off by the Minister, if the following circumstances occur:

- (1) Expiration of the statute of limitations for collection of tax;
- (2) Cessation of the tax obligation on grounds established by this Code or other acts of tax legislation.

(b) **Other Cases.** In other cases, bad tax debts shall be written off by the Minister, according to procedures established by regulations.

Section 14. Interest On Overpayments And Underpayments

(a) **Underpayments.** If any amount of tax is not paid by the due date, the taxpayer is obligated to pay interest, compounded monthly, at the rate determined under Section 11, on the unpaid amount for the period from the due date to the date the tax is paid.

(b) **Overpayments.** In the case of an overpayment of tax, interest, compounded monthly, at the rate determined under Section 11, shall be paid to the taxpayer from the date of the overpayment to the date on which the refund is made. Interest is not payable to the taxpayer if the refund is made no more than 45 days from receipt of the taxpayer's application for a refund of the overpayment.

Section 15. Anti-Avoidance Rule

(a) **General Rule.** For the purposes of determining liability to tax under this Act, the Minister may:

(1) Re-characterize an arrangement or part of an arrangement that is entered into or carried out as part of a tax avoidance scheme;

(2) Disregard an arrangement or part of an arrangement that does not have substantial economic effect; or

(3) Re-characterize an arrangement or part of an arrangement the form of which does not reflect its substance.

(b) **Definitions.** In this Section,

(1) **"Arrangement"** means any arrangement, action, agreement, course of conduct, promise, transaction, understanding, or undertaking, whether express or implied, whether or not enforceable by legal proceedings and whether unilateral or involving more than one person.

(2) **"Tax Avoidance Scheme"** includes any arrangement, one of the main purposes of which is the avoidance or reduction of liability to tax.

Section 16. Special Investment Incentives.

(a) **Incentives for New Investment.** In the case of a new investment activity qualifying under both paragraphs (1) and (2) below, the qualifying activity is entitled to the special tax incentives specified in paragraph (3) below, upon Certification by the Minister.

(1) *Procedure.*

(A) To be qualified for Special Investment Incentive, under section 16(a), investors qualifying under subsection (2) shall make application to the National Investment Commission ("NIC"), which shall conduct an economic evaluation of the business plan and make recommendations to the Minister for Certification of the investment, along with (pursuant to subsection (3)(B)) any recommended positive listing for exemptions of GST under Part III and import duty under Part V, including types of goods and quantities proposed for exemption and the investor's proposed importation schedule.

(B) Within 15 working days as of the receipt of the recommendation from the National Investment Commission, the Minister is required to either issue a Certification or give the NIC a written statement of the grounds for denial of certification.

(2) *Requirements.*

(A) The investment activity must be in one of the following sectors, which shall be defined and limited in regulations—

- (i) Tourism carried out through tourist resorts, hotels and cultural sites
- (ii) Manufacturing of finished products having at least 30% local raw material content excluding water
- (iii) Energy
- (iv) Hospitals and medical clinics
- (v) Low and medium income housing
- (vi) Air, sea, rail, and road transport infrastructure, including ports
- (vii) High-impact information and communication technology
- (viii) Banking in the non-bank areas in the southeastern region and in Zone 1
- (ix) Poultry
- (x) Horticulture
- (xi) Exportation of sea products
- (xii) Agricultural food-crop cultivation and processing, including cocoa and coffee
- (xiii) Small- and medium-scale rubber and oil-palm cultivation and processing
- (xiv) Manufacturing or assembly of finished products for export, provided that at least 70% of production is exported from Liberia within any 12-month period
- (xv) Waste management

(B) Upon the recommendation of the Commissioners of the National Investment Commission, an Administrative Regulation shall be issued by the Ministry of Finance, to include other investment activities, not listed above, but which are compatible with the economic growth policy of the Government, thereby enhancing and improving the economic development of the Country.

(C) Capital invested must be at least US \$1 million (one million) for foreign owned businesses; and for businesses with 100 percent Liberian ownership, the capital invested must be at least US \$300,000. If the investment is to establish a hospital or health clinic, the minimum capital invested must be at least US\$50,000.

(3) *Special Tax Incentives.* An investment activity qualifying under both paragraphs (1) and (2) is entitled to the special tax incentives of this paragraph for a period of five (5) years from the commencement of investment as stated in the Minister's certification. Any special tax incentives allowable under this paragraph with respect to a qualifying cost may be deducted in lieu of (and not in any way combined with) any incentive deduction otherwise allowable under Section 204(d).

(A) In lieu of the 30-percent incentive deduction limitation under Section 204(d)(1), a special tax incentive deduction is allowed for up to 100- percent of the qualifying cost with respect to the following:

(i) 30% of the cost of equipment and machinery used in the activity in the year the asset is placed in service.

(ii) 30% of the construction cost of a new hotel or tourist resort. The construction cost of a new hotel or tourist resort does not include the equipment and machinery purchased for the hotel or tourist resort. The equipment and machinery purchased for the hotel or tourist resort is deductible under (i).

(iii) 10% of the cost of buildings and fixtures used in a manufacturing process that produces finished products (whether for domestic consumption or for export) having a graduated scale of local raw material content at:

#	Percentage of local raw material content	Percentage of incentive deduction
1	25%	2.5%
2	50%	5%
3	75%	7.5%
4	100%	10%

(iv) A percentage of the cost of investment in an asset specified in (i), (ii), or (iii) that is placed in service in an economically deprived zone, as follows—

Zone	County/City	Percentage
1	River Gee	12.5%

	Gbarpolu Grand Kru Rivercess	
2	Maryland Grand Gedeh Sinoe Bong Nimba Lofa	7.5%
3	Bomi Margibi Grand Bassa Grand Cape Mount Monterrado (excluding Greater Monrovia, as defined in regulations)	5%

(v) A percentage of the cost of an asset specified in (i), (ii), or (iii) that is placed in service in an investment activity certified by the Minister as meeting standards for increase in employment, as follows—

Zone	Percentage	Number of Jobs Added
1	10%	>100
2	7.5%	
3	5%	

(B) Exemption from GST under Part III and import duty under Part V, as follows—

(i) All medical and educational equipment and supplies purchased for use directly in or in connection with the investment activity and intended to be placed in service within one year of purchase.

(ii) Other assets purchased for use directly in the activity and intended to be placed in service immediately upon purchase, to the extent specified below and as further described in regulations—

1	Tourism	Equipment & machinery (including furniture); specialized vehicles; capital spare parts and other specialized capital goods
2	Manufacturing	Equipment & machinery; specialized vehicles; raw materials; capital spare parts and other specialized capital goods
3 Technology	Energy	Equipment & machinery; specialized vehicles; raw materials; capital spare parts and other specialized capital goods

4	Health Services	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
5	Real Estate	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods and construction materials specialized in regulations
6	Transport	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
7		Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
8	Agriculture	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
9	Poultry	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
10	Horticulture	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
11	Exportation of Sea Products	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
12	Agricultural Food-Crop Cultivation	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
13	Rubber and Oil Palm Cultivation, Processing	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
14	Manufacturing or Assembly for Export	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
15	Waste Management	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
1	Tourism	Equipment & machinery (including furniture); specialized vehicles; capital spare parts and other specialized capital goods
2	Manufacturing	Equipment & machinery; specialized vehicles; raw materials; capital spare parts and other specialized capital goods
3 Technology	Energy	Equipment & machinery; specialized vehicles; raw materials; capital spare parts and other specialized capital goods
4	Health Services	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
5	Real Estate	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods and construction materials specialized in regulations
6	Transport	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
7		Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
8	Agriculture	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
9	Poultry	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods

10	Horticulture	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
11	Exportation of Sea Products	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
12	Agricultural Food-Crop Cultivation	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
13	Rubber and Oil Palm Cultivation, Processing	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
14	Manufacturing or Assembly for Export	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods
15	Waste Management	Equipment & machinery; specialized vehicles; capital spare parts and other specialized capital goods

(C) The following shall apply to any special tax incentives under Section 16:

(i) The allowances provided in (i), (ii), or (iii) of paragraph (3)(A) above may be combined with the allowances provided in (iv) and (v) of that paragraph with respect to any qualifying cost to reach the allowable deduction limit of 100 percent.

(ii) The amount allowable as a special tax incentive deduction reduces the asset's tax cost to arrive at the asset's adjusted tax cost, which adjusted tax cost shall be used for purposes of determining the allowable amount of depreciation for the particular asset.

(b) *Investment Agreements Under Prior Law.*

(1) An investment agreement allowing tax concessions and entered into under the Liberia Revenue Code prior to its amendment by the Consolidated Tax Amendments of 2011 shall be given effect if approved according to the terms allowed by the Code at the time of approval; provided, however, that the holder of such an agreement—

(i) Shall only be allowed a special tax incentives deduction under Section 16(a)(3)(A) with respect to a particular asset in the amount by which the special tax incentives deduction otherwise allowable, exceeds the amount of any deduction allowable under the investment agreement with respect to such asset;

(ii) Shall file a copy of the investment agreement with the Ministry;

(iii) Shall file an annual income tax return for information purposes, regardless of whether filing is required by the agreement.

(2) Investment agreements described in this subsection are nontransferable and become invalid if the conditions for application of Section 405 apply.

(c) *Consequences of Noncompliance.* A holder of an investment agreement (including the holder of an investment agreement allowing tax concessions and entered into prior to January 1,

2011) who does not materially comply with the requirements of the agreement or this Code as it relates to the agreement is subject to the consequences described in this subsection, unless the agreement expressly provides an alternative process.

(1) If the Minister determines that noncompliance has occurred, and that the failure to comply is not knowing and willful misconduct, the Minister must serve the holder with a notice of determination of noncompliance allowing the holder ninety (90) days to correct the noncompliance. If the noncompliance is not corrected within 90 days–

(A) The Minister is authorized to suspend or terminate any tax benefit allowed under the agreement; and

(B) If the Minister elects to terminate a tax benefit, the holder's right to future claims or allowances of the terminated tax benefit is forfeit, and with respect to that benefit the investment activity is returned to taxation under the standard rules of this Code.

(2) If the Minister determines that noncompliance has occurred, and that the failure to comply is knowing and willful misconduct, the Minister must serve the holder with a notice of determination of noncompliance specifying–

(A) Immediate suspension or termination of any tax benefit allowed under the agreement;

(B) If the Minister elects to terminate a tax benefit, the holder's right to future claims or allowances of the terminated tax benefit is forfeit, and with respect to that benefit the investment activity is returned to taxation under the standard rules of this Code;

(C) With respect to a terminated tax benefit, the holder must repay any benefits previously allowed with respect to the two tax periods preceding the first determined act of noncompliance; and

(D) The holder must pay a forfeiture penalty in an amount equal to three times the repayment amount under subsection (iii).

(3) A determination under this subsection is a Section 70 determination subject to the taxpayer's right of protest and appeal within 30 days of the notice date, except that an alternative method of resolving disputes specified in an investment agreement is substituted if the method is expressly applicable to the asserted noncompliance.

(d) ***Investments Exceeding US \$10 Million.*** For investments exceeding US \$10 million, and subject to approval by the President and the Legislature, the tax incentives permitted by this section may be allowed for a period of up to 15 years. No tax incentive under this subsection shall be valid or enforceable without legislative approval. Investment evaluation procedures applicable to investments under this subsection shall be transparently defined in regulations to be

published jointly by the National Investment Commission and the Ministry of Finance (subject to the *Public Procurement and Concessions Act 2005* or successor legislation, if otherwise applicable to the investment). Only those sectors listed in subsection (a)(2)(A) may be granted additional tax incentives. No tax incentives additional to those provided in subsection (a)(3) are permitted.

(e) ***Exclusion of Investments Subject to Part II Chapter 6 or 7.*** The tax incentives allowed by this section are not allowed to an investment covered by Chapter 6 or Chapter 7 of Part II.

The provisions of Section 16 as added by [The Consolidated Tax Amendments Act of 2011] shall expire June 30, 2015 unless extended by an Act of the Legislature.¹³

Section 17. Stability Of Fiscal Regime For Mining, Petroleum, and Renewable Resource Projects.

When entering into an agreement with a Chapter 6 contractor, or a Chapter 7 producer, the Government of Liberia is permitted to accept a clause stabilizing the following aspects of taxation to the terms under Code provisions for a period not to exceed 15 years from the effective date of the agreement:

- (1) The income tax rate;
- (2) The rate of royalty;
- (3) The special rule for extended net operating loss carryforward;
- (4) The special rule for depreciation and other cost recovery;
- (5) The rate for withholding of tax on payments;
- (6) The exemption provided in Section 1001(e)(6) and 1001(g)(5);
- (7) The exemption provided in Section 1708(b); and
- (8) The exemption provided in Section 2009(i).

Section 18. Advance Pricing Agreement

(a) ***General Rule.*** The term "advance pricing agreement" ("APA") means an agreement with the Government of Liberia establishing a transfer pricing methodology ("TPM") intended to reflect transactions between related parties as they would be if they had been between unrelated parties dealing at arm's length. If a person who has entered into an APA complies fully with its terms

¹³ Section 16 was a reserved section under the Liberian Revenue Code of 2000, but was added to the Code by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009 and published November 2011.

and conditions, the Ministry of Finance will not contest the application of the TPM to the subject matter of the APA.

(1) In addition to the TPM, an APA may specify the related party transactions or transfers the agreement covers (“covered transactions”), the APA term, operational and compliance provisions, appropriate adjustments, critical assumptions regarding future events, mandatory recordkeeping, annual reporting responsibilities, and other provisions that may be appropriate, necessary, or desirable.

(2) An APA is a supplement to administrative and judicial mechanisms for resolving transfer pricing issues.

(3) A person who has entered into an APA must maintain books and records sufficient to enable the Ministry of Finance to examine whether the producer has complied with the APA.

(4) Both while an APA request is pending and after an APA is executed, a person who has entered into an APA is under a continuing duty to supplement material facts and information submitted in connection with the person’s request for the APA. If, after an APA is executed, the person discovers that information provided in connection with the APA request was false, incorrect, or incomplete in some material respect, the person must disclose the error or omission in its next-filed tax return or other scheduled report (or sooner as specified in regulations).

(b) **Guidelines.** The term "Guidelines" means the guidelines established by the Organization for Economic Cooperation and Development and by the United Nations with respect to transfer pricing.

(c) **Obligations of the Parties.** In negotiation of a TPM, the Ministry of Finance and the producer are required to take the Guidelines into account.

Sections 19-49 Reserved

Subchapter B. Tax Administration And Procedure

Section 50. Time And Place Of Filing And Payment Of Tax

Section 51. Penalty For Late Filing Or Failure To File

Section 52. Penalty For Late Payment Of Tax Or Failure To Pay Tax

Section 53. Taxpayer Identification Number

Section 54. Confidentiality Of Tax Return Information

Section 55. Records

Section 56. Duties Of Minister And The Deputy Minister For Revenue

Section 57. Public Reports

Section 58. Written Communications With Taxpayers

Section 59. Right Of Appeal

Section 60. Board Of Tax Appeals

Section 61. Procedure For Taxpayer Protest And Appeal

Section 62. Suit For Unpaid Tax

Section 63. Security For Tax Payable By Withholding
Section 64. Lien For Taxes
Section 65. Seizure Of Assets Subject To Tax Lien
Section 66. Officers Of Legal Persons
Section 67. Recovery Of Tax From Receiver
Section 68. Recovery Of Tax From Agent Of Nonresident
Section 69. Recovery Of Tax From Person Owing Money To Tax Debtor
Section 70. Determination
Section 71. Notice Of Determination
Section 72. Refund Of Excess Tax Paid
Section 73. Secondary Liability For Unpaid Tax
Section 74. Assessments
Section 75. Collection Period 25
Section 76. Tax Advisors and Accountants
Section 77. Mutual International Administrative and Legal Cooperation
Section 78. Temporary Closure of Business [formerly Section 1042(d)]
Sections 79-89. **Reserved**

Section 50. Time And Place Of Filing And Payment Of Tax

(a) ***Timely Filing And Payment.*** A taxpayer's return is considered to have been timely filed if it is received at the taxpayer's designated place for filing by the due date, and any accompanying payment is considered to have been timely made.

(b) ***Due Date.*** A taxpayer's income tax return and turnover tax return and tax payments are due no later than 5:00 p.m. on the date provided in Part II. A taxpayer's sales or services tax return and payment is due no later than 5:00 p.m. on the date provided in Part III.

(c) ***Extension Of Time To File Return.*** Upon application in writing by a person required to file a return under any provision of this Code, the Minister may, where good cause is shown, extend the period within which a return is to be filed. The granting of a filing extension does not alter the due date for payment of the tax.

(d) ***Extension Of Time To Pay Tax.*** Upon application in writing by a person liable for tax under this Code, the Minister may, where good cause is shown, extend the time for payment of tax by the person and, as a condition of the extension, may impose requirements appropriate to ensure the payment of the tax due. An extension under this subsection does alter the due date for payment of tax for the purpose of calculating interest under Section 13(a).

(e) ***Designated Place For Filing And Payment.*** A taxpayer's tax return and tax payment are to be received on or before the due date in the Ministry office in Monrovia. Taxpayers resident or domiciled outside Liberia and required to file a tax return or make a tax payment may file the return or make the payment at the place designated by the Ministry for receiving returns in their country of domicile or in the Ministry office in Monrovia; if no location is designated, the place of filing is in the Ministry office in Monrovia.

(f) ***Method Of Delivery.*** A tax return or tax payment may be delivered by any method of delivery, provided it is received by the due date in the designated place. If a return or payment is delivered to an official place of filing other than the taxpayer's designated place of filing, it is not considered received at the designated place for filing until it is received in the correct office, or within 10 days after delivery (provided the taxpayer has proof that delivery was made), whichever is sooner. The penalty for late filing

applies to a return that is received at the designated place after the due date, and the penalty for late payment applies to a payment that is received at the designated place after the due date.

(g) ***Proof That Delivery Was Made.*** Proof of timely filing is made by presentation of any of the following:

(1) A dated and time-stamped receipt issued by the designated place of filing and signed by a person who can be identified as a Ministry employee at the designated place of filing on the date signed.

(2) A certified copy of an approved delivery service label that includes the following: the correct name and address of the designated place for filing; the signature of a recipient who can be identified as a Ministry employee at the designated place of filing on the date signed; and the date of receipt (or other information sufficient to establish the date of delivery). Approved delivery services are: DHL, EMS and any other services designated by the Ministry.

(h) ***Proof That Payment Was Made.*** Proof of timely payment is made by presentation of a dated and time-stamped receipt issued by the designated place of payment, indicating the amount of payment received, and signed by a person who can be identified as a Ministry employee at the designated place of payment on the date signed.

(i) ***Tax Clearance Certificate.*** The Minister may by regulation require persons who are in specified categories of taxable persons to obtain a tax clearance certificate from the Ministry.¹⁴

Section 51. Penalty for Late Filing or Failure to File¹⁵

(a) ***Late Filing or Failure to File.*** A taxpayer who is late in filing a return is subject to the late-filing penalty and may also be subject to the failure-to-file penalty.

(1) ***Late-Filing Penalty.***

(A) A taxpayer is subject to the late-filing penalty if a return is not filed by the required due date (determined with regard to any granted extension of time for filing).

(B) If the delay in filing is for not more than one month, the late-filing penalty is 5 percent of the amount of tax shown on the return. For each additional month (or partial month) that the delay continues, an additional 5-percent penalty is imposed on the sum of the tax shown plus any previously imposed penalty. The total penalty under this paragraph is not permitted to exceed 50 percent of the amount of tax shown on the return.

¹⁴ Sub-section (i) is a new provision added to the Revenue Code of Liberia (2000) by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

¹⁵ The current provisions of section 51 reflect amendments, additions and a re-numbering of the sub-sections of Section 51 made to the Revenue Code of Liberia (2000) by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

(C) If a late return shows no tax due, or if it is subsequently determined that there is no tax due, the taxpayer is subject to a flat penalty amount specified in regulations, but not more than US\$150,000.

(2) *Failure-to-File Penalty.*

(A) A taxpayer is subject to the failure-to-file penalty if a return is not filed within the listed period after the due date (determined with regard to any granted extension of time for filing)—

(i) Six months for an income tax return;

(ii) One month for any other return.

(B) The failure-to-file penalty is equal to the late-filing penalty and is in addition to it. If a taxpayer has not filed a return, the Minister may assert a failure-to-file penalty specified in regulations that is not more than US\$300,000. This penalty must be recomputed based on (a) if the taxpayer files a return.

(b) ***Penalty Imposed on Net Amount.*** The penalty is imposed on the net amount of unpaid tax liability shown on the return, increased by previously imposed penalties, and reduced by payments made on or before the payment due date (including withheld tax creditable on the taxpayer's return).

(1) If the taxpayer is found to owe more tax than the amount shown on the return, the penalty is recalculated using the higher amount (as if it had been shown on the return).

(2) If the taxpayer is found to owe less tax than the amount shown on the return, the penalty is recalculated using the lower amount (as if it had been shown on the return).

(c) ***Penalty for Willful Failure to File.*** If the taxpayer is convicted of willful failure to file a tax return in a criminal court proceeding as authorized under the Criminal Justice Law of Liberia, the penalty under subsection (a) is doubled and the taxpayer may also be subjected to a term of imprisonment of up to five years.

(d) ***Tax Return for Tax Required to be Collected on Import.*** On the import of goods for which a Customs consumption entry is required, evidence of payment of any tax required to be collected on import is sufficient to satisfy the return filing requirement with respect to those goods (and the Customs entry form is evidence of the amount and type of tax paid).

(e) ***Coordination with Late Payment Penalty.*** For the coordination of the penalties imposed under this Section with the penalties imposed under Section 52, see Section 52(e).

Section 52. Penalty for Failure to Pay Tax¹⁶

(a) ***Failure to Pay Amount Shown.*** A taxpayer is required to pay the correct tax liability on or before the payment due date. If a taxpayer does not pay by that date (determined with regard to any granted extension of time to make payment) the amount shown as tax liability on the taxpayer's return, a penalty is imposed.

(1) If the delay in payment is for not more than a month, the penalty is 5 percent of the amount of tax shown. For each additional month (or partial month) the delay continues, an additional 5-percent penalty is imposed on the balance, which is sum of —

(A) the tax shown, plus

(B) previously imposed Section 52(a) penalty.

(2) If the taxpayer makes a partial payment after the due date, the tax liability is reduced by the payment and for succeeding months the penalty is calculated based on the remaining unpaid balance.

(3) The total penalty under this subsection is not permitted to exceed 25 percent of the amount of tax shown on the return.

(4) In accordance with the treatment of the amount shown on a tax return as a final assessment, the Minister may use the collection procedures described in this Part to collect the tax shown on the return, increased by the penalty under this subsection.

(b) ***Failure to Pay Correct Tax Liability.*** If a taxpayer fails to pay the full amount of correct tax liability on or before the payment due date, a penalty is imposed.

(1) If the delay in payment is for not more than a month, penalty is 0.5 percent of the amount correct tax liability. For each additional month (or partial month) that the delay continues, an additional 0.5-percent penalty is imposed on the balance, which is sum of—

(A) the tax shown, and

(B) previously imposed Section 52(b) penalty.

(2) If the taxpayer makes a partial payment after the due date, the tax liability is reduced by the payment and for succeeding months the penalty is calculated based on the remaining unpaid balance.

¹⁶ Section 52 reflects amendments made both to the caption of the Section and the contents of the sections as previously contained in Section in the Revenue Code of Liberia (2000) as well as a renumbering, additions to and expansion of the Sub-sections of the Section made by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

- (3) The total penalty under this subsection is not permitted to exceed 50 percent of the amount of correct tax liability, and is in addition to the penalty described in subsection (a).

(c) ***Coordination of Penalties.*** A taxpayer may be subject to penalties under Section 51, Section 52, or both sections.

- (1) If a taxpayer does not pay on time, the Section 52 penalty applies even if the taxpayer has filed on time.
- (2) If a taxpayer does not file on time, the Section 51 penalty applies even though the taxpayer has paid on time.
- (3) If the conditions for imposition of a penalty under both Section 51(a) and Section 52(a) apply, both penalties are imposed; provided, however, that the amount of the penalty under Section 51(a) shall be reduced by the amount of the penalty under Section 52(a) for any month or fraction thereof to which a penalty applies under both Section 51(a) and Section 52(a).
- (4) If the conditions for imposition of a penalty under both Section 51(a) and Section 52(b) apply, both penalties are imposed without any reduction.

(d) ***Penalty for Willful Failure to Pay.*** If the taxpayer is convicted of willful failure to pay tax in a criminal court proceeding as authorized under the Criminal Justice Law of Liberia, the penalty under subsections (a) or (b), as the case may be, is doubled and the taxpayer is also subject to a term of imprisonment of up to ten years.

(e) ***Payment of Tax Required to be Collected on Import.*** On the import of goods for which a Customs entry is required, payment at the time of import of any tax required to be collected on import is sufficient to satisfy the tax payment requirement with respect to the import of those goods (and the Customs entry from is evidence of the amount and type of tax paid). Failure to pay at the time of import any tax required to be paid on import is subject to the penalties provided in this Code for failure to pay tax (including Customs duties).

Section 53. Taxpayer Identification Number

(a) ***General Rule.*** Every resident having a tax obligation under this Chapter is required to obtain a Tax Identification Number (“TIN”), but in no case may a resident obtain more than one TIN. The Minister shall by regulation provide procedures for acquiring a TIN and shall widely publish information about those procedures. No taxpayer is to be charged a fee for obtaining a TIN. A resident subject to tax withholding is required to supply the TIN to the withholding agent (as defined in Section 905 and Section 806).

(b) ***Penalties.***

- (1) If tax withholding is required on a payment, and the payment amount is \$1,000 or more, a withholding agent who makes a payment to a person who has not supplied a TIN is liable to pay a fine of \$5,000 or the amount of the tax required to be withheld, whichever is less.¹⁷
- (2) If a person subject to tax obtains more than one TIN, that person is liable to pay a fine of \$1,000 per additional TIN obtained.
- (3) If a withholding agent makes a payment to a person who has not supplied a TIN, or if a person subject to tax obtains more than one TIN, and is convicted of having acted deliberately or willfully to avoid the requirements of the tax law, that person shall be liable to pay a fine of not less than \$200,000 nor more than \$5,000,000.00 and to imprisonment for up to one year.

Section 54. Confidentiality Of Tax Return Information

(a) **General Rule.** A taxpayer's tax return, the information contained therein, and any other information obtained from the taxpayer or about the taxpayer in the course of the tax collection, audit, investigation, or enforcement process is confidential. No officer, agent, or employee of the Ministry of Finance and the Ministry is permitted to disclose confidential information received in an official capacity.

(b) **Exceptions.** Information concerning a taxpayer may be disclosed to another person with the taxpayer's written consent. Without the taxpayer's written consent, an officer, agent, or employee of the Ministry of Finance (or former officer, agent, or employee) may disclose confidential information only to the following persons or agencies (and only to the extent required for performance of their official functions) —¹⁸

- (1) Other agents or employees of the tax authorities in the course of and for the purpose of carrying out their official duties;
- (2) Law enforcement agencies, for the purpose of the prosecution of a person who has committed tax violations or offenses;
- (3) A court, in proceedings to establish a taxpayer's tax liability, responsibility for tax violations or offenses, or in a criminal case;
- (4) The tax authorities of a foreign country in accordance with international treaties or agreements;
- (5) Government financial authorities of the Republic of Liberia to the extent necessary in administering the law on budget;

¹⁷ Sub-section (1) reflects additions made to the previous sub-section (1) of the Revenue Code of Liberia (2000) made by the newly enacted Consolidated tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

¹⁸ Sub-section (b) is a re-wording of the previous Sub-section (b) of the Revenue Code of Liberia (2000), by amendment made thereto by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

- (6) The customs authorities, for purposes of administering the customs legislation, and also to authorities that have the right to administer taxes according to this Code, for purposes of administering those taxes.
- (7) To the administrator of the Extractive Industries Transparency Initiative (EITI) to the extent necessary for Liberia's participation in and compliance with the EITI, including the publication of disaggregated reports that may identify payments by persons or projects.¹⁹

(c) ***Duty Of Persons To Whom Information Is Disclosed.*** Persons who receive information under subsection (b) shall maintain secrecy regarding that information, except to the minimum extent necessary to achieve the object for which disclosure is permitted.

Except for information received under the exceptions listed in subsection (b), a person who receives information the disclosure of which is regulated by this Section may not disclose the information and must return documents reflecting the information to the Minister.

(d) ***Penalties.*** Any person who discloses confidential information in violation of this Section is guilty of a criminal offense and, if convicted, is subject to a penalty of up to \$800,000, a term of imprisonment of up to one year, or both.

Section 55. Records²⁰

(a) Records to be Kept

- (1) Every person with a tax obligation, whether for payment of tax or withholding of tax, shall maintain in Liberia, in the English language, books and records adequate to substantiate the tax due in accordance with the person's method of accounting (provided such method is consistent with international accounting standards and any applicable regulations), and is required to produce them upon request.
- (2) The records to be maintained include the following items as well as any other items specified in regulations:
 - (A) A copy of all goods and services tax invoices, purchase orders, sales receipts, sales logs, invoices, bank statements (from Liberian and foreign banks, whether resident or nonresident), credit notes, and debit notes issued by the person;
 - (B) Customs documentation relating to imports or exports (including transshipment) by the person.

¹⁹ Sub-section (7) is a new addition to Section 54 of the Revenue Code of Liberia (2000), done by amendment made thereto by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

²⁰ Section 55 reflects new wordings of sub-section (a), more elaboration of and addition to the sub-sections falling under sub-section (a), and the addition of new sub-sections (f), (g) and (h) to the Revenue Code of Liberia (2000), made by amendments contained in the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2011, published November 1, 2011.

(C) Accounting and other financial and related records specified in regulations.

(3) For purposes of paragraph (2), regulations may specify additional records to be kept, provided that they are reasonably related to the determination of tax liability or to compliance with obligations under this Code, and may specify the records appropriate to a particular type of business.

(A) Regulations may specify additional disclosure and documentation requirements for transactions between related persons that are not applicable to transactions between unrelated persons.

(B) An agreement governing a related-party transaction is a record subject to this section and must be provided upon request.

(4) The invoices, receipts, or notes a person generates must be serialized and must be created using a method that allows for production in duplicate or, in the case of a Goods and Services Tax invoice, in triplicate, one copy of which is retained by the person.

(b) **Retention Period.** The books and records required to be maintained under this section must be retained for 7 years after the end of the tax period to which they relate.

(c) **Electronic Records.** Regulations may permit or require that taxpayers with the capacity to do so keep records in electronic form and process transactions using at minimum electronic equipment such as a cash register.

(d) **Information Collection.**

(1) **Information Collection Authority.** In accordance with Section 83.1 of the Executive Law, and Section 55 of this Code, the Minister is authorized to request, demand, and collect from any person, natural or legal, within the Republic of Liberia, or from the head of an agency of the Government, all information necessary to enable the Ministry effectively carry out its lawful functions (including but not limited to the records, inspections, and entry onto premises specified in Section 55).

(2) A person with a recordkeeping obligation under this section must make records and business premises available and open for Ministry inspection upon request, within reasonable bounds of consideration for the convenience of the taxpayer. In the case of a Section 74 Jeopardy Assessment Proceeding, convenience of the taxpayer is not a consideration.

(3) Information the Minister collects is entitled to the confidential protections of Section 83.2 of the Executive Law.

(e) **Penalty For Inadequate Recordkeeping.** If a person fails to maintain books and records as described in subsections (a) and (b), then, in addition to any applicable penalty under Section 51 and Section 52,

there also shall be imposed as a penalty for inadequate recordkeeping the amount of 150 percent of any underpayment of tax that may have resulted from the lack of adequate recordkeeping. A person subject to the penalty for inadequate recordkeeping for three or more years within a five-year period or whose total understatement of tax for any year is an amount equal to more than 50 percent of the tax due, shall, on conviction, be subject to a term of imprisonment of up to 4 years.

(f) ***Non-Cooperation Penalty.*** A person who refuses to cooperate with the Minister's request for records, request to inspect the person's business premises, or request to examine records at the business premises, is subject to a civil tax penalty of \$50,000 per day of refusal, and to the criminal penalty for non-cooperation described in Section 93.²¹

(g) ***Order of Inspection.*** If a person refuses to produce records for inspection, or refuses entry to the person's business premises, the Minister is authorized to obtain the assistance of the Ministry of Justice to enter the premises or seize the records.²²

(h) ***Emergency Hearing.*** A person objecting to entry to premises or to seizure of records is entitled to an emergency hearing (described in Section 61) to review the legality of the entry or seizure, but the Minister is not required to give advance notice to a taxpayer who has refused a written request to produce records or to allow entry onto premises.²³

Section 56. Duties of Minister and Deputy Minister for Revenue

(a) ***Minister.*** The Minister is authorized and required to oversee all of the operations of the Ministry of Finance, including any matters assigned under this Code, through the agencies, officers, and employees of the Ministry, delegating such responsibilities as the Minister may deem appropriate; except that the Minister may not delegate the authority to approve the remittance or reduction of tax otherwise due. The Minister has a duty of loyalty to the public and a duty to carry out these responsibilities in accordance with the law and in an equitable manner.

(b) ***Deputy Minister.*** The Deputy Minister is authorized and required to oversee all of the operations of the Revenue Department of Ministry, including application of this Code through its agencies, officers, and employees, delegating such responsibilities as the Deputy Minister may deem appropriate; except that the Deputy Minister may not delegate the authority to approve the remittance or reduction of tax otherwise due. The Deputy Minister has a duty of loyalty to the public and a duty to carry out these responsibilities in accordance with the law and in an equitable manner.

(c) ***Exercise Of Discretion.*** In any action, proceeding, process, or task undertaken or not undertaken by the Minister or Deputy Minister in which the Minister or Deputy Minister has the discretion to act or the discretion to refrain from acting, that discretion shall be exercised reasonably and without prejudice or favoritism. Upon a showing that the Minister or Deputy Minister has abused discretion granted to a

²¹ Sub-section (f) is a new sub-section added to Section 55 of the Revenue Code of Liberia (2000) by amendment made by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

²² Sub-section (g) is a new sub-section added to Section 55 of the Revenue Code of Liberia (2000) by amendment made by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

²³ Sub-section (h) is a new sub-section added to Section 55 of the Revenue Code of Liberia (2000) by amendment made by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

person, the Board of Tax Appeals or a court may order the appropriate action to be taken by that person, or may order the person to refrain from taking an inappropriate action or, if the action has begun, to cease and desist immediately.

Section 57. Public Reports

(a) **Annual Report.** The Minister is required to make public an annual report on the enforcement of this Code and the revenues collected. The report shall include information showing the amount of tax revenues collected from each sector of the economy under each type of tax. The report shall also contain information showing the revenue foregone as a result of concessions or investment incentives having a tax effect.

The Deputy Minister shall provide the Minister with information within the purview of the Ministry as is necessary for the preparation of this report.

(b) **Proposed Legislation.** If any legislation is proposed in the Legislature that would have an effect on tax revenues collected by the Ministry, or on the distribution of tax burdens, the Minister is to make a timely public report on the tax effect of the proposed legislation.

Section 58. Written Communications With Taxpayers

Any notice or other document sent by tax authorities to a taxpayer must be in writing, signed by a director or an authorized official of the tax agency, noting taxpayer's last name and initials, officially stamped, and sent to or served upon the taxpayer. Written communications are deemed properly served if they are delivered to the taxpayer's address, as listed in connection with the taxpayer's tax identification number, by registered mail with return receipt, or by an authorized delivery service described in Section 50; or personally served upon the taxpayer or the taxpayer's representative.

Section 59. Right Of Appeal

The taxpayer has the right to appeal a determination of the Minister to the Board of Tax Appeals, provided that the taxpayer first pays the tax due or provides a bond or other security for payment (as provided in regulations); except that, in the case of an emergency hearing under Section 60(b)(1), advance payment of tax or provision of security for payment is not required. If a taxpayer has appealed a determination, the Minister may not enforce that determination until the decision of the Board of Tax Appeals is final.

Section 60. Board Of Tax Appeals²⁴

(a) Board Of Tax Appeals.

- (1) The Board of Tax Appeals, a five-member deliberative body, hears taxpayer appeals from determinations by the Minister and emergency protests of the Minister's actions and is the final administrative remedy available to taxpayers. The Board has the authority to approve, modify, or reverse a determination of the Minister. The taxpayer

²⁴ Section 60, as currently worded, reflects a re-wording of and creation of further sub-sections to the previous sub-sections, especially sub-sections (a), (e) and (i), and the addition of sub-section (j), to the Revenue Code of Liberia (2000), the said amendments made by the newly enacted Consolidated Tax Amendments Act, approved September 14, 2009, published November 1, 2011.

may appeal a decision of the Board to the Liberia Tax Court, provided that the appeal is lodged within 30 days of the Board's decision and is in conformity with the rules of the Tax Court.²⁵

- (2) The Board is independent of the Ministry. The Board is administered under the authority of the Ministry, but has autonomous decision-making power. The Ministry may appeal an decision of the Board to the Liberia Tax Court, provided that the appeal is lodged within 30 days of the Board's decision and is in conformity with the rules of the Tax Court.
- (3) The Minister is required to take all reasonable steps to ensure a proper appropriation to fund the Board, which is authorized to manage its own budget funds, hire its own staff, and make arrangements for its administrative offices and hearing room.

(b) **Hearings.** The Board is authorized to hold regular and emergency hearings.

- (1) A person who objects to a determination by the Minister with respect to any tax under this Code, including the amount of tax withheld in accordance with any withholding provisions of this Code, or who objects to the seizure or confiscation of goods or accounts carried out in the tax collection process may appeal to the Board of Tax Appeals for a review of the Minister's determination in a regular hearing. The Board may schedule regular hearings at its discretion, subject to the limitations of subsection (c).
- (2) A person whose property has been seized by the Minister for nonpayment of tax, a person whose business premises have been closed by the Minister, or a person who can show a likelihood of any other immediate harm that will be caused by an action or determination of the Minister is entitled to request an emergency hearing, which is to be held within the time period and subject to the conditions set out in Section 61.

(c) **Time Limits For Regular Hearings.** A regular hearing is to be held within six months of the date the taxpayer files a written protest of the Minister's determination. The Board shall give adequate notice of the time, date, and place of the hearing, taking into account the taxpayer's domicile and place of business when setting the hearing date and giving notice. In no event is the Board permitted to schedule a hearing without providing at least 15 days' notice to the taxpayer and the Minister, unless all the parties consent to the hearing date.

(d) **Rules For Conduct Of Hearings.** The Board shall establish rules consistent with justice, equity, and due process of law, but its rules are not required to follow the rules of evidence that apply in a court proceeding and may be informal when informality is consistent with fair process. The Board shall publish its hearing rules so that they are readily available, and shall provide a taxpayer with a copy on request.

(e) **Composition Of Board.** The members of the Board are to be appointed by the President with the concurrence of the Legislature for a term of five years, for no more than two consecutive terms. Members must meet the following minimum qualifications:

²⁵ Sub-section (1) is a further addition made to sub-section (a) of Section 60 and reflects primarily a reduction in the number of the membership of the Board of Tax Appeals from seven to five. The amendment was effected by the newly enacted Consolidated Tax Amendments Act, approved September 14, 2009, published November 1, 2011.

- (1) The member must have been awarded a university degree;
- (2) The member shall not be a current member of the board of directors or officer of any Liberian legal person; be related (within the definition of Section 208) to an employee of the Ministry; or be related (within the definition of Section 208) to a Liberian legal person.
- (3) The member must have experience or training in at least one of the following areas: law, accounting, banking, business administration, finance, or economics.
- (4) At least two Board members must be lawyers.²⁶

(f) **Quorum.** A majority of the Board members not recused constitutes a quorum at any hearing. No hearing shall be held without a quorum. If the Board members constituting a quorum present at a hearing decide that absent members should be present to hear the case, the Board may order a re-hearing of the case at a time when all Board members not recused can be present, but in any event within three months of the initial hearing date.

(g) **Decision.** The Board is to render its decision in writing within the period for decision, which is 60 days after the date the hearing is concluded. A party dissatisfied with the decision may appeal to a court of competent jurisdiction provided that the appeal is made within 30 days of the date the Board's decision has been served on the party. The Board's decision is not final until the 30-day period for appeal has ended or, if the Board's decision is appealed, at the time the decision of the court becomes final. All decisions of the Board are to be available as public records as soon as practicable after the Board's written decision has been entered by the Board's clerk, and not later than 10 working days after the decision is entered. A decision must be entered within the period for decision.

(h) **Recusal.** Any Board member having a relationship with a party to the case or a representative of a party to the case is to recuse himself or herself if a reasonable person would consider the relationship, if disclosed, to give the appearance of impropriety. This rule applies regardless of whether the member discloses the relationship.

(i) **Compensation.** A Board member serves on a part-time basis and is compensated for service at a minimum rate of US \$1,500 per month, with an additional per-case fee as specified in regulations. The Board's chairperson also serves on a part-time basis and is compensated for service at US \$2,500 per month (plus a per-case fee). The Minister has the authority and responsibility to propose to the National Legislature any necessary adjustments in the Board's annual budget.²⁷

²⁶ Sub-section 4 amends Sub-section (e) of Section 60 by reducing from 3 to 2 the minimum number of members of the Board of Appeals who must be lawyers.

²⁷ Sub-section (i) amends the previous Sub-section (i) of section 60 of the Revenue Code of Liberia (2000), which had set the compensation of members of the Board at the same rate for trial court judges. The new compensation level for Board members is more specific and removes it from the level of the equivalent of trial court judges. The amendment was effect by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(j) **Removal.** Members of the Board may be removed from office for gross misconduct or inability (by reason of infirmity of mind or body) to perform the functions of the office. Removal occurs on the recommendation of the President followed by impeachment by the National Legislature.²⁸

Section 61. Procedure For Taxpayer Protest and Appeal²⁹

(a) *Regular Hearing.* The Board of Tax Appeals may schedule a hearing at the Board's convenience, but no more than six months after the date of the taxpayer's request for hearing.

- (1) To appeal a Section 70 determination, the taxpayer must submit a written request for a regular hearing stating briefly the basis for appeal.
- (2) Within 30 days of the date of the hearing request, the taxpayer must also submit a written protest containing an explanation of the issues to be heard.

(b) *Emergency Hearing.* If a seizure of property has taken place and no more than 10 days have elapsed; if the taxpayer's place of business has been closed under Section 78 and no more than 3 days have elapsed; if a person objects to seizure of records or entry into premises as described in Section 55; or if the Minister has acted or given notice of an intent to act in a way likely to cause immediate harm if the action is not prevented or immediately reversed, the taxpayer has a right to an emergency hearing—

- (1) within 5 days of the taxpayer's protest and request for hearing in the case of a seizure of property under Section 65;
- (2) within 2 days in the case of a closing of the taxpayer's place of business under Section 78; and
- (3) within 3 days in any other case (unless the taxpayer agrees to a longer period, which is not permitted to exceed 10 days).
- (4) An emergency hearing must be granted if:
 - (A) The taxpayer makes a written protest and request for hearing within the relevant period stated in this subsection;
 - (B) With respect to property seized under Section 65, the taxpayer attaches a certified copy of evidence that the correct amount of tax has been paid;

²⁸ Sub-section (j) is a new Sub-section added to Section 60 of the Revenue Code of Liberia (2000) by the newly enacted Consolidated Tax Amendments Act, approved September 14, 2009, published November 1, 2011.

²⁹ Section 61 reflects amendments (additions and re-wording) made to the previous Section 61 of the Revenue Code of Liberia (2000), which amendments were made by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

- (C) With respect to a closure of business under Section 78, the taxpayer attaches a certified copy of evidence establishing that the taxpayer has registered (if required to register), has filed any tax returns due, and has kept the records required to be kept each year for the preceding three years (or for a shorter period in the case of a taxpayer who has been required to file returns for less than three years); or
- (D) The taxpayer submits evidence (or an affidavit stating that evidence is available) establishing that the Minister has made an error as to the identity of a taxpayer, the owner of the property seized, or the operator of the business premises that were closed. Copies of tax returns, invoices, or registration documentation; taxpayer identification number; affidavits of witnesses with knowledge of the relevant facts; or other documentary evidence establishing that the Minister's seizure or closure is based on a factual error is sufficient to warrant an emergency hearing if a reasonable person would consider it to be clear and compelling.

(c) **Minister's Acquiescence.** If the taxpayer makes a written protest satisfying the requirements for an emergency hearing and the Minister upon review of the protest and supporting evidence does not dispute the taxpayer's assertions of fact, the Minister may acquiesce in the taxpayer's position.

- (1) If the Minister acquiesces, the Minister must immediately permit the taxpayer to recover the property or to re-open the business premises, or immediately rescind the action or refrain from the action protested, and the emergency hearing is cancelled.
- (2) If the Minister's actions are insufficiently prompt to allow the taxpayer access to the property or premises within two days of the taxpayer's written protest, the emergency hearing proceeds (unless the taxpayer agrees that there is no longer cause for a hearing).
- (3) If the Minister's acquiescence eliminates the need for an emergency hearing, the taxpayer may request a regular hearing to object to the Minister's handling of the matter that was the subject of the taxpayer's request for an emergency hearing.

(d) **Determination of the Board.** If the Board of Tax Appeals determines that the Minister's seizure of goods or closure of business premises constitutes an abuse of discretion within the meaning of Section 56(c), the Board may make an order permitted under that Section.

(e) **Burden of Proof.** The taxpayer shall have the burden proving the Minister's determination incorrect, except in the case of a jeopardy assessment or a determination of fraud, when the Minister shall have the burden of proof.

Section 62. Suit For Unpaid Tax

In lieu of the collection procedures allowed under Section 65, the Minister may sue in any court of competent jurisdiction for payment of tax that has not been paid when due and payable under Section 74, unless the period for collections has ended.

Section 63. Security For Tax Payable By Withholding

(a) **Priority Of Tax Withheld.** Tax that a withholding agent is required to withhold from a payment is—

- (1) a first lien on that payment; and
- (2) withheld prior to any other deduction which the withholding agent may be required to make by virtue of an order of any court or any other law.

(b) **Trust Fund.** Tax withheld by a withholding agent—

- (1) is held in trust for the Government of Liberia, including any property acquired by the agent into which tax withheld may be traced;
- (2) is not subject to attachment in respect of a debt or liability of the agent; and
- (3) in the event of the liquidation or bankruptcy of the agent, does not form part of the estate in liquidation, assignment, or bankruptcy and the Minister acting for the Government has a first claim over the tax or property before any distribution in liquidation or bankruptcy is made.

Section 64. Lien For Taxes

(a) **Creation of lien.** A tax lien is created in favor of the Government upon the property of a tax debtor if the tax debtor has not paid tax that is due and payable as stated in an assessment notice under Section 74(e).

- (1) the person fails to pay tax on or before the date the tax is due and payable; or
- (2) the Minister has made a jeopardy assessment under Section 74(a)(4).

(b) **Perfection Of Lien.** The lien is not perfected and does not have effect until the Minister has complied with subsection (d), except in the case of a jeopardy assessment:

- (1) The lien is created by serving the tax debtor with a notice in writing specifying the tax debtor, the tax debtor's tax identification number, the property subject to the lien, the extent of the lien as provided in subsection (c), the tax to which the lien relates, details regarding the Minister's power to sell property subject to the lien, and a statement of the taxpayer's rights.
- (2) In the case of the tax debtor's money or property of the tax debtor held by another person, or that another person may subsequently come to hold, the lien is created serving a notice and order in writing upon that person specifying the tax debtor, the tax debtor's tax identification number, the money or property subject to the lien, the amount of the lien as provided in subsection (c), the tax to which the lien relates, and ordering the person—

- (A) to hold in trust (to the extent of the lien) the tax debtor's money or property that the person holds or subsequently may come to hold for a period of 5 days on the sixth

day after receiving the notice, to pay (to the extent of the lien) to the government the tax debtor's money or property,

(B) or to take the steps provided in Section 68 (receivers) or Section 69 (agents of nonresidents).

(c) **Amount Of Lien.** The amount of the tax lien shall be the principal amount of the tax due, plus interest accruing with respect to that tax, and any costs of lien and sale.

(d) **Effect Of Lien.** A lien created under subsection (b) does not have effect until—

- (1) in the case of land and buildings, the Minister files an application to register the lien under subsection (f);
- (2) in the case of the tax debtor's money or property held by another person for the tax debtor, or that another person may subsequently come to hold, when a copy of a notice and order described in subsection (b)(2) is served upon the tax debtor in accordance with Section 65(c), except that in the case of tax liens created by serving the notice described in subsection (b)(2)(A), notice served on the person in custody of money shall not substitute for notice served on the owner;
- (3) in the case of other tangible property, the Minister takes possession of the property under Section 65; and
- (4) in any other case, notice is served under subsection (b)(1) or (b)(2).

(e) **Effect Of Notice And Order To Hold In Trust.** A person who has received the notice and order described in subsection (b)(1) is, from the time of receipt, considered to hold (to the extent of the lien) the tax debtor's money or property in trust for the Government of Liberia as if that person were a withholding agent described in Section 63, and is required to comply with the order.

(f) **Registration.** Where the Minister creates a lien over land or buildings under subsection (b), the Minister shall apply to the court of proper jurisdiction and the court of proper jurisdiction shall, without fee, register the lien referred to in subsection (b) on the title of the land or buildings.

(g) **Release.** A lien created under subsection (b) is released when the tax debtor pays to the Minister in full the amounts referred to in subsection (c) that are secured by the lien, or when the period for collections has ended, whichever occurs earlier. If the lien is with respect to money or property held in trust under subsection (e), the Minister shall immediately send notice of release to the person holding the money or property.

(h) **Filing Of Release.** Where a lien over land or buildings is released under subsection (e), the Minister shall file a release of the lien with the Chief Registrar and the Chief Registrar shall, without fee, remove the entry of the lien from the title of the land or buildings.

(i) **Notice Of Costs.** The Minister may at any time serve on a tax debtor a notice in writing specifying any costs of lien and sale with respect to property of the debtor incurred by the Minister prior to the date of service and requiring the debtor to pay those costs to the Minister by the date specified in the notice.

(j) **Definitions.** In this Section—

“costs of lien and sale” with respect to property means any costs incurred or to be incurred by the Minister —

- (1) under this Section with respect to creating or releasing a lien over the property, or
- (2) under Section 65 with respect to taking possession of, holding, and selling the lien property.

Section 65. Seizure Of Assets Subject To Tax Lien

(a) **Notice.** The Minister may notify a tax debtor of the Minister’s intention to seize and sell property held by the debtor which is subject to a tax lien.

(b) **Contents Of Notice.** A notice under subsection (a) may be incorporated into or accompany a notice referred to in Section 61(b) and shall be in writing, served on the tax debtor, and specify—

- (1) the property subject to a tax lien, the Minister’s intention to seize and sell that property, and the proposed method and timing of sale; and
- (2) in the case of tangible property, the manner and place at which Minister intends to take possession of the property.

(c) **Service Of Notice.** A notice in writing is considered served on the owner of property if it has been properly served in accordance with Section 67(a) on the owner or on the person in custody of the property at the time of seizure; if it has been placed on the owner’s business premises; or, if the Minister does not have sufficient information to identify the person on whom the notice should be served, by publication of a notice in a local daily newspaper (within two days of seizure) identifying the items seized and stating the location at which seizure was made.

(d) **Seizure.** The Minister may—

- (1) take possession of tangible property referred to in a notice under subsection (a) at any time after the notice is served;
- (2) for the purpose of taking possession, enter at any time any premises described in the notice and request the assistance of the police;
- (3) where the property is tangible property other than land or buildings, store the property, at the cost of the tax debtor, at any place that the Minister considers appropriate; and
- (4) where the property is money in the hands of another person, take possession of the money subject to the restrictions imposed under Section 64.

(e) **Sale.** If the Minister has served a tax debtor with a notice under subsection (a), the Minister may sell the property subject to the tax lien by public auction or deal with the property in such manner as the Minister considers appropriate—

- (1) where the property subject to the tax lien is land or a building, 30 days after taking possession under subsection (d);

- (2) where the property is perishable property, one day after taking possession under subsection (d);
- (3) where the property is tangible property other than those referred to in paragraphs (1) or (2), 10 days after taking possession under subsection (d); and
- (4) in any other case, 10 days after service of the notice.

(f) **Proceeds Of sale.** The proceeds of a sale under subsection (d) shall be used to pay the costs of lien and sale of the property sold, then to pay the tax due and interest accrued with respect to that tax, and any remainder shall be paid to the tax debtor. After applying sale proceeds in accordance with this subsection, the Minister shall serve the tax debtor with a written notice detailing the manner in which the sale proceeds have been applied.

(g) **Insufficiency.** If the proceeds of a sale applied in accordance with subsection (e) are insufficient to pay in full the costs of lien and sale, the tax due and interest accrued with respect to that tax, the Minister may proceed to collect the insufficiency with fresh actions under Section 58 or this section.

(h) **Other Rights Unaffected.** This section does not restrict the exercise of any rights that the Minister otherwise has by reason of a security created under Section 61 or 64.

(i) **Definitions.** In this section—

- (1) “property subject to a tax lien” held by a tax debtor means property held by a withholding agent on trust under Section 61(b) or property of a tax debtor which the Minister has created a lien upon under Section 64.
- (2) “tax debtor” has the meaning in section 64 and includes a withholding agent referred to in Section 61.

Section 66. Officers Of Legal Persons

(a) **General Rule.** Subject to subsection (c), when a legal person commits an offense, every person who is an officer of the legal person at that time is treated as also having committed the same offense.

(b) **Liability For Tax.** Subject to subsection (c), where a legal person commits an offense by failing to pay tax on or before the date on which the tax is due and payable, every person who is an officer of the legal person at that time or was such an officer within the previous six months is jointly and severally liable with the legal person and every other such person for the payment of the tax to the Minister.

(c) **Exceptions.** Subsections (a) and (b) do not apply to a person where—

- (1) the offense is committed by the legal person without that person’s knowledge or consent; and
- (2) the person has exercised the degree of care, diligence, and skill that a reasonably prudent person would have exercised in comparable circumstances to prevent the commission of the offense.

(d) **Recovery.** Where a person makes a payment to the Minister under subsection (b)—

- (1) the person may recover the payment from the legal person;
- (2) for the purposes of paragraph (1), the person may retain out of any property including money of the legal person in or coming into the possession of the person an amount not exceeding the payment; and
- (3) no claim may be made against the person by the legal person or any other person with respect to the retention.

(e) **Definitions.** In this section, “officer” means—

- (1) in the case of a partnership, a partner or manager of the partnership or a person purporting to act in either of those capacities; and
- (2) in the case of a trust, company, or foreign branch, a manager of the legal person or a person purporting to act in that capacity.

Section 67. Recovery Of Tax From Receiver

(a) **Notification Requirement.** A receiver shall notify the Minister in writing within fourteen days of being appointed to the position of receiver or of taking possession of property situated in Liberia, whichever occurs first.

(b) **Notice Of Tax Due.** The Minister may serve on a receiver a notice in writing of the amount that appears to the Minister to be sufficient to provide for any tax that is due and payable as stated in an assessment notice under Section 74(e), or that will become due by the tax debtor.

(c) **Receiver’s Duty.** Regardless of the provisions of any pre-enacted law, after receiving a notice under subsection (b), a receiver—

- (1) shall sell sufficient of the property that comes into the receiver’s possession under the receivership to set aside, after payment of any debts having priority over the tax referred to in that subsection, the amount notified by the Minister under that subsection; and
- (2) is liable to pay to the Minister on account of the tax debtor’s tax liability the amount set aside unless the Minister notifies the receiver that a lesser payment will suffice.

(d) **Receiver’s Liability.** To the extent that a receiver fails to set aside an amount as required by subsection (c), the receiver is personally liable to pay to the Minister on account of the tax debtor’s tax liability the amount that should have been set aside but may recover any amount paid from the tax debtor.

(e) **Definitions.** In this section—

“Receiver” means any person who, with respect to property situated in the Republic, is—

- (1) a liquidator of a legal person;
- (2) a receiver appointed out of court or by a court in respect of property or legal person;
- (3) a trustee for a bankrupt person;

- (4) a mortgagee in possession;
- (5) an executor of a deceased individual's estate; or
- (6) any person conducting the affairs of an incapacitated person; and "tax debtor" means the person whose property comes into the possession of a receiver.

Section 68. Recovery Of Tax From Agent Of Nonresident

(a) **General Rule.** Regardless of the provisions of any prior-enacted law, where tax is due by a non-resident person (the "tax debtor") and—

- (1) the tax debtor fails to pay the tax on or before the date it is due and payable; or
- (2) the Minister believes on reasonable grounds that the tax debtor will not pay the tax by the date on which it becomes due and payable, the Minister may by service of a notice in writing require a person who is in possession of property owned by the tax debtor to pay tax on behalf of the tax debtor, up to the market value of the property but not exceeding the amount of tax due by the tax debtor.

(b) **Special Rules.** For the purposes of subsection (a)—

- (1) a tax debtor who charters an aircraft or ship is treated as owning the aircraft or ship, and
- (2) the captain of any aircraft or ship is treated as being in possession of the aircraft or ship.

(c) **Partnerships.** The Minister may by service of a notice in writing require a resident partnership or a resident partner to pay on behalf of a non-resident partner tax due by the non-resident partner up to the amount of tax due which is attributable to any amount included under Section 74 in calculating the non-resident partner's income.

(d) **Effect Of Payment.** Where a person makes a payment to the Minister pursuant to a notice under subsection (a) or (c)—

- (1) the person may recover the payment from the tax debtor or non-resident partner;
- (2) for the purposes of paragraph (1), the person may retain out of any property including money of the tax debtor or non-resident partner in or coming into the possession of the person an amount not exceeding the payment; and
- (3) no claim may be made against the person by the tax debtor, non-resident partner, or any other person with respect to the retention.

Section 69. Recovery Of Tax From Person Owning Money To Tax Debtor

(a) **Application Of Section.** This Section applies where tax is due by a person (the "tax debtor") and—

- (1) the tax debtor fails to pay the tax on or before the date it is due and payable; or

(2) the Minister has made a jeopardy assessment under Section 75(a)(3).

(b) **Notice To Payor.** Regardless of the provisions of any prior-enacted law, where this section applies, the Minister may by notice in writing require any person (the “payor”)—

- (1) owing or who may owe money to the tax debtor;
- (2) holding or who may subsequently hold money for, or on account of, the tax debtor;
- (3) holding or who may subsequently hold money on account of a third person for payment to the tax debtor; or
- (4) having authority from a third person to pay money to the tax debtor, to pay, on account of and to the extent of the tax due by the tax debtor, the money to the Minister on the date set out in the notice.

(c) **Service Of Notice.** The Minister shall serve the payor with the notice referred to in subsection (b) and, as soon as practicable after that service, serve the tax debtor with a copy of the notice.

(d) **Effective Date Of Notice.** The date specified in the notice under subsection (b) must not be a date before the money becomes payable to the tax debtor, the money is held on behalf of the tax debtor, or the payor is served with the notice under subsection (c).

(e) **Effect Of compliance.** A person making a payment pursuant to a notice under subsection

(b) is treated as making the payment to the tax debtor for the purposes of any claim by the tax debtor or any other person for or with respect to the payment.

Section 70. Determination³⁰

(a) **General Rule.** The Minister is required to follow the procedures of this Section before enforcing a determination described in subsection (b).

(b) **Determination.** Any of the following decisions of the Minister is a “determination” subject to the procedures of this Section:

- (1) A determination that there is a deficiency in tax paid for a tax period, plus the amount of penalty and interest ancillary to that deficiency;
- (2) A determination that the taxpayer’s method of accounting is required to be changed, or that the taxpayer’s method is to be applied in a manner different from the taxpayer’s usual procedures for applying the method;
- (3) A determination to deny the taxpayer's claim for credit or refund, or the failure to act on such a claim within 6 months of the date of the claim;

³⁰ Section 70 is an amended version of the previous Section 70, especially as regards Sub-section (b), of the Revenue Code of Liberia (2000), by amendment contained in the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(4) A determination that the holder of an investment agreement with the Government of Liberia has failed to materially comply with the requirements of the agreement (or with the requirements of this Code as it relates to the agreement); furthermore—

(A) This paragraph also applies to an agreement (whether called an “investment agreement” or “concession agreement”) entered into prior to January 1, 2011; and

(B) This paragraph does not apply to noncompliance in regard to aspects of an investment agreement for which the agreement expressly provides an alternative process;

(5) A determination to certify an investment under Section 16; and

(6) Any other decision specified in regulations as a “determination.”

(c) **Finality.** A determination becomes final 30 days after the date of the notice of determination, as provided in Section 71, or on the date of a final decision under Section 59, whichever is later.

Section 71. Notice Of Determination

The date of the notice of determination under Section 70 is the earlier of the date that it is delivered in person to the taxpayer (or the taxpayer’s agent), or the date it is sent (by an approved delivery service listed in Section 50(g)(2)) to the taxpayer or taxpayer’s agent at the last address listed in the Minister’s records.

Section 72. Refund Of Excess Tax Paid³¹

(a) **Overpayment.** If the amount of tax paid by or on behalf of a taxpayer for a particular tax period exceeds the amount of tax assessed for such tax period, then:

(1) The tax authorities shall apply the excess (or so much thereof as necessary) against the taxpayer's outstanding tax liability, if any, for other taxes then due and payable; and

(2) Any remaining balance over the amount applied under paragraph (1) shall, at the written election of the taxpayer, be:

(A) Applied against the taxpayer's liabilities with respect to future payments; or

(B) Refunded to the taxpayer within 90 days of the taxpayer's filing of a refund claim.

³¹ Section 72 reflects amendments made to the previous Section 72 of the Revenue Code of Liberia (2000), especially by the re-wording and additions to sub-sections (a) and (b), and by the addition of Sub-sections (c), (d) and (e). The amendments were effected by passage of the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(b) **Notice.** If the excess tax paid by the taxpayer is applied against the taxpayer's outstanding tax liability under subsection (a) (1), the tax authorities must provide the taxpayer with a notice setting forth the amount of the excess applied against other taxes then due, and a description of the type of tax and the tax period with respect to such other taxes.

(c) **Election.** A taxpayer may make an election under subsection (a)(2) with the filing of the tax return that sets forth the overpayment or with an approved standard refund claim form. The Minister shall make available an approved standard refund claim form for the election of a refund claim.

(d) **Time Limit for Election.** A taxpayer may make an election under subsection (a) (2) at any time before the end of three years after the payment due date, or two years after payment is made, whichever is later.

(e) **Time Limit for Processing Claim.** The tax authorities shall timely process each taxpayer election under subsection (a)(2), and make available each approved refund claimed under subsection (a)(2)(B) within 90 days of the taxpayer's filing of such refund claim. Any refund not timely made available to the taxpayer shall be subject to interest under Section 14(b). If a refund claim (or portion thereof) is denied by the tax authorities, the tax authorities must provide the taxpayer with a written notice setting forth the reason for such denial.

Section 73. Secondary Liability For Unpaid Tax

Where a taxpayer's liability has not been satisfied after the sale of seized property, a person who has received property of the taxpayer in a transaction that is not at arm's length in the three-year period preceding the date of the seizure proceedings is secondarily liable for the taxpayer's obligation in the amount of the value of the property received, less any amount paid by the person for such property.

Section 74. Assessments

(a) **General rule.** An assessment of tax payable by a person is made in one or more of the following ways—

- (1) by self-assessment in the form of the taxpayer's statement of tax due on a return for a tax year;
- (2) in the case of a tax collected by withholding, by the act of withholding;
- (3) if the Minister is not satisfied with a return or withholding statement filed by a person, or if a person fails to file a required return or if no return or withholding statement is required, by making a determination subject to the rules of Section 70; and
- (4) before the due date for filing a return or payment of tax, if the Minister has reasonable grounds to believe payment of tax is in jeopardy, in accordance with regulations the Minister shall provide, by making a jeopardy assessment.

(b) **Amendment Of Assessment.** The Minister may, within the assessment period stated in subsection (d), amend an assessment by making such alterations or additions to the assessment as the Minister considers

necessary and following the procedures required for an assessment under subsection (a)(3), except that amendments to jeopardy assessments are subject to the jeopardy procedures set out in regulations under subsection (a)(4).

(c) **Assessment Date.** The assessment is considered to be made—

- (1) under subsection (a)(1), on the due date for filing the return or on the date the return is filed, whichever is later;
- (2) under subsection (a)(2), on the date the tax is required to be withheld, or the date the withholding occurs, whichever is later;
- (3) under subsection (a)(3), on the due date of the return or the date the return is filed, whichever is later, or, if no return is filed, when the Minister first issues a notice of determination with respect to the tax year; and
- (4) under subsection (a)(4), on the date on which the jeopardy assessment is made.

(d) **Period Of Assessment.** The period for the Minister to make an assessment under subsection (a)(3), or an amended assessment under subsection (b), ends on the date five years after the date on which the return was required to be filed or the tax required to be withheld; except that—

- (1) if a person is required to file a return or to withhold tax, but the return is not filed or the withholding does not occur, then the assessment period ends on the date 10 years after the due date for filing the return or making the withholding; or
- (2) if a taxpayer is not required to file a return, but tax should have been paid and was not, then the assessment period ends on the date 5 years after the last day of the tax year for which tax should have been paid.

(e) **Notice Of Assessment.** Where an assessment has been made under this Section, and the tax has not been paid on or before the assessment date—

- (1) the Minister shall serve a notice of the assessment on the person assessed stating:
 - (A) the amount of tax payable under the assessment,
 - (B) a date on which the assessed tax is to be paid (immediately if the assessment is a jeopardy assessment, and in other cases no sooner than 10 days after the date of the notice of assessment), and
 - (C) the time, place, and manner of appealing the assessment; or
- (2) if, as provided in subsection (a)(3), the assessment is made by the Minister's determination, the procedures set out in Section 70 apply and the Minister shall serve a notice of assessment only when the determination becomes final.

(f) **Payment Of Tax Under An Assessment.** Tax payable under a notice of assessment is due on or before the due date specified in the notice of the assessment.

Section 75. Collection Period

The period for collection of assessed tax ends 10 years after the Section 74 assessment date.

Section 76. Tax Advisors And Accountants

A tax advisor or tax return preparer who knowingly or recklessly submits or accedes in the submission of an inaccurate tax return, or an accountant who knowingly or recklessly certifies as accurate an inaccurate set of books of account on which tax liability is based, shall be subject to a penalty of not less than \$40,000 or more than the higher of \$400,000 or 10 percent of the understatement of tax attributable to the inaccuracy.

Section 77. Mutual International Administrative and Legal Cooperation³²

The Minister shall determine the rules and procedures pursuant to which representatives of foreign tax authorities may assist in the application and enforcement of tax laws in Liberia and, conversely, Liberian tax officers may assist in the application and enforcement of tax laws in foreign countries, in accordance with international treaties or agreements to that effect.

Section 78. Temporary Closure of Business [formerly Section 1042(d)]

Where a taxpayer commits one or more criminal or civil violations under this Code (for example, failure to pay tax on the due date) and, after receiving a 72-hour warning notice, fails to contact the Ministry to make arrangements for payment, or for the purpose of a spot audit, or is unable upon request to present books and records for inspection as required by Section 55, the Minister may lock and seal the person's place of business and keep it closed for not more than 5 days for the purposes of examination of taxpayer records, audit, and provision of advice to the taxpayer concerning compliance with tax obligations; and the decision of the Minister to do so is a determination within the meaning of Section 70 and subject to the emergency hearing procedure for taxpayer protest under Section 61(b).³³

Sections 79-89. Reserved

Subchapter C. Additional Criminal Offenses

Section 90. Tax Evasion

Section 91. Knowing Disregard of Tax Obligations

Section 92. Knowing Failure to Obtain Required License or Registration

Section 93. Willful Violation of Information Collection Obligation

Sections 94-199. Reserved

³² Section 77, previously a reserved section of the Revenue Code of Liberia (2000) was added by amendment contained in the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

³³ Section 78, previously reserved, is a new section added to the Revenue Code of Liberia (2000) by amendment made thereto by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

Section 90. Tax Evasion³⁴

(a) *Tax Evasion Classified as Felony.* A person who willfully evades or attempts to evade tax imposed under this Code commits a felony. Upon conviction, in addition to any other sanctions that may be provided by law, the person is subject to a fine of not more than \$200,000; imprisonment for not more than 5 years; or both.

(b) *Tax Evasion Defined.* A person willfully evades or attempts to evade tax if, with intent to evade or defeat tax liability or tax payment, the person—

- (1) Files or causes the filing of a tax return or declaration that is false in a material way;
- (2) Conceals or removes assets applicable to the collection thereof;
- (3) Fails to account for or pay over when due taxes previously collected or withheld, or received from another with the understanding that they will be paid over to the Ministry;
- (4) Willfully fails to file a tax return or declaration when due;
- (5) Otherwise attempts in any manner to evade or defeat any tax.

Section 91. Knowing Disregard of Tax Obligations³⁵

(a) *Withholding or Collection Obligation.* A person required under the provisions of this Code or regulations hereunder to withhold, collect, segregate, account for, or pay over any tax or other revenues of the Republic and who knowingly fails to do so commits a misdemeanor. Upon conviction, in addition to any other sanctions that may be provided by law, the person is subject to a fine of not more than \$50,000, imprisonment for not more than one year, or both.

(b) *Tax Payment or Tax Reporting Obligation.* A person required under the provisions of this Code or regulations hereunder to pay tax; to make a tax return, declaration, or other statement; to keep any records or supply any information, and who knowingly fails to do so, commits a misdemeanor. Upon conviction, in addition to other sanctions that may be provided by law, the person is subject to a fine of not more than \$25,000, imprisonment for not more than 30 days, or both.

Section 92. Knowing Failure To Obtain Required License Or Registration³⁶

³⁴ Section 90 is a new section, previously reversed in the Revenue Code of Liberia (2000), but added thereto amendment made thereto by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

³⁵ Section 91 is a new section, previously reversed in the Revenue Code of Liberia (2000), but added thereto amendment made thereto by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

³⁶ Section 92 is a new section, previously reversed in the Revenue Code of Liberia (2000), but added thereto amendment made thereto by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

A person who knowingly engages in any business, enterprise, trade, service, occupation or profession for which an annual license or registration is required under the provisions of this Code or any other statute without having obtained the required license commits a misdemeanor. Upon conviction, in addition to other sanctions that may be provided by law, the person is subject to a fine of not more than \$25,000, imprisonment for not more than 30 days, or both.

Section 93. Willful Violation of Information-Collection Obligation³⁷

Any person who refuses or willfully neglects to cooperate with the collection of information described in Section 55; who willfully furnishes false or inaccurate information; or who knowingly violates the confidential protections afforded to information furnished under the authority of Section 55 is subject to the criminal sanctions provided for in the Executive Law Section 83.1 and Section 83.2.

Sections 94-99. Reserved

PART II. THE PERSONAL AND BUSINESS INCOMETAX

Chapter 2. GENERAL PROVISIONS OF THE INCOME TAX

Section 200. Tax Imposed
Section 201. Taxable Income
Section 202. Exclusions
Section 203. Deductions For The Costs Of Producing Income
Section 204. Depreciation And Amortization
Section 205. Other Deductions
Section 206. Limitations On Deductions
Section 207. Property Transfers
Section 208. Related Persons
Section 209. Finance Leasing
Section 210. Income Splitting
Section 211. Transactions Between Related Persons
Section 212. Currency Exchange Rate
Section 213. Foreign Tax Credit
Section 214. Methods Of Accounting
Section 215. Cash-Method Accounting
Section 216. Accrual-Method Accounting
Section 217. Amounts Erroneously Received Or Paid
Section 218. Prepayments
Section 219. Medical Tax Credit
Section 220. Long-Term Contracts
Section 221. Inventory Of Trading Stock
Section 222. Tax Period
Sections 223-299. **Reserved**

³⁷ Section 93 is a new section, previously reversed in the Revenue Code of Liberia (2000), but added thereto amendment made thereto by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

Section 200. Tax Imposed³⁸

(a) *Resident Natural Persons.*

- (1) An annual income tax is hereby imposed on the annual taxable income of every natural person resident in Liberia (including resident Liberian citizens employed by an embassy, a diplomatic mission, or international organization).
- (2) The tax is collected during the tax year in accordance with the withholding rules of Section 905 or the advance payment rules of Section 904.
- (3) The tax rate applicable to the income of a natural person is determined in accordance with the following rate schedule—

(A) The tax rate and tax computation shall be as stated in the following table:

Tax Table for Resident Natural Persons

Step	Taxable Income Of— (Liberian Dollars)	Tax Rate and Computation (Liberian Dollars)
1	0 to 70,000	Nil
2	70,001 to 200,000	5% of the excess over 70,000
3	200,001 to 800,000	6,500 + 15% of the excess over 200,000
4	800,001 and above	96,500 + 25% of the excess over 800,000

(B) If a natural person is required to file an income tax return under Section 900 and that person is a partner in a partnership or a beneficiary of a trust that pays tax under this Part, the amount of tax paid by the partnership or trust is creditable against tax owed by the partners or the beneficiaries and is apportioned among them in accordance with their interests in the partnership or their interest in the trust.

(b) *Resident Legal Persons.*

- (1) An annual income tax is hereby imposed on the annual taxable income of every legal person resident in Liberia.
- (2) Tax is imposed on taxable income at the following rates:

(A) For income from activities described in Chapters 6 or 7, as provided in those Chapters;

³⁸ Section 200 reflects amendments made to the previous section 200 of the Revenue Code of Liberia (2000), by combination of certain sub-sections, re-wording of some and deletion of other sub-sections, done by enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(B) For income of legal persons that derive more than 30 percent of their income from life insurance, a 4% tax on gross receipts from life insurance premiums and 25% on taxable income from other sources of income;

(C) For income of other legal persons, 25%.

(3) The tax is collected during the tax year in accordance with the withholding rules of Section 905 or the advance payment rules of Section 904.

(c) ***Presumptive Tax for Small Taxpayers.*** A legal or natural person carrying on a trade or business with turnover of less than \$3,000,000 (three million dollars) per year is a “small taxpayer” who is taxable under this subsection in lieu of the regular income tax imposed by subsection (a) or (b).

(1) Tax under this subsection is imposed at the rate of 4% of annual turnover except as specified in paragraph (4).

(2) A person taxable under this subsection may elect to be taxed under subsection (a) or (b) (whichever is applicable). A person making the election is required to file a regular income tax return and to comply with all other requirements for income tax filers.

(3) The presumptive tax is collected during the tax year in accordance with the withholding rules of Section 905 and the advance payment rules of Section 904, except that it is a final tax unless the taxpayer makes the election under (2).

(4) A natural person with annual turnover of less than \$200,000 is a petty trader taxable annually under this paragraph at the following rates:

(A) \$2,400 if the petty trader conducts trade or business from a fixed structure with a roof and walls (including an office or workstation located within a personal residence).

(B) \$1,200 if the petty trader conducts trade or business from a fixed, open structure with a roof.

(C) \$480 (or \$240 if the conduct of the trade or business is exclusively outside Montserrado County) if the petty trader conducts trade or business other than as described in (A) or (B).

(d) ***Exempt Persons.*** Exempt persons (defined in Section 9) are exempt from income taxation under this Part. If an exempt person’s exempt status depends on an international agreement, the exemption from income taxation is available only to the extent permitted under the international agreement.

(e) **Regulations.** Regulations may specify the procedures to be followed for collection of (i) income tax and petty trader tax imposed under this section, (ii) advance payments under the advance payment provisions of Section 904, and (iii) tax withheld under the withholding provisions of Section 905.

Section 201. Taxable Income³⁹

(a) **Taxable Income.** The taxable income of a person for a tax year is that person's gross income less

- (1) items of income specifically excluded under this Part;
- (2) the amount of deductions allowed by this Part; and
- (3) the amount of personal allowances granted to the taxpayer and dependents under this Part.

(b) **Gross Income.** Gross income for income tax purpose means the aggregate of all income earned, from wherever source derived by a tax payer during a tax year.

Examples of items included in gross income are:

- (1) earnings from employment, including benefits received in the form of noncash property;
- (2) receipts from the operation of a business, profession, vocation, trade, or proprietorship;
- (3) non-exempt interest, rents, royalties, and non-exempt dividends;
- (4) payments received under a pension, retirement, or annuity arrangement;
- (5) distributions from a trust or an estate, except as limited by Chapter 6; and
- (6) gain on the disposition of property (whether real or personal, tangible or intangible) used in a business or held for investment (including gain sometimes called "capital gain").

(c) **Residents And Nonresidents.** The gross income of a resident includes all economic benefits regardless of source. The gross income of a nonresident includes only those economic benefits having a source in Liberia, and is subject to Liberian tax only as provided in Chapter 8, Income Taxation of Nonresidents.

Section 202. Exclusions

(a) **Sickness, Disability, Or Death Benefits.** Payments received on account of illness, injury, or death of a natural person are excluded from income of the recipient, if the recipient is ill, injured, disabled or deceased, or related to that person within the meaning of Section 208(b)(1). Payments qualifying for this exclusion include amounts paid as proceeds of health insurance or disability insurance or benefits; as

³⁹ Section 201 reflects amendments made to Sub-section (b) of the section by the re-wording and addition of new provisions, done by amendments made by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, approved November 1, 2011.

damages for or in settlement of a claim of damages for injury to a natural person; or as proceeds of a life insurance policy or as a death benefit. This exclusion applies regardless of whether the payments are made in a lump sum or as a series of annuity payments. Amounts used to purchase medical insurance for a person or to pay medical expenses of a person are not excludible under this subsection, but instead are subject to Section 219.

(b) **Gifts And Transfers By Death.** Property received in a donative transfer or transfer by death is excluded from the income of the recipient.

(c) **Noncash Benefits Provided By An Employer.** Noncash benefits provided by an employer to an employee (other than those benefits excluded elsewhere in this Section or benefits subject to Section 219) are valued at 100 percent of fair market value and are excludible from the income of the employee, except for the value that, in the aggregate, is in excess \$100,000 per tax year.

(d) **Tax-Exempt Government Obligations.** Interest on an obligation issued by the Republic of Liberia and declared by the Government to be a tax-exempt obligation is excluded from the income of the holder of the obligation.

(e) **Personal-Use Property.** Gains on the sale of personal-use property are excludible from income unless the amount derived from the sale is equal to \$1,600,000 or more.

(f) **Exclusion Of Interest For Small Savers.** Interest of less than \$200 per year is excluded from income and is not subject to tax withholding under Section 905.

Section 203. Deductions For The Costs Of Producing Income

(a) **Expenses.** A taxpayer is permitted a deduction for the ordinary expenses of producing income during the tax year, as limited under Section 206. Included as an expense of producing income is the annual allowance for depreciation or amortization of capital expenditures permitted under Section 204.

(b) **Losses.**

(1) Except as limited by subsection (e), a taxpayer is permitted a deduction for losses incurred in a business and sustained during the tax year, including a loss from the disposition of property used in a business, provided that the loss is not compensated for by insurance or otherwise.

(2) A taxpayer is permitted a deduction for loss incurred on the disposition of property other than property used in a business if the property is held for investment, but only to the extent that the loss is offset by gain on the disposition of investment property during the tax year. Unused investment loss may be carried forward to future tax years.

(c) **Bad Debts.** No deduction for bad debts, or for contributions to reserves for bad debts, is permitted except as provided in this subsection.

(1) A taxpayer is permitted a deduction for the amount of a business bad debt that becomes uncollectible and that during the tax year is charged off on the taxpayer's books of account, provided the amount was previously included in gross income.

(2) A financial institution regulated by the Central Bank is permitted a deduction for additions to a reserve for bad debts in accordance with the rules and regulations of the Central Bank.

(d) **Business Interest.** A taxpayer is permitted a deduction for interest on business indebtedness, limited to the interest attributable to a tax year and accrued or paid (consistent with the taxpayer's method of accounting) during that tax year. The deduction for interest payable to any person other than a resident bank is limited to the amount of interest received plus 50 percent of taxable income other than interest income.

(e) **Net operating loss Carry-forward.** If the taxpayer's costs of producing income for a year exceed the taxpayer's income, the excess loss is carried forward to the next tax year, and if not fully absorbed by income of the business in that year then to succeeding tax years; but no carry-forward is allowed to years following the fifth succeeding tax year.

Section 204. Depreciation And Amortization⁴⁰

(a) **General Rule.** An annual allowance for depreciation or amortization of capital expenditures may be deducted in accordance with this Section for the physical or nonphysical depreciation of depreciable property. Depreciable property is property (other than land and inventory) used in whole or in part to earn taxable income; that when acquired has a useful life longer than one year; and that loses value as a result of use, damage, or prescription.

(b) **Depreciable property** shall be divided into the following categories:

(1) **Tangible Moveable Property.** Tangible property (not including fixtures) are to be placed in one of two categories, "heavy machinery" or "light machinery." These categories are to be depreciated by the pooled depreciation method. The rate of depreciation is 30 percent per year for the heavy machinery pool and 40 percent per year for the light machinery pool. Property not clearly falling into the category of light machinery is to be included in the category of heavy machinery.

(A) **Heavy Machinery.** The term "heavy machinery" includes tractors, telecommunication towers, power support towers, buses for 20 or more passengers, airplanes, ships, heavy trucks (more than 5 tons empty weight), and similar equipment.

(B) **Light Machinery.** The term "light machinery" includes passenger automobiles, office furniture, computers, printers, telephones, passenger vans or buses for fewer than 20 passengers, light trucks (less than 5 tons empty weight), and similar equipment.

(2) **Tangible Fixed Property.** Non-movable property is to be depreciated on an asset-by-asset basis and by the straight-line method over a 15-year period.

(3) **Intangible Property.** Patents, copyrights, and other intangible property, including goodwill, are to be depreciated on an asset-by-asset basis and by the straight-line method over a 15-year period.

(c) **Pooled Depreciation Method.** The depreciation allowance for each pool is calculated by applying the depreciation rate specified in subsection (b) against the balance of the pool at the end of the tax year.

⁴⁰ Section 204 reflects amendments made to and the re-numbering of previous sub-sections (d) through (i) of the Revenue Code of Liberia (2000) to new sub-sections (d) through (h), effected by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

- (1) The balance of the pool at the end of the tax year is the total of —
 - (A) the balance of the pool at the end of the preceding tax year after allowing for the deductions under this Section for the preceding year of assessment; and
 - (B) the adjusted tax cost of property added to the pool in the current tax year, reduced, but not below zero, by the amount received from disposal of property in the pool during that year.
- (2) Where property owned by a taxpayer ceases to qualify as depreciable property, the taxpayer is deemed to have disposed of the property for its market value.
- (3) The adjusted tax cost of property is added to the pool in the year in which the property is placed in service.
- (4) Where the amount received from the disposal during the year of property in a pool exceeds the year-end balance of the pool (disregarding the amount realized), the balance of the pool is reduced to zero and the excess is included in income.
- (5) If the balance of the pool at year-end (after reduction by the allowance for depreciation), is less than \$10,000, a deduction is allowed for the remaining amount, and the balance is reduced to zero.
- (6) If all the property in a pool is disposed of, a deduction is allowed for the balance of the pool at year-end.

(d) *Incentive Deduction.*

- (1) Qualifying manufacturing and service businesses are entitled to deduct an aggregate of up to 30 percent of the purchase price of equipment and machinery specified in paragraph (2).
 - (A) An incentive deduction with respect to an asset is permitted only for the tax period in which a qualifying asset is placed in service.
 - (B) The allowances provided in paragraph (2) may be combined with respect to an asset to reach the limit of 30 percent.
 - (C) The amount allowable as an incentive deduction reduces the asset's tax cost to arrive at the asset's adjusted tax cost, which is added to the appropriate depreciation pool for the tax period in which the asset is placed in service.
- (2) Allowances.
 - (A) *Manufacturing and service businesses.* 20 percent of the purchase price of equipment and machinery.

(B) *Manufacturing, agriculture processing, and service businesses (other than tourist facilities) located outside of Montserrado County, outside any Government-owned Industrial Free Zone, and outside any Industrial Park.* 10 percent of the purchase price of equipment and machinery.

(C) *A business providing tourist facilities, or a transnational corporation that uses Liberia as its regional headquarters.* 10 percent of the purchase price of equipment and machinery.

The amount of the deduction is to be subtracted from the asset's tax cost, and the adjusted cost is added to the appropriate depreciation pool for the tax year that the asset is placed in service.

(e) ***Apportionment of Purchase Price.*** If a building or other depreciable property is bought or sold together with land, the tax cost is to be apportioned reasonably between the property and land to arrive at a separate value of the depreciable property.

(f) ***Mixed-Use Property.*** If property is used only in part for the production of income, a depreciation allowance deduction is permitted only with respect to the percentage of the cost that is equal to the proportion of use for the production of income.

(g) ***Manufacture.*** The term "manufacture" means the subjection of physical matter to any process (including the assembly of parts) that materially changes its substance or character.

Section 205. Other Deductions⁴¹

(a) ***Standard Deduction.*** An annual standard deduction for a natural person, in an amount of up to \$70,000, is reflected in the tax table of Section 200(a) as a zero bracket amount. No additional amount shall be deducted as a standard deduction.

(b) ***Charitable Contribution Deduction.*** A deduction is allowed to a taxpayer filing a tax return under Section 900 or 901 for the amount of a contribution made to a qualifying organization.

(1) Qualifying organizations are the Government, a Government agency designated as an approved recipient of charitable donations, or a registered charity described in Section 200(d).

(2) When the contribution is in the form of noncash property, the amount of the contribution is the property's adjusted tax cost or its fair market value, whichever is lower, except as provided in Section 207(b)(3)(B). The deduction for charitable contributions is limited to an amount not in excess of 15 percent of the taxpayer's taxable income (computed before reduction for charitable contributions but after inclusion of any gain on the transfer as provided under Section 207(b)).

⁴¹ Section 205 is an amendment to the Revenue Code of Liberia (2000) by the addition of a new sub-section (a) and the combination of the previous sub-sections (a) and (b) into a new sub-section (b), with sub-sects, done by the newly enacted Consolidated Tax Amendments Act, approved September 14, 2009, published November 1, 2011.

Section 206. Limitations On Deductions⁴²

(a) No deduction is allowed for personal expenses, except as provided in Section 203. The term “personal expenses” means the costs of personal consumption, as specified by the Minister in regulations.

(b) No deduction is allowed for the amount of a capital expenditure, except by operation of the allowance for depreciation or amortization provided in Section 204. The term “capital expenditure” means the cost of property or services with a useful life of more than a year, unless the value is less than \$5,000.

(c) No deduction is allowed for the cost of producing income that is excluded from gross income under Section 202.

(d) No deduction is allowed for the amount of Liberian or foreign income tax; interest relating to any Liberian tax; any fines or penalties imposed by law, or for bribes or other similar payments.

(e) No deduction is allowed for which the taxpayer is unable to provide adequate substantiation (within the meaning of Section 55).

(f) *Withheld Tax.* A person who withholds and pays to the government an amount of tax in accordance with Section 806 or Section 905 is not permitted to deduct those amounts as an independent cost of producing income, although a deduction of the payment’s gross amount (not reduced for withheld tax) is deductible if a deduction is otherwise allowed (for example, the gross amount of a \$10,000 payment to a contractor for services rendered to produce taxable income is allowed as a deduction). A person whose payment is subject to withholding is not permitted to deduct the amount of tax withheld, although if the person files an income tax return in accordance with Section 900 or Section 901 the amount withheld is creditable against income tax liability.

Section 207. Property Transfers

(a) **General Rule.** Gain or loss on the disposition of property is includible in taxable income. The amount of gain or loss is determined by subtracting the transferor’s adjusted tax cost for the property from the amount derived on the disposition. Where payment for the transferred property includes noncash property, the transferor’s amount derived is equal to the fair market value of the noncash property plus any cash or cash equivalent the transferor receives or is entitled to receive as a result of the transfer.

- (1) if a transfer of property is for no consideration, then for purposes of determining the transferor’s amount derived and the transferee’s acquisition cost, the transferor is treated as having derived an amount equal to the *greater* of the property’s market value or its adjusted tax cost immediately before the transfer;

and the transferee or other person who acquires the property is treated as incurring acquisition costs of an equal amount.

- (2) If a transfer of property is for no consideration and is to an unrelated person who is a qualifying recipient so that a charitable contribution deduction is allowable under Section 205(a), the transferor’s amount derived on the transfer is considered to be equal to the

⁴² Section 206 of the Revenue Code of Liberia (2000) was amended to now reflect the addition of sub-section (f), done by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

property's fair market value and the transferor's charitable contribution is the same amount; the recipient takes a fair market value tax cost.

- (3) If a transfer of property is by death, the transferor's amount derived on the transfer is considered to be the property's fair market value, and the deceased's estate is treated as incurring acquisition costs of an equal amount.

(b) **Rollovers.** The property transfers listed in this subsection are treated as rollovers shall be subject to special rules.

- (1) A transfer of ownership of property by one person to a spouse or a former spouse, made as part of a divorce settlement or bona fide separation agreement and accompanied by a written statement that the transfer is a rollover pursuant to this paragraph is not subject to the general rule of this Section but is treated as a rollover pursuant to divorce, and:

- (A) the transferor is treated as having derived an amount on the transfer equal to the adjusted tax cost of the property immediately before the rollover pursuant to divorce; and

- (B) the spouse or former spouse is treated as acquiring the property for an equal amount.

- (2) The involuntary destruction or other involuntary transfer of property, followed by the acquisition of replacement property of the same type within one year, is treated as a rollover pursuant to involuntary conversion, and the general rule of subsection (a) is modified as follows:

- (A) for purposes of determining the amount derived under the general rule of subsection (a), the transferor is treated as having derived an amount equal to—

- (i) the adjusted tax cost of the property immediately before the rollover pursuant to involuntary conversion; plus

- (ii) the amount, if any, by which amounts derived on the involuntary conversion exceed the costs incurred to acquire the replacement asset (without regard to the operation of this rollover rule); and

- (B) for purposes of determining the tax cost of the replacement property, the transferor is treated as acquiring the replacement property for an amount equal to—

- (i) the adjusted tax cost of the property immediately before the involuntary conversion; plus

- (iii) the amount, if any, by which the costs incurred to acquire the replacement asset exceed the amounts derived on the involuntary conversion (without regard to the operation of this rollover rule).

- (C) This rollover rule does not apply to property that is depreciated using the pooled depreciation method under Section 204(c) unless all of the property in a depreciation pool is involuntarily disposed of at the same time.

- (3) A transfer of property to a related person is treated as a rollover pursuant to a transfer to a related person, and the general rule of subsection (a) is modified as follows:
- (A) If the transferred property is a business asset, an investment asset, or inventory in the hands of the transferor; the transfer is to a related person; and the requirements of subparagraph (D) are met, then—
 - (i) the transferor is treated as deriving on the transfer an amount equal to the adjusted tax cost of the property immediately before the transfer; and
 - (ii) the related person is treated as incurring acquisition costs of an equal amount.
 - (B) If the transferred property is depreciated in a pool under Section 204; the transfer is to a related person; the property constitutes all of the property in the pool; and the requirements of subparagraph (D) are met, then—
 - (i) the person is treated as deriving on the transfer an amount equal to the balance of the pool pursuant to Section 204(c)(1) at the time of transfer; and
 - (ii) the related person is treated as incurring acquisition costs of an equal amount.
 - (C) If the transferred property is personal-use property in the hands of the transferor who is a natural person; the transfer is to a related person; and the requirements of subparagraph (D) are met, then—
 - (i) the transferor is treated as deriving on the transfer an amount equal to the adjusted tax cost of the property immediately before the transfer; and
 - (ii) the related person is treated as incurring acquisition costs of an equal amount.
 - (D) The requirements specified in subparagraphs (A), (B), and (C) are as follows:
 - (i) the property has the same character (as business property, depreciable property, investment property, or inventory) in the hands of the related person immediately after the transfer as the property had in the hands of the transferor immediately before the transfer, or the transfer is within subsection (b)(3)(C) and is business property, depreciable property, investment property, or inventory in the hands of the related person immediately after the transfer;
 - (ii) at the time of the transfer, the transferor and the related person are residents;
 - (iii) at the time of the transfer, the related person (or, in the case of a related partnership, the partnership or any of its partners) is not exempt from tax;
 - (iv) there is continuity of underlying ownership in the transferred property of at least 50 percent; and
 - (v) a written election, signed by both the transferor and the related person, making subparagraph (A), (B), or (C) applicable is attached to each person's tax return for the year in which the transfer begins.

(c) **Dispositions For Less Than Market Value.** If, in any transfer to which subsection (a) applies, the transfer is for consideration of less than market value but more than zero, the transaction is considered to consist of two transfers, one for market value to the extent of the consideration received in exchange for the transfer, and the other for no consideration. The transferor's adjusted tax cost for the property is allocated between the market-value transfer and the no-consideration transfer according to a percentage determined by the amount of consideration divided by the property's market value.

(d) **Definitions.**

- (1) A "disposition" is a sale, exchange, abandonment, destruction, loss, redemption, gift, transfer by death, or other transfer of property.
- (2) The "tax cost" of property is the amount incurred to acquire it.
- (3) The "adjusted tax cost" of property is its tax cost or transferred cost reduced by depreciation, amortization, or depletion taken with respect to the property and increased by the cost of improvements or expenditures associated with the property and not deductible as expenses of producing income.
- (4) The term "underlying ownership" has the following meanings—
 - (A) In relation to a legal person, the term "underlying ownership" means an interest held in the legal person directly or indirectly through one or more interposed legal persons by a natural person or by a legal person in which no natural person has an interest; or
 - (B) In relation to property owned by a legal person, "underlying ownership" is determined as though the property is owned by the persons having underlying ownership of the legal person in proportion to each person's interest in the legal person.
- (5) The term "interest in a legal person" means a right, including a contingent right, to participate in the income or capital of a legal person.

Section 208. Related Persons

(a) **General Rule.** Where any person, other than as an employee, acts in accordance with the directions, requests, suggestions, or wishes of another person whether or not they are in a business relationship and whether or not those directions, requests, suggestions, or wishes are communicated to the first-mentioned person, as further elaborated in regulations, both persons are treated as related to each other.

(b) **Specific Cases.** Without limiting the generality of subsection (a), the following persons are treated as related persons.

- (1) a natural person and a relative of the natural person, unless the Minister is satisfied that neither individual acts in accordance with the directions, requests, suggestions, or wishes of the other individual;
- (2) a person and a partner of the person, unless the Minister is satisfied that neither person acts in accordance with the directions, requests, suggestions, or wishes of the other person;

- (3) a permanent establishment and its owner; and
- (4) a person who is a legal person and—
 - (A) a person who, either alone or together with a related person or related persons under another application of this Section, controls or may benefit from fifty per cent or more of the rights to income or capital or voting power of the legal person, as the case requires, either directly or through one or more interposed legal persons; or
 - (B) a person who, under another application of this Section, is a related person of a person to whom subparagraph (A) applies.
- (5) In this Section, “relative” means a natural person who is related to another individual by blood adoption or marriage and includes a natural person who is a spouse, parent, grandparent, child, grandchild, brother, sister, aunt, uncle, nephew or niece of the other individual, or a spouse of one of these listed natural persons.

Section 209. Finance Leasing

(a) **General Rule.** If a lessor leases tangible property to a lessee under a finance lease contract, for purposes of taxation the lessee is treated as the owner of the property, and lease payments are treated as payments made on a loan to the lessee.

(b) **Definition.** A lease of property is a finance lease if—

- (1) the lease agreement provides for transfer of ownership following the end of the lease term, or the lessee has an option to purchase the property after expiration of the lease term for a fixed or presupposed price; or
- (2) the lease term exceeds 75 percent of the useful life of the leased property; or
- (3) the estimated residual value of the property after expiration of the lease term is less than 20 percent of its fair market value at the commencement of the lease; or
- (4) the present value of the minimum lease payments equals or exceeds 90 percent of the fair market value of the property at the commencement of the lease term, unless the lease commences during the last 25 percent of the useful life of the property; or
- (5) the leased property is custom-made for the lessee and after expiration of the lease term, it will not be usable by anyone other than the lessee.

(c) **Additional Provisions.** For purposes of this Section—

- (1) the discount rate used to determine the present value of lease payments is equal to the rate of interest determined under Section 11 (interest rate) on the date the lease is entered into;
- (2) the lease term includes any additional periods for which the lessee has an option to renew the lease; and
- (3) if the lessor was the owner of the property before commencement of the finance lease, then in

addition to the loan treatment specified in subsection (a) of this Section, the agreement is treated as a disposal by the lessor and a purchase by the lessee.

Section 210. Income Splitting

(a) **General Rule.** Where a person attempts to split income with another person, the Minister may adjust amounts to be included or deducted in calculating the income of each person, or in determining the source of income, to prevent any reduction in tax payable as a result of the splitting of income.

(b) **Definition Of Income Splitting.** A person is treated as having attempted to split income where—

- (1) the person transfers amounts to be derived by the person, directly or indirectly, to a related person (within the meaning of Section 208); or
- (2) the person transfers an asset, directly or indirectly, to a related person with the result that the related person receives or enjoys amounts derived from the asset, and the reason or one of the reasons for the transfer is to lower the total tax payable by the person and the related person.

(c) **Payment By Related Persons.** In determining whether a person is seeking to split income, the Minister shall consider the market value of any payment, if any, made by a related person to the person for the transfer.

(d) **Indirect Transfers.** An indirect transfer of property, money, or amounts to be derived from a transaction or arrangement from a person to a related person includes a transfer made through the interposition of one or more legal persons.

Section 211. Transactions Between Related Persons

In any transaction or arrangement between persons who are related persons within the meaning of Section 208, the Minister may distribute, apportion, or allocate amounts to be included or deducted in calculating income and credits granted under this Part between the persons, or determine the source of income, as is necessary to reflect the taxable income or tax payable which would have arisen for the persons if the arrangement had been conducted at arm's length.

Section 212. Currency Exchange Rate⁴³

For the purpose of computing taxable income, nominal gains and losses resulting from foreign exchange fluctuations are recognized only when they are realized through the completion of a transaction, that is, when payment is made or services are performed. If a taxpayer uses a different accounting treatment of foreign currency gains and losses for financial (as opposed to income tax) accounts, a statement reconciling the two sets of figures must accompany the tax return.

Section 213. Foreign Tax Credit

⁴³ Section 212 of the Revenue Code of Liberia (2000) was amended to the current wording by the deletion of subsections (a) and (b) and the merger of the previous sub-sections into a single paragraph as currently appears. The amendment was effected by the enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(a) **General Rule.** Payers of Liberian income tax may claim a foreign tax credit for amounts of income tax paid to a government other than the Republic of Liberia with respect to income not having a source in Liberia. The amount of foreign tax paid or accrued (consistent with the taxpayer's method of accounting) is creditable against Liberian income tax otherwise due.

(b) **Limitation.** The amount of the credit is limited to the amount of tax that would otherwise be charged on that income at the income tax rates in effect for that tax year, using the taxpayer's average rate of tax paid. The foreign tax credit is determined on a country-by-country basis. Credit is available only for a foreign tax that is an income tax or imposed in lieu of an income tax.

Section 214. Methods Of Accounting

(a) **Methods Allowed.** A taxpayer may account for tax purposes using the cash or accrual method, provided that the method and its application clearly reflect the taxpayer's income.

(b) **Limitations.** A legal person that is not a trust or a partnership must account for income on an accrual basis. In the case of a natural person, trust, or partnership, where the taxpayer's business income for a tax year exceeds the amount specified in Regulations, the taxpayer must account for business income on an accrual basis in all succeeding tax years.

(c) **Requirements For Change Of Method.** Except for a change from the cash basis to the accrual basis required under subsection (b), a taxpayer is permitted to change the method of accounting only with the prior written permission of the Minister. If the taxpayer's method of accounting is changed, adjustments to items of income, deduction, or credit, or to other items must be made in the tax year following the change, so that no item is omitted and no item is included more than once.

Section 215. Cash-Method Accounting

A cash-basis taxpayer is required to take income into account when it is received or made available and must take deductions into account when paid.

Section 216. Accrual-Method Accounting

(a) **General Rule.** An accrual-method taxpayer is required to take an item of income or expense into account when the amount is "payable" as defined in subsection (b).

(b) **Definitions.**

(1) **Income.** An amount is payable to the taxpayer when the taxpayer becomes entitled to receive it, even if the time for discharge of the entitlement is postponed or the entitlement is payable by installments.

(2) **Expenses.** An amount is treated as payable by the taxpayer when all the events that determine liability have occurred and the amount of the liability can be determined with reasonable accuracy, but not before economic performance with respect to the amount occurs. For purposes of this subparagraph, economic performance occurs—

- (A) with respect to the acquisition of services or property, at the time the services or property are provided;
- (B) with respect to the use of property, at the time the property is used; or
- (C) in any other case, at the time the taxpayer makes payment in satisfaction of the liability.

Section 217. Amounts Erroneously Received Or Paid

(a) **Cash-Method Taxpayer.** If a cash-method taxpayer includes in gross income an amount which the taxpayer is not entitled to receive or claims a deduction for an amount the taxpayer is not obligated to pay, the calculation of taxable income is to be adjusted in the tax year in which the taxpayer refunds the amount received or receives a return of the amount paid.

(b) **Accrual-Method Taxpayer.** An accrual-method taxpayer is required to include an amount in gross income or claim a deduction (even if not legally entitled to receive the amount or liable to pay the deduction) if the taxpayer claims to be legally entitled to receive the amount or to be legally obliged to pay the deduction. Taxable income is to be adjusted for the tax year in which the taxpayer ceases to claim the right to receive the amount or ceases to claim an obligation to pay the amount.

Section 218. Prepayments

An otherwise allowable deduction for an expense that is not a capital expenditure but that relates to a service or other benefit that extends beyond six months after the end of the tax year is allowed proportionately over the tax years to which the service or other benefit relates.

Section 219. Medical Tax Credit

(a) **Credit For Medical Insurance Premium Or Medical Expenses.** A natural person shall be entitled to a credit (“the medical tax credit”) against income tax otherwise due for approved medical expenses (medical insurance premium and the amount of medical care costs, as described in regulations) paid by any person, including the natural person, during a tax year while the natural person is resident, on behalf of that person or that person’s resident dependents (providing that the dependents do not claim the credit in respect of such expenses), calculated as provided in subsection (b) and subject to the limit set out in subsection (c).

(b) **Amount.** The medical tax credit of a person for a tax year is calculated by applying the rate of 50 percent to the amount of approved medical expenses for the year and adding to the result any amount referred to in subsection (d).

(c) **Limit.** The medical tax credit claimed for any tax year shall not exceed the percentage stated in subsection (b) multiplied by the reasonable medical insurance premium amount or \$120,000.00 whichever is lower. The Minister shall, by regulation, prescribe any other amount.

(d) **Carry-forward.** To the extent to which, for any natural person for any tax year—

- (1) the amount referred to in subsection (b) is greater than the limit referred to in subsection (c);
or

- (2) the natural person cannot use the medical tax credit by reason of lack of income tax payable under for the year, the sum of any excess paragraphs (1) and (2) may be carried forward and added to the amount referred to in subsection (b) for the next tax year.

(e) **Employees.** A natural person who is an employee may claim the medical tax credit through an adjustment to tax withheld by the employer. The adjustment is to be substantiated by information submitted to the employer in a format approved by the Minister. If an employee's medical care costs or medical insurance premium is paid for by the employer, the amount of the payment is includible in the employee's income and the medical care credit is credited against tax otherwise due.

Section 220. Long-Term Contracts

(a) **General Rule.** Income and deductions relating to a long-term contract are taken into account on the basis of the percentage of the contract completed during the tax year. The percentage of completion is determined by comparing costs allocated to the contract and incurred before the end of the tax year with the estimated total contract costs. Example:

$$\frac{\text{Income Earned} = \text{Cost incurred to-date} \times \text{Contract Price}}{\text{Estimated Total Contract Cost}}$$

(b) **Definition.** The term "long-term contract" means a contract for manufacture, installation, or construction, or the performance of related services, which is not completed within the tax year in which work under the contract commenced, other than a contract estimated to be completed within 6 months of the date on which work under the contract commenced.

Section 221. Inventory Of Trading Stock

(a) **General Rule.** A taxpayer who maintains a stock of goods for trade in the ordinary course of business (including consumables used in a manufacturing or production process and goods to be incorporated into a product) must, if necessary to reflect income clearly, establish and maintain inventories.

(b) A deduction is allowed for the cost of inventory sold during the tax year.

(c) The cost of inventory sold in a tax year is determined by adding to the opening inventory the cost of goods acquired during the year, and subtracting the closing inventory at the end of the tax year (the value of inventory at year-end).

(d) The value of inventory at year-end is the lower of cost or market value at that date.

(e) Where particular items of inventory are not readily identifiable, a taxpayer may account for that inventory on the first-in-first-out method, the average-cost method, or the last-in-first-out method, but once chosen, a stock valuation method may only be changed with the written permission of the Minister.

(f) A cash-basis taxpayer may calculate the cost of inventory on the prime-cost or absorption-cost method, and an accrual-basis taxpayer must calculate the cost of inventory on the absorption-cost method.

Section 222. Tax Period

(a) **General Rule.** The tax period for the purposes of this Chapter is a tax year, which unless otherwise provided is the calendar year.

(b) **Fiscal Year.** The Minister may, on written application by a legal person not a trust or estate, grant permission to the person to use some other 12-month period as the tax year (a fiscal year) upon the person showing a compelling need, subject to any conditions prescribed by the Minister.

- (1) Permission to use a fiscal year as the tax year can be withdrawn by written notice issued by the Minister. A notice issued by the Minister will take effect at the end of the taxpayer's fiscal year in which the notice is issued.
- (2) References to the tax year, in the case of a taxpayer authorized to use a fiscal year, are to be understood as a reference to the taxpayer's fiscal year.

(c) **Transitional Tax Year.** Where the tax year for a taxpayer changes from a calendar tax year to a fiscal year; from a fiscal year to a calendar tax year; or from one fiscal year to another, the period between the last full tax year prior to the change and the date on which the new tax year commences is to be treated as a separate tax year known as a "transitional tax year." References to the tax year, in the case of a taxpayer to which this subsection applies, are to be understood as a reference to the taxpayer's transitional tax year.

(d) **Short Tax Year.** A legal person who ceases business operations during a tax year is required to close the books for the tax year as of the end of the second month after the month in which the cessation of business occurs. A person subject to a jeopardy assessment within the meaning of Section 74(a)(4) is required to close the books for the tax year on the date of the jeopardy assessment. In either case, the period between the last full tax year prior to the closing of the books and the date on which the books are closed is to be treated as a separate tax year known as a "short tax year." In the case of a jeopardy assessment, the period from the date of the jeopardy assessment to last day of the taxpayer's tax year is also a short tax year.

Sections 223-299. Reserved

Chapter 3. INCOME TAXATION OF PARTNERSHIPS

- Section 300. Principles Of Taxation For Partnerships
- Section 301. Calculation Of Partnership Income
- Section 302. Taxation Of Partners
- Section 303. Contribution Of Property To A Partnership
- Section 304. Tax Cost Of Partner's Interest
- Section 305. Operating Distributions
- Section 306. Terminating Distributions
- Section 307. Termination By Transfer To New Partner
- Section 308. New Partner Buy-In
- Sections 309-399. **Reserved**

Section 300. Principles Of Taxation For Partnerships

(a) **General Rule.** A partnership is liable to pay tax on its income as determined under Section 201 for the partnership's tax year. Income tax paid by the partnership is creditable to the partners in proportion to their shares of partnership income as determined under Section 301.

(b) **Partnership Relationship.** The presence or absence of a written partnership agreement is not determinative as to whether a partnership relationship exists between persons.

(c) **Nature Of Partner's Interest.** A partner's interest in a partnership is treated as investment property of the partner.

(d) **Elections, Notices, Statements.** Any election, notice, or statement required to be filed for tax purposes in relation to a partnership's activities is to be filed by the partnership. Unless expressly provided to the contrary, filing is accomplished by attaching the appropriate election, notice, or statement to the partnership's tax return for the relevant tax year of the partnership.

Section 301. Calculation Of Partnership Income

The partnership income of a partnership for a tax year is the taxable income of the partnership determined as if the partnership were a resident, less an amount calculated according to the following formula, where "FTC" is the partnership's total foreign tax credit determined as if the partnership were a resident:

$$\text{FTC} \times 1 - \text{minus the applicable partnership tax rate the applicable partnership tax rate}$$

Section 302. Taxation Of Partners

(a) **Partnership Income.** The gross income of a partner includes the partner's share of partnership income (as determined under Section 301) for the tax year, plus the partner's share of excludible and exempt income. The gross income of a nonresident partner includes the partner's share of Liberia-source partnership income for the tax year.

(b) **Exclusions And Exemptions.** Amounts that are excludible or exempt from income under this Part retain their excludible or exempt character when attributed to the partners.

(c) **Partnership Loss.**

(1) **Net Operating Loss.** The partnership's net operating loss for a tax year is not passed through to the partners, but is carried forward to future tax years of the partnership in accordance with Section 203(e).

(2) **Net Investment Loss.** The partnership's net investment loss is carried forward to future tax years of the partnership, in accordance with Section 203(b)(2).

Section 303. Contribution Of Property To A Partnership

(a) **General Rule.** A contribution of property to a partnership is governed by Section 207.

(b) **Exception.** If, after a contribution of property to a partnership, the contributing partner's underlying ownership is less than the percentage in Section 207(b)(3)(D) but at least 20 percent; the other requirements of Section 207(b)(3)(D) are met; and as limited by regulations the Minister shall provide, tax on the contributing partner's gain on the contribution may be deferred for up to five years (subject to payment of interest on the deferred tax).

(c) **Definition.** Property is contributed to the partnership if it is transferred in exchange for an interest in the partnership. If property is transferred in part for a partnership interest and in part for other consideration, the transfer is treated as made for other consideration to the same extent as the proportion that the fair market value of the other consideration bears to the property's fair market value.

Section 304. Tax Cost Of Partner's Interest

(a) **Acquisition Of Interest.** A partner's tax cost of a partnership interest is the amount of cash the partner paid for the interest plus the amount of tax cost attributable to the partner's contribution of property as determined under Section 207 and Section 303.

(b) **Increase.** The partner's tax cost of the interest is increased by the amount of the partner's share of the partnership income as determined under Section 301 (including the partner's share of excludible and exempt income).

(c) **Decrease.** The partner's tax cost of the interest is decreased by the value of distributions made by the partnership to the partner (but not less than zero), and by the amount of the partner's share of the partnership's nondeductible expenses (but not capital expenditures).

Section 305. Operating Distributions

(a) **Cash.** Cash distributions reduce a partner's tax cost in the partnership (but not below zero).

(b) **Property.** A distribution of noncash property is treated as a Section 207 disposition of property by the partnership.

(c) **Effect On Partner's Tax Cost.** Noncash distributions reduce the adjusted tax cost of the distributee partner's interest by the partnership's amount derived, as determined under Section 207.

(d) **Distribution In Excess Of Partner's Tax Cost.** The amount of a distribution that exceeds the distributee partner's adjusted tax cost in the partner's interest is treated as investment gain.

Section 306. Terminating Distributions

(a) **General Rule.** When a distribution terminates a partner's interest in the partnership, the rules of Section 305 apply. If a terminating distribution is in an amount less than the adjusted tax cost of the retiring partner's interest, the unrecovered cost is treated as an investment loss.

(b) **Definition.** A partner's interest in the partnership is terminated when that partner neither has any underlying ownership in the partnership nor is related (within the meaning of Section 208) to a person who has an interest in the partnership.

Section 307. Termination by Transfer To New Partner

(a) **General Rule.** When a partner's retirement from the partnership is accomplished by the transfer of the partner's interest to a new partner, the transfer is a disposition of the retiring partner by the estate and is governed by the rules of Chapter 5.

Section 308. New Partner Buy-In

When a new partner enters the partnership by making a contribution, the rules of Section 303 apply.

Sections 309-399. Reserved

Chapter 4. INCOME TAXATION OF CORPORATIONS

Section 400. Principles Of Taxation For Corporations

Section 401. Disguised Dividends

Section 402. Redemption Of Stock

Section 403. Redemption In Complete Liquidation

Section 404. Incorporation Roll-Over

Section 405. Limitation On Carry-forward Of Tax Attributes

Section 406. Contribution To Capital

Sections 407-499. **Reserved**

Section 400. Principles Of Taxation For Corporations

(a) A corporation is liable to pay tax on its income as determined under Section 201.

(b) Subject to subsection (c), a dividend received by a resident corporation from another resident corporation is exempt from taxation.

(c) Subsection (b) does not apply to a dividend received by a corporation by virtue of its ownership of redeemable shares in the corporation paying the dividend, or if the dividend is paid in a dividend stripping arrangement as defined in regulations.

Section 401. Disguised Dividends

A transaction by which a corporation confers a direct or indirect benefit on a shareholder is treated for the purposes of this Act as a dividend paid by the corporation to the shareholder, unless otherwise included in the shareholder's income.

Section 402. Redemption Of Stock

A shareholder is treated as having made a disposition (within the meaning of Section 207) of a share of stock that is redeemed, canceled, or acquired by the issuing corporation.

Section 403. Redemption In Complete Liquidation

A distribution of corporate property in complete or partial liquidation of the corporation is treated as a disposition to which the rules of Section 207 apply.

Section 404. Incorporation Roll-Over

Where a person transfers property (either property not subject to any liability or property subject to a liability that is not in excess of the adjusted tax cost of the property) to a corporation in exchange for voting stock in the corporation; and the requirements of Section 207(b) are met, the transfer is accorded the rollover treatment permitted under Section 207(b)(3).

Section 405. Limitation On Carry-forward Of Tax Attributes

(a) **Change In Control.** If, within a period of three years, there is a change of 50 percent or more in the underlying ownership (within the meaning of Section 207) or control of a corporation (within the meaning of Section 208), no carry-forward is allowed of tax attributes in tax years following the change.

(b) **Definition Of Tax Attributes.** For the purposes of this Section, the term “tax attributes” includes loss carry-forwards from years prior to the change and concessions made as investment incentives.

Section 406. Contribution To Capital

(a) **General Rule.** A contribution to the capital of a corporation in exchange for a capital interest in the corporation is not income to the corporation.

(b) **Definition.** When a corporation issues shares in exchange for money or property, the transfer of money or property to the corporation is a contribution to capital. If an existing shareholder makes a payment to the corporation, and the payment is not made because of any other type of obligation to the corporation, it is treated as a contribution to capital and the amount of the contribution increases pro rata the shareholder’s tax cost of the shareholder’s stock.

(c) **Re-Issuance Of Stock.** When a corporation purchases its own stock on a stock exchange or redeems its stock from shareholders, and later re-issues that stock, the re-issuance is treated as a property transfer under Section 207 to the extent that proceeds from the sale are not added to the capital of the corporation for purposes of keeping the corporation’s books of account.

Section 407-499. Reserved

Chapter 5. INCOME TAXATION OF TRUSTS AND ESTATES

Section 500. Principles Of Taxation Of Trusts And Estates

Section 501. Attributable Income Of A Trust

Section 502. Deduction For Amounts Attributed To Beneficiary

Section 503. Taxation Of Beneficiaries

Section 504. Incapacitated Persons

Section 505. Deceased Individuals

Section 506. No Adjustment To Tax Cost Of Beneficiary’s Interest In A Trust

Sections 507-599. **Reserved**

Section 500. Principles Of Taxation Of Trusts And Estates

(a) **General Rule.** A trust is liable to pay tax separately from its beneficiaries on its income for a tax year, as determined under Section 201.

(b) **Taxation Of Beneficiaries.** The attributable income of a trust, as determined under Section 501, may be attributed to and taxed in the hands of the trust’s beneficiaries in the circumstances outlined in Section 503.

(c) **Separate Trusts.** Separate calculations of the taxable income of a trust shall be made for separate trusts regardless of whether they have the same trustees.

(d) **Amounts Derived Or Incurred By Trust.** Amounts derived and costs incurred by a trust or a trustee in the capacity of trustee of a trust (other than as a bare agent), whether or not derived or incurred on

behalf of another person and whether or not any other person is entitled to such an amount or income constituted by such an amount, are treated as derived or incurred by the trust and not any other person.

(e) **Property And liabilities.** Property owned and liabilities owed by a trust or a trustee in the capacity of trustee of a trust are treated as owned or owed by the trust and not any other person.

(f) **Foreign Income Tax.** Foreign income tax paid with respect to the income of a trust, whether paid by a trustee, a beneficiary, or the trust, is treated as paid by the trust.

(g) **Transactions Between Trust And Beneficiary.** Subject to recharacterization and adjustment in accordance with this Code, transactions between a trust and its trustee and beneficiaries shall be respected.

Section 501. Attributable Income Of A Trust

(a) **General Rule.** The attributable income for a tax year of a resident or nonresident trust is the taxable income of the trust for the year determined as if the trust were a resident trust, without regard to Section 502(a), and less an amount calculated according to the following formula, where “FTC” is the trust’s total foreign tax credit determined as if the trust were a resident:

$$\frac{\text{FTC} \times 1 - \text{minus the applicable trust tax rate}}{\text{the applicable trust tax rate}}$$

(b) **Loss.** Loss of a trust for a tax year is not attributable to the beneficiaries of the trust.

(1) **Net Operating Loss.** The trust’s net operating loss for a tax year is not attributable to the beneficiaries of the trust, but is carried forward to future tax years of the trust in accordance with Section 203(e).

(2) **Net investment Loss.** The trust’s net investment loss is not attributable to the beneficiaries of the trust, but is carried forward to future tax years of the trust in accordance with Section 203(b)(2).

Section 502. Deduction For Amounts Attributed To Beneficiary

(a) **General Rule.** Subject to this Code, where an ascertained resident beneficiary of a trust—

(1) acquires a vested right to an amount included in calculating the attributable income of the trust during the tax year of the trust in which the amount constitutes or is included in calculating the attributable income of the trust; and (2) has the same tax year as the trust, the amount shall be deducted in calculating the income of the trust for the year.

(b) **The Manner Of Acquisition Of Right.** Subsection (a) applies regardless of whether the beneficiary acquires the vested right as a result of the exercise by a trustee of a discretion vested in the trustee or the happening of some other event.

Section 503. Taxation Of Beneficiaries

(a) **General Rule.** No amount shall be included in calculating a beneficiary’s income from a trust otherwise than as provided for by subsection (b) or (c).

(b) ***Inclusions.*** Notwithstanding Section 500(d), the gross income of the beneficiary shall include any amount included in calculating the attributable income of the trust for a tax year of the trust ending within the tax year of the beneficiary—

- (1) to which the beneficiary has a vested right and which is deductible in ascertaining the income of the trust under Section 502(a); or
- (2) to which the beneficiary is or has become entitled otherwise than in the manner referred to in paragraph (1) within 30 days of the end of the trust's tax year; or
- (3) which is distributed to or applied to the benefit of the beneficiary in cash or in kind within 30 days of the end of the trust's tax year.

(c) ***Additional Inclusions For Beneficiary Of Nonresident Trust.*** Where subsection (b) does not apply, the gross income of the beneficiary of a nonresident trust for a tax year of the beneficiary shall include any amount included in calculating, for any tax year of the trust, the attributable income of the trust —

- (1) to which the beneficiary is or has become entitled during the tax year of the beneficiary; or
- (2) which is distributed to or applied to the benefit of the beneficiary in cash or in kind during the tax year of the beneficiary.

(d) ***Attributable Income Of A Trust.*** On allocation to beneficiaries under subsections (b), or (c) attributable income is treated as an amount derived from an investment of the beneficiary.

(e) ***Timing.*** Where subsection (b) or (c) applies, the beneficiary is treated as deriving the amount at the time it vests; the time the beneficiary becomes entitled to it; or the time it is applied, as the case requires; but, in the case of subsection (b), not later than the end of the trust's tax year.

(f) ***Credit For Tax Paid.*** Where attributable income of a trust is allocated to a beneficiary of a trust under subsection (b), any Liberian income tax paid by the trust with respect to the allocated income is credited to the beneficiary.

Section 504. Incapacitated Persons

For the purposes of determining whether an amount vests in a beneficiary of a trust under Section 502(a) or whether a beneficiary of a trust is entitled to an amount under Section 503(a), a lack of legal capacity of the beneficiary is ignored.

Section 505. Deceased Individuals

(a) ***Interest Of Heir Or Legatee.*** For the purposes of Section 502(a) and Section 503(a), an ascertained heir or legatee of a deceased natural person is treated as having a vested interest in an amount included in calculating the attributable income of the deceased's estate to the extent that income is derived by the executor of the estate for the immediate or future benefit of the heir or legatee.

(b) ***Valuation Of Property.*** Where a beneficiary receives a distribution of property from an estate, and the distributed property was acquired by the estate in a transfer-by-death to which Section 207(a)(3) applies, then if the distribution to the beneficiary occurs within one year of the deceased's death, the

property's fair market value for purposes of determining the estate's Section 207 amount derived on the transfer is considered to be the same as the property's fair market value at the time of the Section 207(a)(3) transfer.

Section 506. No Adjustment To Tax Cost Of Beneficiary's Interest In A Trust

A distribution by a trust to a beneficiary out of attributable income, exempt amounts, amounts represented by the reduction in calculating attributable income by reason of the formula in Section 501(a), or payments subject to final withholding tax does not decrease tax cost with respect to the property that is the beneficiary's interest in the trust.

Sections 507-599. Reserved

Chapter 6. INCOME TAXATION OF AGRICULTURE AND RENEWABLE RESOURCES⁴⁴

The provisions of Chapter 6 and Chapter 7 of Part II, Income Tax, shall apply to projects governed by concession agreements effective prior to January 1, 2011 to the extent not inconsistent with the terms of such agreements to which the Republic is bound.⁴⁵

Section 600. Definitions

Section 601. Scope of Chapter

Section 602. Rate of Tax

Section 603. Valuation

Section 604. Surface Rent, Royalties, and Fees

Section 605. Determination of Taxable Income

Sections 606-609. Reserved

Section 610. Special Rule for Depreciation

Section 611. Special Rule for Net Operating Loss Carry-forward

Section 612. Special Rule for Interest Deduction

Sections 612-619. **Reserved**

Section 620. Transactions Between Related Persons

Section 621. Partnerships and Joint Ventures

Section 622. Treatment of Property Transfers

Section 623. Successor Agreement; Transfer of Interest in Project

Sections 624-699. Reserved

Section 600. Definitions

⁴⁴ Chapter 6, Sections 600-699, previously referred to only as "Income Taxation of Agriculture" was reserved under the Liberia Revenue Code of 2000, but provisions of the Chapter, containing sections 601-623 were added to the Code by Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 2011; with Sections 624-699 of the Chapter still being reserved.

⁴⁵ The statement of the extent of the application of the newly added chapters is contained in Section 3, sub-section 3 of the amendments made to the Liberian Revenue Code of 2000 by the Consolidated tax Amendments Act of 2011, approved September 14, 2009, published November 2011.

(a) **Renewable Resources.** Renewable resources include the uncultivated forest, cultivated trees (for example, rubber or palm), other growing plants (including food and tree crops), the raising and subsequent harvesting of fish or livestock, the sea, the sun, wind, rivers, and other similar resources that are not exhausted if their energy is captured or their products are prudentially harvested, but do not include cultivated forest or uncultivated trees if used in forestry.

(b) **Extraction of Renewable Resource Product.** The extraction of renewable resource product means the harvesting of a product of a renewable resource or the production of energy or other valuable commodity from a renewable resource.

(c) **Renewable Resource Contract.** A renewable resource contract is an agreement with the Government of Liberia, acting through an authorized renewable resource development agency, for extraction of renewable resources or for management of the renewable resource contract area described in the contract.

Examples are—

(1) Agricultural Concession Agreement (Ministry of Agriculture)

(2) Rice Plantation Concession Agreement (Ministry of Agriculture)

(d) **Renewable Resource Project.** A renewable resource project is a venture for the extraction of a renewable resource product subject to a renewable resource contract, including the use of land for agricultural purposes under an agricultural concession agreement.

(e) **Operations.** For the purpose of determining when a renewable resource project has begun operations, the term "operations" includes the acquisition of carbon credits with respect to a resource area.

(f) **Commercial Production.** For the purpose of determining when a renewable resource project has begun commercial production, the term "commercial production" includes the production of carbon credits with respect to a renewable resource contract area. A project begins "commercial production" on the date of the first shipment of product extracted from a renewable resource contract area as part of a regular program of profit-seeking activity.

(g) **Production Development Expenditures.** Production development expenditures are costs associated with the development of a renewable resource contract area, or a part thereof, to prepare it for commercial production.

(h) **Contractor.** A "contractor" is a person who holds a renewable resource contract subject to Chapter 6.

Section 601. Scope Of Chapter

(a) **Income Taxation.** Income tax is imposed on taxable income from agricultural production and renewable resource projects (as defined in Section 600).

- (1) Income from agricultural production not under an agricultural concession agreement ("general agricultural production") is subject to the general rules of Part II, except as expressly provided otherwise in this Chapter.
- (2) Income from renewable resource projects or from agricultural production under an agricultural concession agreement is subject to rules of this Chapter. In the absence of a specific rule, the general rules of Part II apply.

(b) **Rate of Tax.** Taxable income from a renewable resource project is subject to income tax at the rate stated in Section 602.

(c) **Form of Organization Disregarded.** Regardless of the legal form of organization adopted by one or more persons having an interest in a renewable resource project, a person's taxable income shall be determined separately for each project, and a person with an interest in more than one project shall not be permitted to consolidate income or loss of one project with that of any other.

- (1) For purposes of determining income tax, income from a renewable resource project is considered to be income of a resident legal person or of a Section 803 permanent establishment taxable according to rules applicable to a resident legal person. Taxable income and income tax liability are determined under provisions of the regular income tax of Chapter 2, subject to special rules provided in this Chapter.
- (2) In accordance with Section 10(z), a contractor who holds a renewable resource contract granted by a renewable resource development agency is considered to have an interest in the renewable resource project that is the subject of the renewable resource contract, and is the taxpayer legally responsible for paying tax with respect to income of the project. If the contractor is organized as a partnership or similar form of unincorporated joint venture, each partner shall be considered a taxpayer with respect to the activities of the project.
- (3) The Chapter 9 filing and advance payment rules for the regular income tax apply to a contractor with income from a renewable resource project.

(d) **Renewable Resource Laws and Authorities.**

- (1) **Rubber.** The Rubber Industry Rehabilitation and Development Fund Act governs non-tax terms of extraction of rubber-tree resources in Liberia. The Ministry of Agriculture is the renewable resource development agency for rubber-tree resources.
- (2) **Palm Oil.** The Oil Palm Development Fund Act governs non-tax terms of extraction of palm-oil resources in Liberia. The Ministry of Agriculture is the renewable resource development agency for palm-oil resources.
- (3) **Tree Crops, including coffee and cocoa.** The Ministry of Agriculture is the renewable resource development agency for tree crop resources.

(4) *Food Crops*. The Ministry of Agriculture is the renewable resource development agency for food crops.

(5) *Rice*. The Ministry of Agriculture is the renewable resource development agency for rice.

(6) *Non-Palm Bio-Diesel*. **Reserved.**

(7) *Solar*. **Reserved.**

(8) *Wind*. **Reserved.**

(9) *Sea*. **Reserved.**

(10) *Geothermal*. **Reserved.**

(11) *Carbon Credits*. **Reserved.**

(e) *US Dollar Accounting*. Books and records of a renewable resource project may be kept in Liberian or US Dollars, but a project's tax and taxable income shall be determined in US Dollars.

(f) *Consolidated Account*. An amount that a contractor is required to contribute to a development fund or other fund specified in this Chapter is to be paid into the consolidated account.

(g) *Compliance*. An amount due or amount in default under a renewable resource contract is treated as a tax liability under this Code, and is subject to the same procedural requirements (including penalties, fees, and interest).

Section 602. Rate of Tax

The rate of tax on taxable income from extraction of renewable resources, with the exception of rice production project, shall be 25 percent. The rate of tax on taxable income for rice production projects shall be 15 percent.

Section 603. Valuation

(a) *General Rule*. Resources extracted by a renewable resource project are valued for all purposes at fair market value f.o.b. Liberia without reduction for claims, counterclaims, discounts, commissions, or any other asserted offset or deduction.

(b) *Cross-Reference*. The fair market value f.o.b. Liberia is determined for the day of shipment in accordance with Section 10(cc), and in the case of a product for which there is a reliable international price index, as specified in regulations referencing that index.

(c) **Advance Pricing Agreement.** The Government of Liberia and a contractor may agree to a transfer pricing methodology in an advance pricing agreement in accordance with Section 18.

Section 604. Surface Rent And Royalties

(a) **Surface Rent.** A contractor must pay an annual surface rent of US \$2 (Two United States Dollars) per acre for developed land and US \$1 (One United States Dollar) per acre for undeveloped land, irrespective of the value of the assets contained thereon. The valuation of and the payment for the value of the assets in a proposed concession area may be made a biddable item in the concession procurement process.

- (1) Annual payments are due on or before the effective date of the agreement and thereafter on the agreement anniversary date.
- (2) Surface rent amounts stated in this section are subject to inflationary adjustment in accordance with the GDP Implicit Price Deflator as published and revised from time to time by the U.S. Department of Commerce, Bureau of Economic Analysis ("the deflator"). The inflation-adjusted rent shall be effective January 1 of each calendar year based on the ratio of the value of the revised deflator for the second quarter of the immediately preceding calendar year to the value of the revised deflator for the second quarter of 2008.

(b) **Royalty for Carbon Credits.** A contractor who has entered into renewable resource contract and who obtains carbon credits must pay a carbon credit royalty equal to 10 percent of the value of the credits. Regulations may specify a calculation method for determining the value of carbon credits of a type not traded on an exchange or not otherwise easily convertible into currency. The Minister does not have regulatory authority to reduce the royalty rate below the rate specified in this subsection.

(c) **Fees Payable Under Non-Tax Laws.** Fees payable under non-tax laws specified in Section 601(d), including payments to a community or industry development fund, are treated as a cost of producing income and are deductible as specified in Section 605(b).

Section 605. Determination Of Taxable Income From Renewable Resource Projects

(a) **Gross Income.** The gross income of a renewable resource project includes

- (1) All revenues resulting from production and other operations carried out under the project's contract;
- (2) Any other income that the project receives from business activity or investment accruing in, derived from, brought into or received in, Liberia, including currency gains when realized (but not gains from hedging transactions), less the deductions set forth in subsection (b).

(b) ***Deductions Allowed from Gross Income.*** In accordance with the rules of Chapter 2, all expenditures incurred during the tax period wholly, exclusively, and necessarily in connection with project operations (including non-capital operating costs but excluding capital costs except to the extent of the annual allowance for depreciation), are allowed as deductions, including but not limited to the following items:

- (1) Surface rent and other fees specified in Section 604, including non-tax fees paid in accordance with an applicable renewable resource law, limited in any period to the amount paid during or prior to the period and in the amount attributable to the period.
- (2) An allowance for depreciation of plant and equipment in accordance with the depreciation rules of Chapter 2, subject to the special rule of Section 610.
- (3) A carryforward of net operating loss from a prior year to the extent permitted under Section 203(e), as modified by the special rule of Section 611.
- (4) Interest on any indebtedness of the project, and other financing costs incurred in connection with operations and paid to an affiliate or to a third party, for the tax period incurred.
- (5) Production development expenditures defined in Section 600.
- (6) Subject to the provisions of Chapter 2, management fees paid, whether to an affiliate or to a third party, but not the amount in excess of 2 percent of other operating expenses incurred for the tax period.
- (7) Subject to the provisions of Section 203(c), the amount of bad debt incurred, so long as that amount was subject to income taxation in a prior tax period.
- (8) Charitable contributions made in Liberia to a qualifying organization within the meaning of Section 205(b) for educational or community development projects, social welfare, or medical purposes or for the provision of other social services.
- (9) Expenses related directly to the project's "other income" under subsection (a)(2), to the extent otherwise allowable as a deduction under Chapter 2 and this Chapter.

(c) ***Deductions Not Allowed.*** The following expenses are not allowed as a deduction from gross income:

- (1) A payment to an expatriate employee as reimbursement for taxes and duties paid by the employee to the Government.
- (2) A loss from a hedging transaction.
- (3) An incentive deduction allowed by Section 204(d).

(4) An amount otherwise allowable as a special tax incentive deduction by Section 16.

Sections 606-609. Reserved

Section 610. Special Rule For Depreciation

(a) *Commencement of Period.* For property placed in service before commercial production begins, the period for depreciation of property described in Section 204(b) shall begin in the first tax period in which commercial production begins.

(1) Up-front payments that are mandatory under a contract are treated as the cost of property placed in service before commercial production begins, and are to be amortized over a period of 10 years.

(2) The costs of community development contributions or social contributions that are mandatory under a contract are deductible in the year incurred.

(b) *Tangible Moveable Property.* The cost of tangible moveable property shall be recovered over the period and by the method described in Section 204(b)(1).

(c) *Tangible Fixed Property used in Agriculture.* Buildings and fixed tangible assets used in agricultural production are to be pooled and depreciated at 20 percent each year. The cost of planting trees or palms is to be treated as the cost of a fixed tangible asset and included in the pool.

(d) *Cost of Clearing Land.* A contractor's cost of land clearing, excavation of irrigation channels, establishing access roads, and similar activities is a deductible expense.

(e) *Food Crops.* In the case of an agricultural concession contract for food crop production, capital expenditures are deductible in the year the capital item is placed in service.

(f) *Special Incentive Deduction.* A special incentive deduction is allowed in the first year in which an agricultural asset (tangible equipment or tangible fixed property) is placed in service in an economically deprived zone. No deduction is allowed under this subsection for an expenditure that is deductible under subsection (e). The amount of the deduction under this subsection is the specified percentage of the cost of the asset, as follows—

Zone	County/City	Percent
1	River Gee Gbarpolu Grand Kru Rivercess	12.5%
2	Maryland Grand Gedeh Sinoe Bong Nimba	7.5%

	Lofa	
3	Bomi Margibi Grand Bassa Grand Cape Mount Montserradoo (excluding Greater Monrovia, as defined in regulations)	5%

Section 611. Special Rule For Net Operating Loss Carry-forward

For the purpose of determining a contractor's taxable income from a renewable resource project, the Section 203(e) period for carry-forward of net operating loss shall begin with the first tax period in which commercial production begins and shall be seven years.

Section 612. Special Rule For Interest Deduction

(a) *Carry-forward Allowed.* Interest incurred in a tax period and subject to the limitation of Section 203(d) may be carried forward to the next tax period.

(b) *Treatment.* The amount of the carry-forward is treated as interest incurred in the subsequent period, and is deductible to the extent permitted under Section 203(d).

(c) *No Expiration.* The interest carry-forward allowed by this Section does not expire.

Sections 613-619. Reserved

Section 620. Transactions Between Related Persons

(a) *General Rule.* A renewable resource project's gain, loss, and other tax consequences in transactions with related persons are determined in accordance with the definitions in Section 10 (in Part I, General Provisions), and the provisions of this Part, especially Section 207, Property Transfers; Section 208, Related Persons; Section 209, Finance Leasing; Section 210, Income Splitting; and Section 211, Transactions Between Related Persons.

(b) *Disclosure.* A contractor must—

- (1) Disclose the existence of related-party transactions and contemporaneously document the manner in which prices are set in transfers to related persons;
- (2) Notarize an agreement governing a related-party transaction in accordance with the law of the related person's country of residence; and
- (3) Upon request of the Ministry, provide copies of agreements and other documents substantiating the existence of related-party transactions and the manner by which prices are set.

(c) **Advance Pricing Agreement.** The Government of Liberia and a contractor may agree to a transfer pricing methodology in an advance pricing agreement in accordance with Section 18.

(d) **Regulations.** The Minister is required to issue regulations clarifying, to the degree feasible, the reference prices, comparables, and standards that will be used to evaluate transfer prices. Regulations are required to take into account the Guidelines described in Section 18(b).

Section 621. Partnerships And Joint Ventures

(a) **Pass-Through of Tax Attributes.** If a contractor is organized as a partnership or similar form of unincorporated joint venture, the renewable resource project's income, expenses, loss, credits, and character of income or loss shall be attributed to the partners in accordance with their interests (including the items specified in Section 605) for the purpose of determining taxable income, loss, credits, and tax liability separately for each partner.

(b) **Application of Other Rules.** If subsection (a) applies-

(1) The provisions of this Chapter shall apply separately to each partner;

(2) Each partner shall be considered a taxpayer for purposes of this Part (Part II, Income Tax) and a contractor for purposes of this Chapter, and shall be liable for income tax as determined under this Chapter.

Section 622. Treatment Of Property Transfers

(a) **General Rule.** Unless an exception applies under this Chapter, a renewable resource project's gain or loss on the transfer of depreciable property used by the project is treated in accordance with section 204. A project's transfer of non-depreciable property used in the business, or of property other than property connected with a renewable resource project, is determined in accordance with the property transfer rules of Section 207.

(b) **Special Cases.**

(1) **Hedging.** Hedging transactions by a renewable resource project are taxable as a separate business activity, and hedging gains and losses incurred are not includible or deductible in determining taxable income of the project or for the purposes of Section 605.

(2) **Investment Gain.** Gain on property a renewable resource project holds for investment is determined under Section 207 and is includible in income of a project, except to the extent reduced by investment loss under the rule of Section 203(b)(2).

Section 623. Successor Agreement; Transfer of Interest in Project

(a) **Successor Agreement.** If the development agreement for a renewable resource project (the "original agreement") is terminated and a new agreement (the "successor agreement") is entered

into with the same contractor for the same contract subject (the “successor project”), the project’s loss carry-forward existing at the termination date of the development agreement is deductible in the first tax period of the successor project under the successor agreement, provided:

- (1) The whole of the geographic area covered by the contract area of the successor agreement is within the contract area of the original agreement; and
- (2) The successor agreement entered into force within one month following the termination of the original agreement.

(a) ***Transfer of Interest.*** If the holder of an interest in a renewable resource project transfers that interest—

- (1) The taxable income of the project shall continue to be determined using the tax cost and other tax attributes applicable at the date of the interest transfer; and
- (2) The transferer of the interest shall determine gain or loss under Section 207, which also applies to determine the transferee’s tax cost in the interest.

Sections 624-699. Reserved

Chapter 7. Income Taxation Of Natural Resources

Section 700. Definitions

Subchapter A. Mining

Section 701. Scope of Subchapter

Section 702. Rate of Tax

Section 703. Valuation

Section 704. Royalties and Surface Rent

Section 705. Determination of Taxable Income of Mining Projects

Section 706. Special Rule for Depreciation

Section 707. Special Rule for Net Operating Loss Carry-forward

Section 708. Special Rule for Interest Deduction

Section 709. Special Rule for Mining Exploration and Development Expenditures

Section 710. Special Rule for Decommissioning Expenses

Section 711. Treatment of Property Transfers

Section 712. Successor Agreement; Transfer of Interest in Project

Section 713. Transactions between Related Persons

Section 714. Partnerships and Joint Ventures

Sections 715-729. **Reserved**

Section 730. Surtax on Income from High-Yield Projects

Section 731. Determination of Expenditures for Section 730 Purposes

Section 732. Determination of Total Revenues for Section 730 Purposes

Sections 733-739. **Reserved**

Subchapter B. Petroleum

Section 740. Scope of Subchapter

Section 741. Rate of Tax

Section 742. Valuation

Section 743. Determination of Taxable Income of Petroleum Projects

Section 744. Special Rule for Depreciation

Section 745. Special Rule for Net Operating Loss Carry-forward

Section 746. Special Rule for Interest Deduction

Section 747. Special Rule for Exploration Expenditures

Section 748. Special Rule for Decommissioning Expenses

Section 749. Treatment of Property Transfers

Section 750. Successor Agreement; Transfer of Interest in Project

Section 751. Transactions between Related Persons

Section 752. Partnerships and Joint Ventures

Section 753. Royalty

Section 754. Equity Participation

Sections 755-799. **Reserved**

Section 700. Definitions

(a) **Producer.** The term “producer” means a “mining project producer” or a “petroleum project producer” as specified in subsections (b) and (c).

(b) Mining Project.

(1) **Producer.** A “mining project producer” (or the short form “producer,” used for convenience when the context is clear) is a person who—

(A) Carries out mineral exploration under a mineral exploration license issued under the Mining Law; or

(B) Carries out mineral exploration, development, or production activity under a mineral development agreement or a Class A mining license issued in accordance with the Mining Law.

(2) **Mineral Exploration License Area.** A “mineral exploration license area” is the geographic area covered by a mineral exploration license.

(3) **Mining License Area.** A “mining license area” is the geographic area covered by a Class A mining license.

(4) **Mining Project.** The term “mining project” means mineral exploration, mineral development, or mining carried out by a mining project producer within a mineral exploration license area or a mining license area.

- (5) *Mining Production Project*. The term “mining production project” means mineral development, mining, or related activities carried out by a mining project producer within a mining license area.
- (6) *Other Mining Activity*. Mineral exploration, mining development, mining, or related activities carried out under any category of license issued in accordance with the Mining Law other than a mining exploration license or a Class A mining license is not a "mining project" and is taxable under the general rules of Chapter 2 rather than as a "mining project" under this Chapter, except that the royalty rates of Section 704 apply to the sale or other disposition of minerals mined under a license other than a Class A license.

(c) ***Petroleum Project***.

- (1) *Petroleum Project Producer*. A "petroleum project producer" (or the short form “producer,” used for convenience when the context is clear) is a person who has entered into an agreement with the Government of Liberia to carry out petroleum exploration, development, or production of petroleum in accordance with the Petroleum Law.
- (2) *Petroleum Agreement*. A “petroleum agreement” is any agreement described in paragraph (1).
- (3) *Petroleum Area*. A "petroleum area" is the geographic area that is the subject of a petroleum agreement.
- (4) *Petroleum Project*. The term "petroleum project" means petroleum exploration, petroleum development, petroleum extraction, production of petroleum, or related activities within a petroleum area.
- (5) *Petroleum Production Project*. The term “petroleum production project” means petroleum development, petroleum extraction, petroleum production, and related activities under a petroleum agreement governing the sharing of produced petroleum between the petroleum project producer and the Government of Liberia.

(d) ***Capital Goods***. For purposes of this Chapter, the term "capital goods" has the same meaning as in Section 1001(g)(5).

(e) ***Commercial Production***.

- (1) A mining or petroleum project begins "commercial production" on the date of the first shipment of mineral or petroleum extracted from a mining license area or petroleum area as part of a regular program of profit-seeking activity.

- (2) Commercial production ends on the last day of a tax period in which the number of shipments is less than one-tenth of the average shipments during the first three years of commercial production.

(f) ***Exploration Expenditures.***

- (1) *Mining.* “Mineral exploration expenditures” are costs associated with exploration of a mineral exploration license area to determine whether it is possible to develop the area for production of minerals.
- (2) *Petroleum.* “Petroleum exploration expenditures” are costs associated with exploration of a petroleum area to determine whether it is possible to develop the area for the production of petroleum.

(g) ***Development Expenditures.***

- (1) *Mining.* “Mining development expenditures” are costs associated with the development of a mining license area, or a part thereof, to prepare it for commercial production.
- (2) *Petroleum.* “Petroleum development expenditures” are costs associated with the development of a development site identified in a petroleum agreement for petroleum development, extraction, and production.

(h) ***Attribution of Expenditures.*** Exploration, development, and capital goods expenditures incurred prior to a project's first tax period are attributable to it for income tax purposes as follows—

- (1) *Mining Project.* In the case of a mining project, expenditures incurred prior to the existence of any mining production project within a mineral exploration license area are attributable to the first mining production project established within the first mining license area within a mineral exploration license area. Subsequent expenditures in the mineral exploration license area after the date of the first Class A mining license, but outside the first mining license area, are attributed to subsequent mining production projects under subsequent Class A mining licenses issued for the mineral exploration license area. Exploration, development, and capital goods expenditures, not attributable to a mining production project described in this paragraph are not deductible in determining taxable income.
- (2) *Petroleum Project.* In the case of a petroleum project, exploration expenditures incurred prior to the identification of a site for development are attributable to the first development site established under a petroleum agreement and leading to commercial production. Subsequent exploration expenditures within the petroleum area are attributed in the same fashion to any subsequent development site leading to commercial production. Exploration, development, and capital goods expenditures

not attributable to a petroleum project described in this paragraph are not deductible in determining taxable income.

Subchapter A. Mining

Section 701. Scope of Subchapter

(a) ***Income Taxation.*** In accordance with the provisions of Part II (to the extent applicable) and as specifically provided in this Chapter, income tax is imposed on taxable income from a mining project (as defined in Section 700). In case of inconsistency with other provisions of Part II, the provisions of this subchapter are determinative.

(b) ***Rate of Tax.*** Taxable income from a mining project is subject to income tax at the rate stated in Section 702.

(c) ***Form of Organization Disregarded.*** Regardless of the legal form of organization adopted by one or more persons having an interest in a mining project, a producer's taxable income shall be determined separately for each mining production project, and a person with an interest in more than one mining production project shall not be permitted to consolidate income or loss of one mining production project with that of any other.

(1) For purposes of determining income tax, income from a mining project is considered to be income of a resident legal person or of a Section 803 permanent establishment taxable according to the rules applicable to a resident legal person. Taxable income and income tax liability are determined under provisions of the regular income tax of Chapter 2 subject to special rules provided in this Chapter.

(2) In accordance with Section 10(z), a producer who holds a Class A mining license ("license") granted under the Mining Law is considered to have an interest in the mining project that is the subject of the license and is the taxpayer legally responsible for paying tax with respect to income of the project.

(3) The Chapter 9 filing and advance payment rules for the regular income tax apply to a producer with income from a mining project.

(d) ***Mining Law.*** The Mining Law governs non-tax terms of extraction of minerals in Liberia, including licenses and fees.

(e) ***Valuation of Minerals.*** Extracted minerals shall be valued for all purposes of this Code using the valuation method described in Section 703.

(f) ***US Dollar Accounting.*** Books and records of a mining project may be kept in Liberian or US Dollars, but a mining project's tax and taxable income shall be determined in US Dollars.

(g) **Consolidated Account.** An amount that a producer is required to contribute to a development fund or other fund specified in this Chapter, or a payment a producer is required to make under the Mining Law, is to be paid into the consolidated account.

(h) **Compliance.** An amount due or amount in default under an agreement between a mining project producer and the Government of Liberia is treated as a tax liability under this Code, and is subject to the same procedural requirements (including penalties, fees, and interest).

Section 702. Rate of Tax

(a) **Rate.** The rate of tax on taxable income from a mining project shall be 30 percent.

(b) **Surtax on Income from High-Yield Projects.** Income from a high-yield mining project, as defined in Section 730, shall be subject to a higher marginal rate of income tax on taxable income under the conditions and using the calculation method set out in that section.

Section 703. Valuation

(a) **General Rule.** Minerals extracted by a mining project are valued for all purposes at fair market value f.o.b. Liberia without reduction for claims, counterclaims, discounts, commissions, or any other asserted offset or deduction.

(b) **Cross-Reference.** The fair market value f.o.b. Liberia is determined for the day of shipment in accordance with Section 10(cc), and in the case of a product for which there is a reliable international price index, as specified in regulations referencing that index.

(c) **Gold.** The fair market value of gold f.o.b. Liberia is the London afternoon gold price fixing ("London PM fix") for the day the gold is shipped from Liberia.

(d) **Advance Pricing Agreement.** The Government of Liberia and a producer may agree to a transfer pricing methodology in an advance pricing agreement in accordance with Section 18.

Section 704. Royalties and Surface Rent

(a) **Royalties.** A royalty is due and payable to the Government of Liberia at the time of each shipment and in the amount of the stated percent of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition:

(1) *Iron ore.* 4.5 percent.

(2) *Gold and other base metals.* 3 percent.

(3) *Commercial diamonds.* 5 percent.

(b) **Surface Rent.** A producer who has a mineral exploration license or a Class A mining license shall pay an annual surface rent.

(1) The surface rent is:

(A) *Land within a mineral exploration license area.* US \$0.20 (Twenty United States Cents) per acre.

(B) *Land within a mining license area.*

(i) Year 1-10 US \$5.00 per acre.

(ii) Year 11-25 US \$10.00 per acre.

(2) Annual payments are due on or before the effective date of the agreement and on the agreement anniversary date thereafter.

(3) Surface rent amounts stated in this section shall be subject to inflationary adjustment in accordance with the GDP Implicit Price Deflator as published and revised from time to time to time by the U.S. Department of Commerce, Bureau of Economic Analysis ("the deflator"). The inflation-adjusted rent shall be effective January 1 of each calendar year based on the ratio of the value of the revised deflator for the second quarter of the immediately preceding calendar year to the value of the revised deflator for the second quarter of 2008.

Section 705. Determination of Taxable Income of Mining Projects

(a) ***Gross Income.*** The gross income of a mining project includes—

(1) All revenues resulting from production and other operations carried out under the project's mining license;

(2) Any other income that the project receives from business activity or investment accruing in, derived from, brought into or received in Liberia, including currency gains when realized (but not gains from hedging transactions), less the deductions set forth in subsection (b).

(b) ***Deductions Allowed from Gross Income.*** In accordance with the rules of Chapter 2, all expenditures incurred during the tax period wholly, exclusively, and necessarily in connection with project operations (including non-capital operating costs but excluding capital costs except to the extent of the annual allowance for depreciation), are allowed as deductions, including but not limited to the following items:

(1) Royalties and surface rent (as specified in Section 704), and fees and rent paid for the privilege of a mining exploration license or a Class A mining license in accordance with the Mining Law.

- (2) An allowance for depreciation of mining plant and equipment in accordance with the depreciation rules of Chapter 2, subject to the special rule of Section 706.
- (3) A carry-forward of net operating loss from a prior year to the extent permitted under Section 203(e) as modified by Section 707.
- (4) Interest on any indebtedness of the mining project, and other financing costs incurred in connection with operations and paid to an affiliate or to a third party, for the tax period incurred, subject to the special rule of Section 708.
- (5) Exploration and development expenditures as specified in Section 709.
- (6) Payments to a Government-approved trust fund for mining reclamation, subject to the specific limitations set out in Section 710.
- (7) Any taxation amount determined under Section 730 and paid during the tax period.
- (8) Subject to the provisions of Chapter 2, management fees paid, whether to an affiliate or to a third party, but not the amount in excess of 2 percent of other operating expenses incurred for the tax period.
- (9) Subject to the provisions of Section 203(c), the amount of bad debt incurred, so long as that amount was subject to income taxation in a prior tax period.
- (10) Charitable contributions made in Liberia to a qualifying organization within the meaning of section 205(b) for educational or community development projects, social welfare, or medical purposes, or for the provision of other social services.
- (11) Expenses related directly to the mining project's "other income" under subsection (a)(2), to the extent otherwise allowable as a deduction under Chapter 2 and this Chapter.

(c) ***Deductions Not Allowed.*** The following expenses are not allowed as a deduction from gross income:

- (1) A payment to an expatriate employee as reimbursement for taxes and duties paid by the employee to the Government.
- (2) A loss from a hedging transaction.
- (3) An incentive deduction allowed by Section 204(d).
- (4) An amount otherwise allowable as a special tax incentive deduction by Section 16.

Section 706. Special Rule for Depreciation

(a) **Commencement of Period.** For property placed in service before commercial production begins, the period for depreciation of property described in Section 204(b) (the cost of which is attributable to a mining production project) begins in the first tax period in which the mining production project's commercial production begins.

- (1) Up-front payments that are mandatory under a contract are treated as the cost of property placed in service before commercial production begins, and are to be amortized over a period of 10 years.
- (2) The costs of community development contributions or social contributions that are mandatory under a contract are deductible in the year incurred.

(b) **Tangible Moveable Property.** The cost of tangible moveable property shall be recovered over the period and by the method described in Section 204(b)(1).

(c) **Five-Year Cost Recovery Period.**

- (1) In place of the 15-year period set out in Section 204(b)(2) and (3) for recovering the cost of tangible fixed property and intangible property, a mining project is allowed to recover the cost of a mining production asset on an asset-by-asset basis using the straight-line method over a five-year period at the rate of 20 percent per year.
- (2) The term "mining production asset" means—
 - (A) Tangible fixed property used directly in the mining and quarrying of metallic and nonmetallic minerals and the milling, beneficiation, and other primary preparation of minerals, but not equipment used to smelt, reduce, refine, or process minerals or mineral ores; and
 - (B) Intangibles acquired to develop the site, for example the cost of groundcover stripping, preparation of waste dumps, emplacement of haulage roads, and similar pre-development expenditures.

(d) **15-Year Cost Recovery Period.** A mining project's other tangible fixed property and intangible property shall be depreciated on an asset-by-asset basis over a 15-year period or the expected period of commercial production (whichever is shorter) using the straight-line method.

(e) **Termination of Project.** If a mining project is terminated before the end of the cost recovery period, the remaining unrecovered cost is treated as an expense deduction in determining taxable income for the tax period in which the project is terminated.

Section 707. Special Rule for Net Operating Loss Carryforward

For the purposes of determining taxable income of a mining project, the Section 203(e) period for carry-forward of net operating loss shall begin with the first tax period in which commercial production begins and shall be seven years.

Section 708. Special Rule for Interest Deduction

- (a) Interest incurred in a tax period and subject to the limitation of Section 203(d) may be carried forward to the next tax period.
- (b) The amount of the carry-forward is treated as interest incurred in the subsequent period, and is deductible to the extent permitted under Section 203(d).
- (c) The interest carry-forward allowed by this section does not expire.

Section 709. Special Rule for Mining Exploration and Development Expenditures

Mining exploration expenses and mining development expenses are attributable to a mining production project under the rules of Section 700 and are deductible in the first tax period in which commercial production begins.

Section 710. Special Rule for Decommissioning Expenses

(a) *Qualification.* A mining project's payment for decommissioning expenses is deductible from gross income under Section 705(b) only in the amount paid during the tax period—

- (1) To defray reclamation or decommissioning expenses upon cessation of commercial production, and remedying damage caused to land used by the project or environmental damage the project may have caused (including damage that extends beyond the mining license area), but not if drawn from a trust fund described in paragraph (2); or
- (2) To an approved trust fund established to defray future expenses of the type specified in paragraph (1), subject to any limitations or requirements specified in regulations.

(b) *Recapture.* An amount taken as a deduction under subsection (a) but not used for the specified purpose—

- (1) If remaining after the tax period in which commercial production ends, shall be included in income for the following tax period; or
- (2) If used for another purpose, shall be included in income in the tax period within which the amount is so used.

Section 711. Treatment of Property Transfers

(a) *General Rule.* Unless an exception applies under this Chapter, a mining project's gain or loss on the transfer of depreciable property used by the project is treated in accordance with section 204. Transfer of non-depreciable property used in the business, or transfer of property other than

property connected with mining, is determined in accordance with the property transfer rules of Section 207.

(b) *Special Cases.*

- (1) *Hedging.* Hedging transactions by a mining project are taxable as a separate business activity, and hedging gains and losses incurred are not includible or deductible in determining taxable income of the project or for the purposes of Section 730.
- (2) *Investment Gain.* Gain on property the project holds for investment is determined under Section 207 and is includible in income of a project, except to the extent reduced by investment loss under the rule of Section 203(b)(2).

Section 712. Successor Agreement; Transfer of Interest in Mining Project

(a) *Successor Agreement.* If an agreement for a mining project (the "original agreement") is terminated and a new agreement (the "successor agreement") is entered into with the same producer for the same geographic area (the "successor project"), the project's loss carry-forward existing at the termination date of the development agreement is deductible in the first tax period of the successor project under the successor agreement, provided:

- (1) The whole of the geographic area covered by the contract area of the successor agreement is within the contract area of the original agreement; and
- (2) The successor agreement entered into force within one month following the termination of the original agreement.

(b) *Transfer of Interest.* If the holder of an interest in a mining project transfers that interest—

- (1) The taxable income of the project shall continue to be determined using the tax cost and other tax attributes applicable at the date of the interest transfer; and
- (2) The transferor of the interest shall determine gain or loss under Section 207, which also applies to determine the transferee's tax cost in the interest.

(c) *Contract Area.* For the purposes of subsection (a), the term "contract area" means mineral exploration license area or mining license area, whichever is applicable.

Section 713. Transactions Between Related Persons

(a) *General Rule.* A mining project's gain, loss, and other tax consequences in transactions with related persons are determined in accordance with the definitions in Section 10 (in Part I, General Provisions), and the provisions of this Part, especially Section 207, Property Transfers; Section 208, Related Persons; Section 209, Finance Leasing; Section 210, Income Splitting; and Section 211, Transactions Between Related Persons.

(c) **Disclosure.** A mining project producer must—

- (1) Disclose the existence of related-party transactions and contemporaneously document the manner in which prices are set in transfers to related persons;
- (2) Notarize an agreement governing a related-party transaction in accordance with the law of the related person's country of residence; and
- (3) Upon request of the Ministry, provide copies of agreements and other documents substantiating the existence of related-party transactions and the manner by which prices are set.

(d) **Advance Pricing Agreement.** The Government of Liberia and a producer may agree to a transfer pricing methodology in an advance pricing agreement in accordance with Section 18.

(e) **Regulations.** The Minister is required to issue regulations clarifying, to the degree feasible, the reference prices, comparables, and standards that will be used to evaluate transfer prices. Regulations are required to take into account the Guidelines described in Section 18(b).

Section 714. Partnerships and Joint Ventures

(a) **Pass-Through of Tax Attributes.** If a mining project producer is organized as a partnership or similar form of unincorporated joint venture, the mining project's income, expenses, loss, credits, and character of income or loss shall be attributed to the partners in accordance with their interests (including the items specified in Section 705), for the purpose of determining taxable income, loss, credits, and tax liability separately for each partner.

(b) **Application of Other Rules.** If subsection (a) applies—

- (1) The provisions of this Chapter shall apply separately to each partner;
- (2) Each partner shall be considered a taxpayer for purposes of this Part (Part II, Income Tax) and a mining project producer for purposes of this Chapter, and shall be liable for income tax as determined under this Chapter.

Sections 715-729. Reserved

Section 730. Surtax On Income From High-Yield Projects

(a) **Purpose.** This section applies to determine whether a mining project is sufficiently high-yield to be subject to surtax and, if so, the amount of tax.

(b) **Definition of High-Yield.** A mining project is considered high-yield and thus subject to surtax when the project's pre-tax rate of return on total investment is greater than 22.5 percent, the threshold rate of return for application of this Section.

(c) **Method to Calculate Yield.** A mining project's accumulated negative net cash flow shall be determined by applying an annual accumulation factor of 1.225 to negative net cash flow carried forward from a prior tax period. At the close of each tax period, accumulated negative net cash flow carried forward from the prior period shall be increased by current negative net cash flow or offset by current positive net cash flow. A project is not high-yield and subject to surtax unless its accumulated net cash flow at the close of a period is positive.

(d) **Surtax Rate.** Positive net accumulated cash flow at the close of a tax period is taxable at a rate of 20 percent, and the amount of this liability is deductible from gross income for the tax period in accordance with Section 705(b).

(e) **Re-Set Accumulation to Zero.** Following a tax period for which tax is due under this section, a mining project's accumulated negative cash flow is re-set to zero and the method of subsection (d) is re-applied using zero as the starting point for the succeeding tax period.

(f) **Steps to Calculate Yield.** Beginning with the first tax period in which a mining project has a Class A mining license and has begun construction, the following steps are used to calculate yield in accordance with subsection (c).

(1) **Cost.** State the expenditures, as specified in Section 731, for the tax period. This is the project's cost through the close of the period. Go to Step 2.

(2) **Revenues.** State the project's revenues, as specified in Section 732, for the tax period, including revenues, if any, from the exploration period as defined in Section 700. This amount is the project's *revenues* through the close of the period. Go to Step 3.

(3) **Test Net Cash Flow.**

(A) **Determine net cash flow.** Subtract from *revenues* the amount of *cost* to arrive at net cash flow ($R - C = NCF$).

(B) **Net cash flow zero or negative.** If net cash flow is zero or negative, the project is not yet a high-yield project and the surtax does not apply. Multiply the negative net cash flow by 1.225 to arrive at the project's *accumulated negative net cash flow* to be carried to the next tax period. Go to Step 4.

(C) **Net is positive.** If net cash flow is positive, tax is determined under subsection (d), and this amount is deductible in determining taxable income under Section 703. Accumulated negative net cash flow is re-set to zero in accordance with subsection (e). Go to Step 4.

(4) **Reprise.** Re-apply steps (1) through (3) for each succeeding tax period, beginning with the period after the one tested under Step 3

(A) Add costs incurred in the succeeding period to any accumulated negative net cash flow carried from the prior period (zero if re-set) as under Step 1. Go to (B).

(B) State revenues for the succeeding period as under Step 2. Go to (C).

(C) Test net cash flow as under Step 3.

Section 731. Determination Of Expenditures For Section 730 Purposes

(a) ***Expenditures Counted.*** For the purposes of determining cost under Section 730(g)(1), a mining project's *expenditures* for a tax period is the sum of the following amounts incurred during the period, and does not include the amount of any income tax paid:

- (1) Expenses deductible in computing taxable income, but not the allowance for depreciation or interest and finance charges or the surtax deduction under Section 705(b)(7);
- (2) Capital expenditures to acquire or construct a tangible or intangible asset for use in mining operations, but not an addition to (or reduction in) working capital; and
- (3) Mining exploration expenditures, mining development expenditures, and capital goods expenditures as defined in Section 700. For a project's first tax period, include expenditures for prior exploration, development, and capital goods attributable to the project under Section 700(h).

(b) ***Transfer of Interest.*** Consideration paid for transfer of an interest in a mining project is disregarded in determining the project's total expenditures.

(c) ***Only Production Expenditures.*** If an amount referred to in subsection (a) is related to commercial production as well as to some other non-production activity of a mining project, only the amount attributable to commercial production is included in determining the project's total expenditures.

Section 732. Determination Of Total Revenues

(a) ***Revenues Counted.*** For purposes of Section 730(f)(2), a mining project's total revenues for a tax period is the sum of the following amounts:

- (1) The project's gross income for income tax purposes for the tax period, including amounts from hiring or leasing-out property or the granting of rights to use property (but not including interest income);
- (2) The project's consideration received for the tax period for the disposal, destruction, or loss of any property (including materials, equipment, plant, facilities, and intellectual

- property or rights) used in mining operations if the expenditure incurred in acquiring the property was deducted in computing the project's net cash flow for any tax period;
- (3) Any amount received for the tax period for provision of information or data obtained from any survey, appraisal, or study relating to mining operations, if the expenditure incurred in undertaking the survey, appraisal, or study was previously deducted in computing the project's net cash flow for any tax period;
 - (4) Any other amount received for the tax period that is a reimbursement, refund, or other recoupment of an amount previously deducted in computing the net cash flow of the project for any tax period; and
 - (5) If property used in mining operations has been destroyed or lost, any compensation, indemnity, or damages the project received in respect of the property under an insurance policy, indemnity agreement, settlement, condemnation action, or judicial decision.

(b) ***Transfer of Interest.*** Consideration received for transfer of an interest in a mining project is not included in the project's total revenues.

(c) ***Only Production Revenues.*** If an amount referred to in subsection (a) is related to commercial production as well as to some other non-production activity of a mining project, only the amount attributable to commercial production is included in determining the project's total revenues.

Sections 733-739. Reserved

Subchapter B. Petroleum

Section 740. Scope Of Subchapter

(a) ***Income Taxation.*** In accordance with the provisions of Part II (to the extent applicable) and as specifically provided in this Chapter, income tax is imposed on taxable income from a petroleum project (as defined in Section 700). In case of inconsistency with other provisions of Part II, the provisions of this subchapter are determinative.

(b) ***Rate of Tax.*** Taxable income from a petroleum project is subject to income tax at the rate stated in Section 741.

(c) ***Form of Organization Disregarded.*** Regardless of the legal form of organization adopted by one or more persons having an interest in a petroleum project, a petroleum producer's taxable income shall be determined separately for each petroleum production project, and a person with an interest in more than one project shall not be permitted to consolidate income or loss of one project with that of any other.

- (1) For purposes of determining income tax, income from a petroleum project is considered to be income of a resident legal person or of a Section 803 permanent establishment taxable according to rules applicable to a resident legal person. Taxable income and income tax liability are determined under provisions of the regular income tax of Chapter 2 subject to special rules provided in this Chapter.
- (2) In accordance with Section 10(z), a producer who holds a petroleum agreement is considered to have an interest in the petroleum project that is the subject of the petroleum agreement, and is the taxpayer legally responsible for paying tax with respect to income of the project.
- (3) The Chapter 9 filing and advance payment rules for the regular income tax apply to a producer with income from a petroleum project.

(d) **Petroleum Law.** The Petroleum Law governs non-tax terms of extraction of petroleum in Liberia, including the sharing of production under a production sharing agreement, which determines the petroleum producer's share of income from petroleum extraction.

(e) **US Dollar Accounting.** Books and records of a petroleum project may be kept in Liberian or US Dollars, but a project's tax and taxable income shall be determined in US Dollars.

(f) **Consolidated Account.** All payments, pursuant to the Petroleum Law, including, royalty; transfer and withdrawal fees; surface rental; production fees, as specified in production sharing agreements, taxes on National Oil Company share of profit oil; and social/community development fund and all special funds, shall be paid into the consolidated account.

Additionally, the National Oil Company of Liberia, after deducting operation cost, shall be subject to taxes on its share of profit oil in accordance with the Tax Law of General Application in keeping with the Revenue Code of Liberia.

(g) **Compliance.** An amount due or amount in default under a petroleum agreement is treated as a tax liability under this Code, and is subject to the same procedural requirements (including penalties, fees, and interest).

Section 741. Rate Of Tax

The rate of tax on taxable income from a petroleum project shall be 30 percent.

Section 742. Valuation

(a) **General Rule.** Petroleum and petroleum products extracted by a petroleum project are valued for all purposes at fair market value as determined in an arm's length transaction f.o.b. Liberia without reduction for claims, counterclaims, discounts, commissions, or any other asserted offset or deduction.

(b) ***Cross-Reference.*** The fair market value f.o.b. Liberia is determined for the day of shipment in accordance with Section 10(bb), and in the case of a product for which there is a reliable international price index, as specified in regulations referencing that index.

(c) ***Advance Pricing Agreement.*** The Government of Liberia and a producer may agree to a transfer pricing methodology in an advance pricing agreement in accordance with Section.

Section 743. Determination of Taxable Income of Petroleum Project

(a) ***Gross Income.*** The gross income of a petroleum project includes—

- (1) The petroleum producer's cost share and profit share of income from a petroleum project as specified in the Petroleum Law or the applicable petroleum agreement;
- (2) Any other income that the petroleum project receives from business activity or investment accruing in, derived from, brought into or received in Liberia, including currency gains when realized, less the deductions set forth in subsection (b).

(b) ***Deductions Allowed from Gross Income.*** In accordance with the rules of Chapter 2, all expenditures incurred during the tax period wholly, exclusively and necessarily in connection with the operations of a petroleum project (including non-capital operating costs but excluding capital costs except to the extent of the annual allowance for depreciation), are allowed as deductions, including but not limited to the following items:

- (1) An allowance for depreciation of plant and equipment in accordance with the depreciation rules of Chapter 2, subject to the special rule of Section 744.
- (2) A carry-forward of net operating loss from a prior year to the extent permitted under Section 203(e) as modified by Section 745.
- (3) Interest on any indebtedness of the project, and other financing costs incurred in connection with operations and paid to an affiliate or to a third party, for the tax period incurred, subject to the special rule of Section 746.
- (4) Exploration and development expenditures incurred that are attributable to the project, to the extent allowed by Section 747.
- (5) Payments to a Government-approved trust fund for reclamation and decommissioning, subject to the specific limitations set out in Section 748.
- (6) Subject to the provisions of Chapter 2, management fees paid, whether to an affiliate or to a third party, but not the amount in excess of 2 percent of other operating expenses incurred for the tax period.
- (7) Subject to the provisions of Section 203(c), the amount of bad debt incurred, so long as that amount was subject to income taxation in a prior tax period.

(8) Charitable contributions made in Liberia to a qualifying organization within the meaning of section 205(b) for educational or community development projects, social welfare, or medical purposes or for the provision of other social services.

(9) Expenses related directly to the project's "other income" under subsection (a)(2), to the extent otherwise allowable as a deduction under Chapter 2 and this Chapter.

(c) ***Deductions Not Allowed.*** The following expenses are not allowed as a deduction from gross income:

(1) A payment to an expatriate employee as reimbursement for taxes and duties paid by the employee to the Government.

(2) A loss from a hedging transaction.

(3) An incentive deduction allowed by Section 204(d).

(4) An amount allowed as a special tax incentive deduction by Section 16.

Section 744. Special Rule for Depreciation

(a) ***Commencement of Period.*** For property placed in service before commercial production begins, the period for depreciation of property described in Section 204(b) shall begin in the first tax period in which commercial production begins.

(b) ***Tangible Moveable Property.*** The cost of tangible moveable property shall be recovered over the period and by the method described in Section 204(b)(1).

(c) ***Five-Year Cost Recovery Period.*** In place of the 15-year period set out in Section 204(b)(2) for recovering the cost of tangible fixed property and intangible property, a petroleum project shall be entitled to recover the cost of this property on an asset-by-asset basis using the straight-line method over a five-year period at the rate of 20 percent per year.

(d) ***15-Year Cost Recovery Period.*** A petroleum project's tangible fixed property outside the project's production area (or beginning inside and extending outside) shall be depreciated on an asset-by-asset basis over a 15-year period or the expected period of commercial production (whichever is shorter) using the straight-line method.

(e) ***Termination.*** If a petroleum project is terminated before the end of the cost recovery period, the remaining unrecovered cost is treated as an expense deduction in determining taxable income for the tax period in which the project is terminated.

Section 745. Special Rule for Net Operating Loss Carry-forward

For the purposes of determining taxable income of a petroleum project, the Section 203(e) period for carry-forward of net operating loss begins with the first tax period in which commercial production begins and is a seven-year period.

Section 746. Special Rule for Interest Deduction

(a) *Carry-forward.* Interest incurred in a tax period and subject to the limitation of Section 203(d) may be carried forward to the next tax period.

(b) *Treatment.* The amount of the carryforward is treated as interest incurred in the subsequent period, and is deductible to the extent permitted under Section 203(d).

(c) *No Expiration.* The interest carryforward allowed by this section does not expire.

Section 747. Special Rule for Petroleum Exploration Expenditures

Petroleum exploration expenses and petroleum development expenditures are attributable to a petroleum project under the rules of Section 700(h) and are deductible in the first tax period in which commercial production begins.

Section 748. Special Rule For Decommissioning Expenses

(a) *Qualification.* A petroleum project's payment for decommissioning expenses is deductible from gross income under Section 743(b) only in the amount paid during the tax period—

- (1) To defray reclamation or decommissioning expenses upon cessation of commercial production, and remedying damage caused to land used by the project or environmental damage the project may have caused (including damage that extends beyond the petroleum area), but not if drawn from a trust fund described in paragraph (2).
- (2) To an approved trust fund established to defray future expenses of the type specified in paragraph (1), subject to any limitations or requirements specified in regulations.

(b) *Recapture.* An amount taken as a deduction under subsection (a) but not used for the specified purpose—

- (1) If remaining after the tax period in which commercial production ends, shall be included in income for the following tax period; or
- (2) If used for another purpose, shall be included in income in the tax period within which the amount is so used.

Section 749. Treatment of Property Transfers

(a) **General Rule.** Unless an exception applies under this Chapter, a petroleum project's gain or loss on the transfer of depreciable property used by the project is treated in accordance with section 204. Transfer of non-depreciable property used in the business, or transfer of property other than property connected with petroleum, is determined in accordance with the property transfer rules of Section 207.

(b) **Special Cases.**

(1) **Hedging.** Hedging transactions by a petroleum project are taxable as a separate business activity, and hedging gains and losses incurred are not includible or deductible in determining taxable income of the project.

(2) **Investment Gain.** Gain on property a petroleum project holds for investment is determined under Section 207 and is includible in income of the project, except to the extent reduced by investment loss under the rule of Section 203(b)(2).

Section 750. Successor Agreement; Transfer Of Interest In Project

(a) **Successor Agreement.** If a petroleum agreement (the "original agreement") is terminated and a new agreement (the "successor agreement") is entered into with the same producer for the same petroleum area (the "successor project"), the project's loss carry-forward existing at the termination date of the petroleum agreement is deductible in the first tax period of the successor project under the successor agreement, provided:

(1) The whole of the geographic area covered by the petroleum area of the successor agreement is within the petroleum area of the original agreement; and

(2) The successor agreement entered into force within one month following the termination of the original agreement.

(b) **Transfer of Interest.** If the holder of an interest in a petroleum project transfers that interest—

(1) The taxable income of the project shall continue to be determined using the tax cost and other tax attributes applicable at the date of the interest transfer; and

(2) The transferer of the interest shall determine gain or loss under Section 207, which also applies to determine the transferee's tax cost in the interest.

Section 751. Transactions Between Related Persons

(a) **General Rule.** A petroleum project's gain, loss, and other tax consequences in transactions with related persons are determined in accordance with the definitions in Section 10 (in Part I, General Provisions), and the provisions of this Part, especially Section 207, Property Transfers; Section 208, Related Persons; Section 209, Finance Leasing; Section 210, Income Splitting; and Section 211, Transactions Between Related Persons.

(c) **Disclosure.** A petroleum producer must—

- (1) Disclose the existence of related-party transactions and contemporaneously document the manner in which prices are set in transfers to related persons;
- (2) Notarize an agreement governing a related-party transaction in accordance with the law of the related person's country of residence; and
- (3) Upon request of the Ministry, provide copies of agreements and other documents substantiating the existence of related-party transactions and the manner by which prices are set.

(d) **Advance Pricing Agreement.** The Government of Liberia and a producer may agree to a transfer pricing methodology in an advance pricing agreement in accordance with Section 18.

(e) **Regulations.** The Minister is required to issue regulations clarifying, to the degree feasible, the reference prices, comparables, and standards that will be used to evaluate transfer prices. Regulations are required to take into account the Guidelines described in Section 18(b).

Section 752. Partnerships And Joint Ventures

(a) **Pass-Through of Tax Attributes.** If a petroleum producer is organized as a partnership or similar form of unincorporated joint venture, the petroleum project's income, expenses, loss, credits, and character of income or loss shall be attributed to the partners in accordance with their interests (including the items specified in Section 743), for the purpose of determining taxable income, loss, credits, and tax liability separately for each partner;

(b) **Application of Other Rules.** If subsection (a) applies—

- (1) The provisions of this Chapter shall apply separately to each partner;
- (3) Each partner shall be considered a taxpayer for purposes of this Part (Part II, Income Tax) and a petroleum producer for purposes of this Chapter, and shall be liable for income tax as determined under this Chapter.

Section 753. Royalty

A petroleum producer, including the National Oil Company of Liberia, engaged in the exploitation or extraction of petroleum deposits of Liberia is required to pay a royalty at the rate of 10 percent on gross production before the deduction of any cost.

Section 754. Equity Participation

The government of Liberia, either through the National Oil Company of Liberia or other majority-government-owned company nominated by the government of Liberia, shall have the

option to take up an equity participating share in a petroleum project to the extent permitted under the Petroleum Law.

Sections 755-799. Reserved

Chapter 8. INCOME TAXATION OF NONRESIDENTS

Section 800. Resident Natural Person

Section 801. Resident Legal Person

Section 802. Nonresident Person

Section 803. Permanent Establishment

Section 804. Imposition Of Tax

Section 805. Source Of Income

Section 806. Tax Withholding On Payments To Nonresidents

Sections 807-899. **Reserved**

Section 800. Resident Natural Person

(a) **General Rule.** A natural person is resident in Liberia for the entire tax year if that natural person —

- (1) has a normal place of abode in Liberia and is present in Liberia at any time during the tax year;
- (2) is present in Liberia on more than 182 days in a 12-month period that ends during the tax year; or
- (3) is an employee or an official of the Government of Liberia posted abroad during the tax year.

(b) **Nonresident In Preceding Years.** A natural person who was not a resident in the preceding tax year is not treated as a resident for the period preceding the day the natural person was first present in Liberia during the tax year.

(c) **Non-Presence.** For purposes of this Section, a natural person is not treated as present in Liberia on a day when:

- (1) the natural person enters Liberia for the purpose of performing services as an employee in Liberia;
- (2) the natural person is in transit between two points outside Liberia;
- (3) the natural person is present in Liberia for the purpose of medical treatment or full-time study; or
- (4) the natural person is present in Liberia by reason of diplomatic status, or is a dependent of such a natural person.

Section 801. Resident Legal Person⁴⁶

⁴⁶ Section 801 reflects amendments made to the previous section 801 of the Revenue Code of Liberia (2000) redefining a resident legal person and stating exceptions thereto for tax purposes. The amendments were effected

(a) ***Resident Legal Person.*** Except as specified in subsections (b) and (c), a legal person is a resident in Liberia for the purposes of this Code if it—

- (1) Is incorporated or formed under the laws of Liberia and either:
 - (i) Has its management and control in Liberia; or
 - (ii) Undertakes the majority of its operations in Liberia;
- (2) Is a corporation, registered business company, limited liability company, foundation, trust, limited partnership, or similar arrangement that undertakes some business activity in Liberia and has a majority (by vote or value) of direct or indirect shareholders, members, beneficiaries or unit holders resident in Liberia; or
- (3) Is a general partnership, joint venture, or trust, and a partner, co-venturer, or trustee is a resident in Liberia.

(b) ***Exception for Vessel Company.*** Regardless of subsection (a), a legal person is not a resident in Liberia if —

- (1) it does one or more of the following:
 - (A) secures or maintains registry in Liberia of a ship (not including registration services);
 - (B) owns a Liberia flag vessel; or
 - (C) conducts activities in Liberia solely related to the operation, chartering or disposition of a ship other than for transportation exclusively within Liberia, and
- (2) it carries out no activities in Liberia other than activities described in Section 801(b)(1).

(c) ***Exception for Nonresident Domestic Entity.*** Regardless of subsection (a), a legal person is not a Liberian resident if—

- (1) it is incorporated or formed in Liberia under the Associations Law and is (i) a nonresident domestic corporation or a nonresident limited liability company, or (ii) a foundation, trust or limited partnership;
- (2) it is not engaged in a business or activities in Liberia other than one or more of the activities described in subsection (e) below; and

(3) the Ministry has access to information regarding the entity's incorporation or formation.

(d) ***Permanent Establishment.*** A permanent establishment (as defined in Section 803) in Liberia of a nonresident person is treated as a resident legal person with respect to the person's income attributable to the permanent establishment, and is subject to income taxation on that income as specified in Part II, Income Tax, including the filing and advance payment requirements of Chapter 9.

(e) ***Activities in Liberia.*** For the purposes of subsection (a), a person is not considered to be a resident in Liberia solely because the person does one of the following—

(1) Maintains an administrative, management or statutory office in Liberia;

(2) Holds meetings of directors, shareholders, members or limited partners in Liberia;

(3) Invests in stock (or other equity ownership interests) or securities in a resident legal person (unless the investment is in a corporation, limited liability company, private foundation, trust, partnership or similar entity that provides to the investor a distributive share of adjusted income consisting of income derived from operations carried on in Liberia);

(4) Maintains a bank account in Liberia;

(5) Maintains a resident agent as required by the provisions of the Associations Law or other similar provisions of the Liberian Code of Laws.

(f) ***Effective Date of Amendments.*** The amendments to this section made by the Consolidated Tax Amendments Act of 2011 shall be effective as if such amendment had been enacted along with the enactment of this Act (An Act To Repeal An Act Adopting A New Revenue And Finance Law of 1977, And All The Acts Amendatory Thereto, and To Enact The Revenue Code of Liberia, Phase One of The Reform Tax Code of Liberia, A.D. 2000).

Section 802. Nonresident Person

A nonresident person is a person who is not a resident during the tax year.

Section 803. Permanent Establishment⁴⁷

(a) ***Definition.*** The permanent establishment of a nonresident person in the Republic of Liberia is the establishment in Liberia through which it carries on business activity in Liberia, in full or in

⁴⁷ Section 803 reflects amendments made to the previous Section 803 of the Revenue Code of Liberia (2000), particularly in defining the term "permanent establishment" and adding to the examples specified in the previous Section 803. The amendments were done by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

part, for a period of no less than 90 days during the tax year, including activity carried out through an agent.

(b) **Examples.** Any of the following activities, for example, if carried out so as to meet the conditions stated in (a), is a permanent establishment:

- (1) A branch office of a nonresident legal person;
- (2) A construction site, an assembly or batching facility, or the exercise of supervisory activities connected with the site or facility;
- (3) A site, drilling equipment, or ship used for prospecting for natural resources, or the exercise of supervisory activities connected with the site, equipment, or ship;
- (4) A ship used for fishing in Liberian waters;
- (5) A place used by a nonresident natural person for business activity.

(c) **Cross-Reference.** Although a person who carries on activities specified in Section 801(e) is not deemed a resident because of those activities, the activities may be considered to contribute to the person's permanent establishment in Liberia.

Section 804. Imposition of Tax⁴⁸

(a) **General Rule.** A nonresident person is subject to tax on Liberia-source income (defined in Section 805). In lieu of the generally applicable income tax of Part II, The Personal and Business Income Tax, tax is collected by withholding on payments as specified in Section 806.

(b) **Exception.** A legal person described in Section 801(c) is not subject to tax.

Section 805. Source Of Income⁴⁹

(a) **Income from a Liberian Source.** Income is from a source in Liberia if it is:

- (1) derived from an activity which occurs in Liberia;
- (2) derived in respect of the performance of services or employment exercised in Liberia whether or not the gains or profits from the services or employment are received in Liberia;

⁴⁸ Section 804, as currently worded, reflects a rewording of the previous Section 804 of the Revenue Code of Liberia (2000) by the deletion of certain words and the adding of new words and sub-sections (a) and (b), done by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁴⁹ Section 805 reflects amendments made to the previous section 805 of the Revenue Code of Liberia (2000) by the wording of some sub-sections and the addition of new sub-sections, done by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

- (3) derived from real property located in Liberia, including gains from the disposal of an interest in such real property and from the disposal of shares in a company the property of which consists directly or indirectly principally of interests in such real property;
- (4) derived from the disposal of the interest of a shareholder, partner, or beneficiary in a company, partnership, or trust, resident in Liberia;
- (5) derived from the rental of personal property used in Liberia;
- (6) derived from the sale or license of industrial or intellectual property used in Liberia;
- (7) interest where —
 - (A) the debt is secured by real or personal property located in Liberia;
 - (B) the borrower is resident in Liberia (other than a temporarily resident individual); or
 - (C) the borrowing relates to a business carried on in Liberia;
- (8) a dividend, management fee, or director's fee paid in respect of a legal person resident in Liberia;
- (9) a pension or annuity where the pension or annuity is paid by the Government of, or by a resident of, Liberia; or
- (10) a natural resource payment for a natural resource taken from Liberia.

(b) **Vessels.** Regardless of subsection (a), income derived from the sale, operation, rental or chartering of a vessel is not from a source in Liberia except to the extent such income is derived from transportation or use exclusively within Liberia.

(c) **Income from a Non-Liberian Source.** Any income that is not from a source in Liberia is foreign-source income.

Section 806. Withholding of Tax on Payments to Nonresidents

(a) **Payments.** A person listed in this subsection who makes a payment of the kind specified in this section is required to withhold tax at the rate specified in this section. The payor is treated as a withholding agent for all purposes of this Code. This subsection applies to the following types of persons:

- (1) a resident legal or natural person;
- (2) a nonresident's permanent establishment in Liberia;
- (3) a government agency;
- (4) unless expressly exempted by international agreement or treaty, a nongovernmental

organization operating in Liberia or a diplomatic mission to Liberia;

(5) a foreign corporation authorized to do business in Liberia.

(b) ***Interest, Dividends, Royalties, License Fees, And Similar Payments.*** A payor who makes a payment to a nonresident of Liberia-source non-exempt interest, dividends, royalties, license fees, a payment in respect of mineral rights, or other income (except rent) derived from rights in property (including any form of intellectual property) is required to withhold tax at a rate of 15 percent of the amount of the payment.

(c) ***Gaming Winnings.*** A payor who makes a payment to a nonresident of winnings from gaming within Liberia is required to withhold tax at a rate of 20 percent of the amount of the payment.

(d) ***Payers of Rent.*** A payor who makes a payment to a nonresident of Liberia source rent is required to withhold tax at a rate of 15 percent of the amount of each payment.

(e) ***Payments for Services Rendered.*** A payor who makes a payment to a nonresident for Liberian-source services rendered is required to withhold tax at the rate of 15 percent of the amount of the payment if payment is of a sort that, if made to a resident, would be includible in gross income under Section 201, including Board fees, management fees, commissions, and the like).

(f) ***Special Rule for Payments by Mining Projects, Petroleum Projects, and Renewable Resource Projects.*** In lieu of the rates otherwise applicable under this section, in the case of the following types of Liberian-source payments to a nonresident, which for the purpose hereof is considered a Liberian-source for the payee, made by a mining project producer, petroleum project producer, or renewable resource project contract holder, the withholding rates stated below shall apply to the following withholding obligations—

(1) Interest, 5 percent.

(2) Dividends, 5 percent.

(3) Payments for services, 6 percent.

(g) ***Payments of Acquisition Price.*** Upon the payment to a nonresident of the acquisition price for an interest in an investment asset in Liberia, the payor is required to withhold tax at the rate of 15 percent of the amount of the payment and pay it over to the Government of Liberia in accordance with the rules of subsection (h).

(1) For purposes of this subsection, the term “investment asset” means a direct or indirect interest in real property located in Liberia, shares of stock in a resident legal person, or an ownership interest or rights in a partnership, joint venture, or similar arrangement that has significant operations, property, or property rights in Liberia.

- (2) This subsection does not apply if the investment asset is an ownership interest in a legal person described in Section 801(b) or (c).

(h) ***Withholding Requirements, Remittance, And Statement.*** Within 10 days after the last day of a month, a payor who has made a payment to a nonresident is required to remit to the tax authorities the total amount required to be withheld during that month. Each remittance of tax under this section must be accompanied by a statement specifying the name and address of each nonresident to whom a payment was made, the type and amount of each payment, and the amount of tax withheld (and, if the Minister requests, underlying documentation in accordance with Section 55, including contracts). If the withholding agent is a resident, the place for remittance is the withholding agent's filing location (as designated in Section 50). If the withholding agent is a nonresident, the place of remittance is the Ministry of Finance.

(i) ***Election.*** A nonresident subject to tax under this section may elect to file an income tax return by submitting it at the time and in the manner required by Part I and Chapter 9 of this Code, and is thereby required to pay the amount of income tax on taxable income specified in Section 200 or Section 201. An amount of tax withheld pursuant to Section 806 is creditable against income tax liability and refund of an overpayment may be available as described in Section 72. A nonresident's election to file an income tax return is effective for the tax period for which the election is made and for the next four succeeding tax periods.

(j) ***Payments by Government Agency.*** A government agency that makes a payment to a nonresident in circumstances other than those governed by subsections (a) through (g) is required to withhold a portion of the payment as specified in regulations, but not more than 4%.

Sections 807-899. Reserved.

Chapter 9. ADMINISTRATIVE PROVISIONS OF THE INCOME TAX

Section 900. Filing Requirements For Natural Persons

Section 901. Income And Turnover Tax Filing Requirements For Legal Persons

Section 902. Due Date For Filing Income Tax Return And Making Payment

Section 903. Due Date For Filing Turnover Tax Return

Section 904. Advance Payments Of Income Or Turnover Tax

Section 905. Withholding On Payments To Residents

Section 906. Assessment

Section 907. Refunds

Sections 908-999. **Reserved**

Section 900. Filing Requirements for Resident Natural Persons

(a) ***Resident Natural Persons Required to File.*** Except as set forth in subsection (b), a resident natural person who has taxable income (as computed under Section 201) for a tax period is required to file an income tax return for that period.

(b) ***Resident Natural Persons Not Required to File.*** A resident natural person is not required to file an income tax return for a period if, for that period, the person—

(1) derives 90 percent or more of gross income for a tax period from employment income (including salary, wages, and benefits) subject to withholding;

(2) is taxable under Section 200(c).

(c) ***Small Taxpayers.*** A resident natural person who for a tax period is taxable under Section 200(c) as a “small taxpayer” is not required to file a regular income tax return, but must comply in one of the following ways—

(1) A small taxpayer who qualifies as a petty trader is required to apply annually for a trading license badge and to pay the fee specified in Section 200(c)(4). The trader must wear the badge while engaged in trade or business or display the badge prominently in the business premises.

(2) A small taxpayer who does not qualify as a petty trader must file a presumptive tax return for the period using a simple form supplied by the Revenue Department.

(d) ***Election to File Tax Return.*** If a natural person not otherwise required to file an income tax return desires to claim a net operating loss, loss carry-forward, or any other loss, deduction, credit, or allowance under this Code, that person may elect to file an income tax return for the tax period in which the loss, deduction, or credit was generated. The rules of Section 72 apply to an overpayment of tax.

Section 901. Filing Requirements For Resident Legal Persons

(a) ***Trusts And Estates.*** A trust or estate that has taxable income for a tax period, as computed under Section 201, is required to file an income tax return for the period. If a trust or estate is required to file an income tax return, the information provided in the return is to include the name, address, and telephone number, and (if a resident) the tax identification number of each beneficiary, as well as a statement of each beneficiary's attributable income.

(b) ***Partnerships.*** A partnership that has taxable income for a tax period, as computed under Section 201, is required to file an income tax return for such tax period. If a partnership is required to file an income tax return, the information provided in the return is to include the name, address, and telephone number, and (if a resident) the tax identification number of each partner, as well as a statement of each partner's share of the partnership income.

(c) ***Corporations.*** A corporation that has taxable income for a tax period, as computed under Section 201, is required to file an income tax return for the period.

(d) ***Election to File Tax Return.*** If a legal person not otherwise required to file an income tax return desires to claim a net operating loss, loss carry-forward, or any other loss, deduction, credit, or allowance under this Code, that person may elect to file an income tax return for the tax period in which the loss, deduction, or credit was generated. The rules of Section 72 apply to an overpayment of tax.

(e) **Turnover Tax Return.** Legal persons required to pay the 4 percent turnover tax in lieu of the income tax or the 2% turnover tax if the gross turnover is in excess of \$5,000,000.00 or more are required to file a turnover tax return with their last advance payment of turnover tax for the tax year.

(f) **Voluntary Filing Of Income Tax Returns.** A legal person subject to the 4 percent turnover tax may voluntarily file income tax returns and pay income tax rather than the turnover tax if the following conditions are met:

- (1) the person has a fixed place of abode or business in Liberia;
- (2) the person has a bank account,
- (3) the person has adequate recordkeeping procedures and keeps its books according to a method of accounting permitted under Section 214.

An application for voluntary filing of an income tax return and payment of the income tax is to be submitted at the place for filing set out in Section 50. Persons permitted to file voluntarily under this Section are to be treated for all other purposes of this Part as persons obligated to file an income tax return. Once a person has initiated voluntary income tax filing and payment, that person must continue to file and pay the income tax unless the Minister consents to cessation of voluntary filing.

Section 902. Due Date For Filing Income Tax Return And Making Payment

A taxpayer's income tax return is due by the last day of the third month following the end of the taxpayer's tax year. For calendar taxpayers, that due date is March 31 of the year following the end of the tax year in question. Payment of income tax is due on or before the due date.

Section 903. Due Date For Filing Turnover Tax Return

A taxpayer's turnover tax return is to accompany the last quarterly turnover tax payment for the taxpayer's tax year, and is to be made at the place and time designated for making advance payments under Section 904.

Section 904. Advance Payments Of Income Tax⁵⁰

(a) **Advance Payment Requirement.** All persons who are required to file an income tax return for a tax period are required to make advance payments of the income tax liability for the period.

- (1) Advance payments are due quarterly and are creditable against the total income tax liability for the tax period.
- (2) Income tax withheld on the payee's behalf on a payment or payments made by a person who has a tax withholding obligation under Section 905 is creditable against the payee's advance payments, provided that the payee supplies the payer with a Tax

⁵⁰ Section 904, as worded, is a revision to the previous Section 904 of the Revenue Code of Liberia (2000), reflecting amendments (including additions of new sub-sections) made to the said section by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

Identification Number, as defined in Section 53, at the time of or before the payment subject to withholding.

(3) In determining the total amount of advance payments required for a tax year, the following rules apply:

(A) If a person was required to file an income tax return for the preceding tax period, that person's advance payments (plus any tax withholdings) must be at least (i) 100 percent of the person's income tax liability for the preceding tax period, or (ii) 90 percent of the person's income tax liability for the current tax period.

(B) If a person was not required to file an income tax return for the preceding tax period, that person's advance payments (plus any tax withholdings) must be at least 90 percent of the person's income tax liability for the current tax period.

(4) If the sum of the advance payments made for a tax period, and the withholding tax withheld on behalf of a person during a tax period, exceeds the income tax liability shown or required to be shown on an income tax return filed by the person for such tax period, the excess shall be subject to the refund provisions under Section 72 and interest on overpayments under Section 14(b).

(5) In this Section the term "tax liability" refers to income the tax liability for a tax period taking into account all Section 74(a) assessments with respect to the tax period and not only the tax liability derived from the taxpayer's self-assessment.

(b) **Quarterly Payments.** Advance payments are to be made quarterly. Except as otherwise permitted by subsection (a), each payment is to be in an amount equal to at least 25 percent of the total advance payment due for the year as determined under subsection (a)(3), but the amount may be reduced by the sum of payments described in subsection (a)(2).

(c) **Timely Payment.** An advance payment is timely made if payment is made at the designated hour and place for payment in accordance with Section 50 and if payment is made by the 15th day following the end of each quarter of the taxpayer's tax year. For a calendar-year taxpayer, the payments are due on April 15, July 15, October 15, and January 15. Failure to make timely payment is subject to the rules of Section 13 and Section 51.

(d) **Statement.** Each advance payment shall be made with an approved standard form. The Minister is required to make available an approved standard form for the payment of advance payments. The approved standard form for the payment of advance payments is a tax return within the definition under Section 10(z).

(e) **Penalties for payment and filing failures.** Any person who has an advance payment obligation and who fails to pay the amount of tax required to be paid by advance payment is subject to the payment of interest required by Section 14 and to the Section 52 penalties for late payment and failure to pay. Failure to submit a required statement or payment voucher by the

advance payment due date is subject to the Section 51 penalties for late filing and failure to file. References in Section 51 to the filing due date and in Section 52 to the payment due date are to be understood for this purpose as referring to the advance payment due date under this Section.

(f) ***Penalties for Willful Failure to Pay.*** A taxpayer who determines advance payments based on an estimate of tax liability as permitted in subsection (a)(7) and who underpays advance payments as a result of willful underestimation of tax liability shall be subject to the criminal penalties provided in Section 52 for willful failure to pay tax.

Section 905. Withholding of Tax on Payments to Residents⁵¹

(a) ***Payments.*** A person listed in this subsection who makes a payment of the kind specified in this section is required to withhold tax at the rate specified in this section. The payor is treated as a withholding agent for all purposes of this Code. This subsection applies to the following types of persons:

- (1) a resident legal or natural person;
- (2) a nonresident with a branch in Liberia or doing business in Liberia;
- (3) a government agency; or
- (4) unless expressly exempted by international agreement or treaty, a nongovernmental organization operating in Liberia or a diplomatic mission to Liberia.

(b) ***Interest, Dividends, Royalties, License Fees, and Similar Payments.*** A payor who makes a payment to a resident of non-exempt interest, dividends, royalties, license fees, or other income (except rent) derived from rights in property (including any form of intellectual property), including a payment in respect of mineral rights, is required to withhold tax at a rate of 15 percent of the amount of the payment.

(c) ***Gaming Winnings.*** A payor who makes a payment to a resident of winnings from gaming within Liberia is required to withhold tax at a rate of 20 percent of the amount of the payment.

(d) ***Payers of Rent.*** A payor who makes a payment to a resident of rent is required to withhold tax at a rate of 10 percent of the amount of each payment if the total amount of rental payments made during a 12-month period is expected to be \$70,000 or more.

(e) ***Payments of Wages or Salary to Employees.*** A payor who makes a payment of wages or salaries to an employee in an amount that during the tax year exceeds the standard deduction amount of Section 205(a) is required to withhold tax from each payment in accordance with the income tax rates specified in Section 200(a).

⁵¹ Section 905, as currently worded, reflects amendments made to the previous Section 905 of the Revenue Code of Liberia (2000) by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(f) ***Payments for Services Rendered.***

- (a) If a payor makes a payment to a resident for services rendered, and the services are not the subject of a contract of employment, the payor is required to withhold tax at the rate of 10 percent of the amount of the payment.
- (b) This subsection applies only if—
 - (1) the payment is of a sort includible in gross income under Section 201 (including Board fees, management fees, commissions, and the like); and
 - (2) the payment is \$100,000 or more (or of any amount if the total amount of payments made to the payee is (or is expected to be) \$1,000,000 or more for the payer's tax year).
- (c) A payment for the acquisition of goods is not a payment for services rendered. If the payment is for a mixture of goods and services, withholding is required only on the portion of the payment that is allocable to the services.

(g) ***Payments of Acquisition Price.*** A payor who makes a payment to a resident representing all or part of the acquisition price of an investment asset in Liberia is required to withhold tax at the rate of 10 percent of the amount of the payment.

- (1) For purposes of this subsection, the term “investment asset” means a direct or indirect interest in real property located in Liberia, shares of stock in a resident legal person, or an ownership interest or rights in a partnership, joint venture, or similar arrangement that has significant operations, property, or property rights in Liberia.
- (2) This subsection does not apply if the investment asset is an ownership interest in a legal person described in Section 801(b) or (c).

(h) ***Special Rule for Payments by Mining, Petroleum, and Renewable Resource Projects and Registered Manufacturers.*** In lieu of the rates otherwise applicable under this section, in the case of the following types of payments made to a resident by a mining project producer, petroleum project producer, or renewable resource project contract holder, the withholding rates stated below apply to the following withholding obligations—

- (1) Interest, 5 percent.
- (2) Dividends, 5 percent.
- (3) Payments for services, 6 percent.

(i) ***Payments to High-Risk Suppliers.*** If a payor makes a payment to a high-risk supplier of goods, the payor must withhold tax at the rate (not to exceed 20 percent) specified in regulations.

The term “high-risk supplier” means a person in a category of suppliers identified in regulations as presenting a high risk of tax avoidance.

(j) ***Withholding Requirements, Remittance, And Statement.*** Within 10 days after the last day of a month, a payor described in (a) is required to remit to the tax authorities the total amount required to be withheld during that month. Each remittance of tax under this section must be accompanied by a statement specifying the name and address of each resident to whom a payment was made, the type and amount of each payment, and the amount of tax withheld (and, if the Minister requests, underlying documentation in accordance with Section 55, including contracts). The place for remittance is the payor’s filing location (designated in Section 50).

(k) ***Treatment Of Withholding.*** A person who has had tax withheld from a payment during a tax period may claim a credit against income tax due on the income tax return for that period. A person not otherwise required to file an income tax return may elect to file a return to establish entitlement to credit or refund. The rules of Section 72 apply to an overpayment of tax withheld under this section.

(l) ***Information Reporting for Payments to Resident Legal Person.*** If a payor described in (a) makes a payment that would be subject to withholding under subsection (f) if made to a natural person, but is made to a resident legal person, then the payor (while not required to withhold tax on such payments) is required to provide the tax authorities with a statement setting out the name, address, and taxpayer identification number of each payee to whom such payments were made, the amount of the payments, and related information requested on the form specified by the Minister. The statement is due within 15 days after the last day of the month in which a payment is made. The place for filing the statement is the withholding agent’s filing location (designated in Section 50).

(m) ***Penalties.*** A person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to the Section 52 penalty for late payment and failure to pay. For the purpose of applying the Section 52 penalty to a failure to withhold and remit tax, references in Section 52 to the “payment due date” are to be understood as referring to the remittance due date under this section. A person who fails to provide the tax authorities with a required statement under subsection (l) is subject to a fine of \$10,000 for each required statement not provided.

(n) ***Payments by Government Agency.*** A government agency that makes a payment to a resident in circumstances other than those described in subsections (a) through (i) is required to withhold a portion of the payment as specified in regulations, but not more than 4%.

Section 906. Assessment

Assessment of income tax shall be made in accordance with Section 74.

Section 907. Refunds

The Section 14(b) allowance of interest on overpayments and the Section 72 refund provisions apply to overpayments of tax made as a result of Chapter 9 withholding or advance payments.

Sections 908-999. Reserved

PART III. THE GOODS AND SERVICES TAX (GST)

Chapter 10. GST Provisions

Subchapter A. Goods Tax

Subchapter B. Services Tax

Subchapter C. General Provisions

Subchapter A. Goods Tax

Section 1000. Goods Tax Imposed

Section 1001. Taxable Supply

Section 1002. Taxable Import

Section 1003. Time Of Supply

Section 1004. Taxable Amount

Section 1005. Post-Sale Adjustments

Section 1006. Registration Of Manufacturers

Section 1007. Goods Tax Invoices, Credit Notes, And Debit Notes

Section 1008. Goods Tax Returns

Section 1009. Seizure And Forfeiture Of Goods

Section 1010. Coordination Of Customs And Sales Tax Administrations

Sections 1011-1019. **Reserved**

Section 1000. Goods Tax Imposed⁵²

(a) *Imposition Of Goods Tax.* A goods tax is hereby imposed on:

- (1) every taxable supply, as defined in Section 1001, by a registered manufacturer, and
- (2) every taxable import, as defined in Section 1002.

(b) *Rate of Tax.*

- (1) The rate of goods tax payable on a taxable supply of goods is the percentage specified in paragraph (3) of the taxable amount of the supply.
- (2) The rate of goods tax payable on a taxable supply of goods imported or exported is the percentage specified in paragraph (3) of the taxable amount of the import or export.
- (3) The rate of goods tax is 7 percent of the Section 1004 taxable amount, except that—
 - (A) If the supply is of an alcoholic beverage, 10 percent;
 - (B) If the supply is an export of goods, zero (0) percent.

⁵² Section 1000 reflects amendments made to the previous sub-section (b) of the Revenue Code of Liberia (2000) by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(4) For the rate of tax on services, see Section 1021(b).

(c) **Person Liable For Tax.**

(1) **Taxable Supplies.** The goods tax payable on a taxable supply is to be accounted for to the Minister by the registered manufacturer making the supply, or

(2) **Taxable Import.** The goods tax payable on a taxable import is to be paid by the importer, unless the importer is a registered manufacturer and the import is used to produce the registered person's manufactured goods.

(d) **Goods Tax Recoverable From Recipient.** Notwithstanding anything contained in any law, the goods tax payable by a registered manufacturer under subsection (c)(1) is recoverable by the manufacturer from the recipient of the supply.

(e) **Payment Of Goods Tax.**

(1) **Taxable Supplies.** The goods tax payable by a registered manufacturer in respect of taxable supplies made during a tax period is due on the date that the goods tax return for that period is due.

(2) **Taxable Imports.** The goods tax payable by an importer in respect of a taxable import is due on the date of arrival of the import at the port of entry, and is collected at the same time and subject to the same conditions as collection of customs duties under the External Tariff Law.

(f) **Export Of Goods.** The term "export of goods" means the delivery of goods to, or the making available of the goods at, an address outside Liberia for use or consumption outside Liberia as evidenced by documentary proof acceptable to the Minister.

Section 1001. Taxable Supply⁵³

(a) **General Rule.** The term "taxable supply" means any supply (other than an exempt supply) of goods by the manufacturer thereof where the manufacture of goods is in Liberia and the supply is made in connection with the carrying on of a business.

(b) **Supply Of Goods.**

(1) The term "supply of goods" means –

(A) any sale, exchange, or other transfer of the right to dispose of the goods as owner, or

(B) an application of goods to own use where the goods were acquired pursuant to an exempt supply, or

⁵³ Section 1001 reflects modifications and additions made to the previous Section 1001 of the Revenue Code of Liberia (2000), especially as to sub-sections (e)(6) and (8) and sub-section (g), effected by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(C) the grant of the use or right to use any goods under a lease, hire-purchase agreement, or finance lease.

(2) A supply of services incidental to a supply of goods is part of the supply of the goods.

(3) Subject to paragraph (2), where a supply is a supply of goods and services, the Minister shall determine on any reasonable basis the extent to which the supply is to be treated as a supply of goods, and if taxable by reason of this Section is not taxable under 1021.

(c) **Place Of Supply.** A supply of goods occurs at the place where the goods are delivered or made available by the supplier or, if the delivery or making available involves transportation, the place where the goods are when the transportation commences.

(d) **In Connection With A Business.** A supply is made in connection with the carrying on of a business of a person where the supply is made as part of, or incidental to, any independent economic activity of the person, whatever the purposes or results of that activity.

(e) **Exempt Supply.** The following supplies are exempt supplies: —

(1) a supply of foodstuffs for human consumption (but not when served as a meal or as cooked or prepared food), for the general use of educational, and philanthropic institutions certified as such by the Minister excluding goods for the personal use of the members and employees of such institutions and organizations.

(2) a supply of goods for the relief of distressed persons in the case of natural disasters or other humanitarian emergencies, to the extent the Minister shall specify by notice at the time of the disaster or emergency;

(3) a supply of a pharmaceutical or medicinal preparation shall be specified by regulation to be issued by the Minister.

(4) a supply of a medical aids or appliances specifically designed for persons with an illness or disability shall be specified by regulation by the Minister.

(5) a supply of textbooks or other instructional materials designed for use in schools or adult education programs, including items specified in regulations;

(6) Subject to subsection (f), a supply made to a registered manufacturer; a renewable resource contractor subject to Part II, Chapter 6 and in the business of agriculture; a mining project producer or petroleum project producer subject to Part II, Chapter 7; or the holder of a Forestry Resource License engaged in the business of forestry, if the supply is of—

(A) raw materials or other inputs for use directly in manufacturing;

(B) raw materials for use directly in forestry;

(C) raw materials for use directly in a renewable resource project described in Part II, Chapter 6;

(D) raw materials for use directly in a mining project or petroleum project described in Part II, Chapter 7; and

(E) capital goods.

(7) subject to subsection (f), a supply to a registered manufacturer, or to a person in the business of mining or forestry, of—

(A) raw materials or other inputs for use directly in manufacturing, or

(B) capital goods; and

(8) The supply of medical and educational equipment and supplies purchased for use directly in or in connection with activities described in by Part II, Chapters 6 or 7, and intended to be placed in service within one year of purchase, if the supply is made to—

(A) a renewable resource contractor subject to Part II, Chapter 6 and in the business of agriculture;

(B) a mining project producer subject to Part II, Chapter 7, Subchapter A; or

(C) a petroleum project producer subject to Part II, Chapter 7, Subchapter B.

(9) a supply of goods as part of the transfer of a manufacturing business as a going concern by a registered manufacturer to another registered manufacturer.

(f) **Mixed Use.** Where a registered manufacturer makes both taxable and exempt supplies, a supply to the manufacturer of raw materials or other inputs, or of capital goods is only exempt under subsection (e)(6) to the extent that the raw materials or other inputs, or capital goods are used by the manufacturer in making taxable supplies.

(g) **Definitions.** In this Part, unless the context otherwise requires—

(1) **Application to Own Use.** The term "application to own use" means:

(A) Applying goods to a non-business use, including use by a related person, or

(B) The transfer by a registered manufacturer of that person's manufactured products for consideration.

(2) **Goods.** The term "goods" means any tangible movable property.

(3) **Manufacture.** The term "manufacture" means to subject physical matter to any process that materially changes its substance or character, and includes the assembly of parts.

(4) **Manufacturer.** The term "manufacturer" means any person who manufactures goods.

(5) **Capital Goods.** The term "capital goods" means—

- (A) Plant or equipment (but not motor vehicles of any kind), and spare parts for these goods, for use exclusively and directly in manufacturing, agriculture, or forestry.
- (B) The following goods for a producer's use exclusively and directly in a mining or petroleum project or in mining or petroleum exploration or development:
 - (i) Plant or equipment (including four-wheel-drive motor vehicles but not motorcycles, sedans or luxury vehicles as defined by regulation) and spare parts for these goods; and
 - (ii) From the inception of exploration until the date commercial production begins, intermediate inputs (including but not limited to explosives, drilling mud, grinding balls, tires for trucks used in operations, and similar items specified in regulations).

(h) **Transfer Of Business.** Where a business has been transferred from one registered manufacturer to another pursuant to Subsection (e)(7), the transferee will be considered the manufacturer of any goods transferred that were manufactured by the transferor.

Section 1002. Taxable Import

(a) **General Rule.** The term "taxable import" means every import of goods that is not an exempt import.

(b) **Exempt Import.** An import of goods is an exempt import where the import would be an exempt supply if it were a supply of goods in Liberia.

(c) **Import.**

(1) The term "import of goods" means the bringing of goods into Liberia.

(2) A supply of services incidental to an import of goods is part of the import of the goods. This includes the services giving rise to commission, packaging, transportation, insurance, and warranty costs payable on, or by reason of the import.

(d) **Time Of Import.** An import of goods occurs –

(1) where the goods are entered under the External Tariff Law for home consumption in Liberia, on the same date and at the same time as they are so entered, or

(2) in any other case, on the date on which the goods are brought into Liberia.

Section 1003. Time Of Supply

(a) **General Rule.** A supply of goods occurs on the earlier of –

- (1) the date on which the goods tax invoice for the supply is issued, or
- (2) the date on which the goods tax invoice is required to be issued under Section 1007.

(b) ***Application To Own Use.*** A supply of goods by way of the application of the goods to own use occurs on the date the goods are first applied to own or exempt use.

(c) ***Hire-Purchase Agreements And Finance Leases.*** A supply of goods under a hire-purchase agreement or finance lease occurs on the commencement date of the agreement or lease.

Section 1004. Taxable Amount⁵⁴

(a) ***Taxable Supplies.*** Except as otherwise provided in this Subchapter, the taxable amount of a taxable supply is the consideration payable for that supply.

(b) ***Additional Rules For Taxable Supplies.*** The taxable amount of the following taxable supplies is the fair market value of the supply –

- (1) a taxable supply under a hire-purchase lease agreement, or finance lease,
- (2) an application of goods to own use, and
- (3) a taxable supply between related persons for no consideration or for a consideration that is less than the fair market value of the supply.

(c) ***No Consideration.*** Except as provided in subsection (b), if a taxable supply is made for no consideration the taxable amount of the supply is zero.

(d) ***Taxable Imports.*** The taxable amount of a taxable import is the sum of the following amounts—

- (1) The CIF Liberian Port or Customs entry value, whichever is applicable;
- (2) If not included in the CIF Liberian Port or Customs entry value, the value of incidental services as defined in Section 1002(c)(2); and
- (3) The customs duty, customs service fee, ECOWAS Trade Levy, and excise tax (if any) on import.

(e) ***Consideration.*** The term “consideration” in relation to a supply means the total amount in money or kind paid or payable for the supply by any person, directly or indirectly, including any duties, levies, fees, and charges (other than tax imposed under this Subchapter) paid or payable on, or by reason of, the supply, reduced by any price discounts or rebates allowed and accounted for at the time of the supply. Any consideration in kind is valued at fair market value at the time of the supply.

Section 1005. Post-Sale Adjustments

⁵⁴ Section 1004 reflects amendments made to sub-section (b) of Section 1004 of the Revenue Code of Liberia (2000), effected by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(a) **Application Of Section.** This Section applies where—

- (1) a taxable supply by a registered manufacturer is canceled,
- (2) the nature of a taxable supply by a registered manufacturer has been fundamentally varied or altered,
- (3) the consideration for a taxable supply by a registered manufacturer is altered,
- (4) the goods (or part thereof) that are the subject of a taxable supply by a registered manufacturer are returned to the manufacturer, or
- (5) a demonstrable mathematical or clerical error is made that causes an error in the amount of goods tax paid (for example, the misplacement of a decimal point).

(b) **Goods Tax Underpaid.** Where this Section applies and the goods tax properly chargeable in respect of the supply exceeds the goods tax actually accounted for by the registered manufacturer making the supply, the amount of the excess shall be treated as goods tax payable by the registered manufacturer in respect of a taxable supply made by the manufacturer in the tax period in which the event referred to in subsection (a) occurred, and such excess may be recovered by the manufacturer from the recipient of the supply.

(c) **Goods Tax Overpaid.** Subject to subsection (d), where this Section applies and the goods tax actually accounted for by the registered manufacturer making the supply exceeds the goods tax properly chargeable in respect of the supply, the registered manufacturer shall be allowed a credit for the amount of the excess in the tax period in which the event referred to in subsection (a) occurred.

(d) **Manufacturer's Repayment Of Excess Goods Tax To Customer.** No credit is allowed under subsection (c) until the registered manufacturer has repaid the excess goods tax to the customer who was the recipient of the supply. Repayment may be in cash or, if the customer has a payable outstanding on which goods tax is to be collected, by a credit against the goods tax due on the payable amount; except that, if the manufacturer's repayment of excess tax is by a credit against goods tax owing on the customer's payable, the manufacturer's payment is not deemed to occur until the customer has paid the payable and received the benefit of the credit. No cash tax refund is allowable to a registered manufacturer. Entitlement to the credit permitted under subsection (c) is allowed only upon submission of proof of the manufacturer's overpayment and the manufacturer's repayment of the excess to the customer.

Section 1006. Registration Of Manufacturers⁵⁵

(a) **Persons Required To Register.**

- (1) Subject to this Subchapter, every person who carries on a manufacturing business has an obligation to register –

⁵⁵ Section 1006, as currently structured, reflects amendments made to sub-section (a) of the said Section 1006 of the Revenue Code of Liberia (2000), effected by enactment of the Consolidated Tax Amendments Act of 2011, approved September 2009, published November 1, 2011.

- (A) at the end of any 12-month period during which the person made taxable supplies the total taxable amount of which equaled or exceeded \$3,000,000; or
 - (B) at the beginning of any 12-month period during which there are reasonable grounds to expect that the total taxable amount of taxable supplies to be made by the person during that period will equal or exceed \$3,000,000.
- (2) In determining whether a person has an obligation to register under paragraph (1), the Minister may include in the person's taxable supplies the taxable supplies made by another person who is a related person.
 - (3) In determining whether a person has an obligation to register under paragraph (1), the Minister may include in that person's taxable supplies of goods any taxable supplies of services the person provides. A person registered by reason of this Section is considered registered for purposes of Section 1026.
 - (4) Every person who has an obligation to register under paragraph (1) shall apply to the Minister for registration within 21 days of becoming so required.

(b) **Voluntary Registration.** Any person not required to register under subsection (a) may apply to the Minister for registration if the person makes or intends to make taxable supplies in the course of carrying on a business of manufacture, subject to conditions set out in subsection (c)(2).

(c) **Registration.**

- (1) The Minister shall register any person who has applied for registration within 21 days from receipt of the application, unless the Minister is satisfied that the person does not have a registration obligation.
- (2) The Minister is not required to register any person in the case of an application for voluntary registration under subsection (b) if either of the following circumstances applies:
 - (A) The person has no fixed place of abode or business in Liberia, or the Minister has reasonable grounds to believe that the person—
 - (i) does not have a bank account;
 - (ii) will not keep proper records; or
 - (iii) will not submit regular and reliable goods tax returns.
 - (B) At the time of the application for voluntary registration, the Minister has announced a temporary suspension of voluntary registrations for administrative feasibility reason, as to be elaborated in regulations.
- (3) Registration takes effect –

(A) in the case of an application under subsection (a), from the beginning of the tax period immediately following the time at which the person was required to be registered, or

(B) in the case of an application under subsection (b), from the beginning of the tax period immediately following the period in which the person applied for registration.

(4) Any person who fails to make an application as required under subsection (a) shall be treated as registered from the beginning of the tax period immediately following the time at which the person was required to be registered or such later date as the Minister may determine.

(d) **Notification Of Changes.** Every registered manufacturer shall notify the Minister in writing of any change in the name (including business name), address, place of business, or nature of the business of the person within 21 days of the change occurring.

(e) **Cancellation Of Registration.**

(1) **Application For Cancellation.** A registered manufacturer –

(A) shall apply in writing to the Minister for cancellation of the person’s registration if the person has ceased to make taxable supplies, or

(B) may apply in writing to the Minister for cancellation of the person’s registration if the value of the person’s taxable supplies during the most recent 12-month period does not exceed the amount specified in subsection (a).

(2) **Time Limit.** An application under paragraph (1)(B) may be made only after the expiration of 2 years from the date the registration took effect.

(3) **Minister To Cancel Registration.** Subject to paragraph (5), where the Minister is satisfied that a registered manufacturer who has properly made an application under paragraph (1) ceases to be required to be registered, the Minister shall cancel the person’s registration with effect from the last day of the tax period in which the person ceased to be required to be registered or such other date as the Minister may determine.

(4) **Registered Manufacturer Ceases To Make Taxable Supplies.** Subject to paragraph (5), where the Minister is satisfied that a registered manufacturer has ceased to make taxable supplies, the Minister shall cancel the person’s registration with effect from the last day of the tax period in which the person ceased to make taxable supplies or such other date as the Minister may determine.

(5) **Exception.** The Minister shall not cancel the registration of a person where the Minister has reasonable grounds to believe that, at any time in the next 12 months, the person will make taxable supplies in excess of the amount specified in subsection (a).

(6) **Taxable Supply On Cancellation Of Registration.** If a person’s registration is canceled under this Section –

(A) the person is treated as having made a taxable supply of any goods (including raw materials) on hand at the time registration is canceled which have been acquired by the person in a transaction exempt from goods tax,

(B) the taxable supply is treated as having been made immediately before cancellation of the person's registration, and

(C) the taxable supply is treated as having been made for a value equal to the fair market value of the goods.

(7) ***Obligations Under This Chapter.*** The obligations and liabilities of a person under this Chapter (including the filing of goods tax returns) in respect of anything done or omitted to be done while the person was registered are not affected by cancellation of the person's registration.

Section 1007. Goods Tax Invoices, Credit Notes, And Debit Notes

(a) ***Issue Of Goods Tax Invoices.*** Every registered manufacturer making a taxable supply shall provide the recipient with a goods tax invoice for the supply. The invoice shall be provided at the earlier of—

(1) the time of payment or partial payment;

(2) on the delivery date; or

(3) on the shipment date.

(b) ***Content Of Goods Tax Invoice.*** Unless the Minister provides otherwise, a goods tax invoice shall contain the following particulars –

(1) the words “goods tax invoice” in a prominent place,

(2) the name, address, and taxpayer identification number of the registered manufacturer making the supply,

(3) the individualized serial number and the date on which the goods tax invoice is issued,

(4) the description of the goods supplied (including quantity or volume) and the date on which the goods were delivered, and

(5) the consideration for the supply and the amount of goods tax charged.

(c) ***Issue Of Debit Notes.*** Where Section 1009 applies, the registered manufacturer making the supply shall provide the recipient with a debit note in relation to the supply.

(d) ***Contents Of Debit Note.*** Unless the Minister provides otherwise, a debit note shall contain the following particulars –

(1) the words “debit note” in a prominent place,

(2) the name, address, and taxpayer identification number of the registered manufacturer making the supply,

(3) the individualized serial number and the date on which the debit note is issued,

- (4) a brief description of the circumstances giving rise to the issuing of the debit note, including information sufficient to identify the taxable supply to which the debit note relates, and
- (5) the consideration for the supply shown on the goods tax invoice for the supply, the correct amount of the consideration, the difference between these two amounts, and the amount of goods tax that relates to the difference.

(e) **Issue Of Credit Notes.** Where Section 1009 applies, the registered manufacturer making the supply shall provide the recipient with a credit note in relation to the supply.

(f) **Contents Of Credit Note.** Unless the Minister provides otherwise, a credit note shall contain the following particulars –

- (1) the words “credit note” in a prominent place,
- (2) the name, address, and taxpayer identification number of the registered manufacturer making the supply,
- (3) the individualized serial number and the date on which the debit note is issued,
- (4) a brief description of the circumstances giving rise to the issuing of the debit note, including information sufficient to identify the taxable supply to which the debit note relates, and
- (5) the consideration for the supply shown on the goods tax invoice for the supply, the correct amount of the consideration, the difference between these two amounts, and the amount of goods tax that relates to the difference.

Section 1008. Goods Tax Returns

Every registered manufacturer shall file a goods tax return for each tax period within 21 days after the end of the period, whether or not any goods tax is due for the period, except that no additional return need be made for taxable imports listed on a consumption entry form for purposes of the External Tariff Law and for which the goods tax was paid at the time of entry.

Section 1009. Seizure And Forfeiture Of Goods

(a) **Power To Seize And Sell Goods.** The Minister may seize and sell any goods in respect of which the Minister has reasonable grounds to believe that goods tax that is, or will become payable in respect of a taxable supply or taxable import of those goods has not been, or will not be paid, and such seizure is treated as made pursuant to a jeopardy assessment described in Section 74(a)(4).

(b) **Power To Seize And Sell Vehicles.** The Minister may seize and sell any vehicle used in the removal or transportation of goods liable to be seized under subsection (a) unless it is shown that such vehicle was so used without the consent or knowledge of the owner of the vehicle or other person lawfully in possession or charge of the vehicle, such seizure is treated as made pursuant to a jeopardy assessment described in Section 74(a)(4).

(c) **Requirements.** Seizure and sale of goods are subject to the requirements of Section 65.

Section 1010. Coordination Of Customs And Goods Tax Administrations

(a) **General Rule.** The Minister, while carrying out his responsibilities under the External Tariff Law, shall collect at the time of import and any goods tax due on an import of goods, under the same conditions as applies to customs duties.

(b) **Application Of External Tariff Law.** Except where the contrary intention appears, the provisions of the External Tariff Law relating to the import, transit, coastwise carriage, clearance of goods, and payment and recovery of external tariffs shall, with such exceptions, modifications, and adaptations as the Minister may by regulation prescribe, apply to the goods tax payable on the import of goods.

Sections 1011-1019. Reserved

Subchapter B. Services Tax

Section 1020. Definition Of Services Provider
Section 1021. Services Tax Imposed
Section 1022. Taxable Services
Section 1023. Place Of Supply
Section 1024. Time Of Supply
Section 1025. Taxable Amount
Section 1026. Registration Of Services Providers
Section 1027. Port Service Tax
Section 1028. Services Tax Invoices
Section 1029. Services Tax Returns
Sections 1030-1039 **Reserved**

Section 1020. Definition Of Services Provider

In this Subchapter, the term “registered services provider” means any person who is registered or required to be registered under this Subchapter.

Section 1021. Services Tax Imposed⁵⁶

(a) **Imposition Of Services Tax.** A tax (to be known as the “services tax”) is hereby imposed on every supply of taxable services in Liberia by a registered services provider.

(b) **Rate of Tax.**

(1) **General Rule.** The rate of services tax is 7 percent of the taxable amount described in Section 1025.

(2) **Exceptions.** A service specified in Section 1022(a)(4), (6), (7), (8), or (9) is taxed at 10 percent. An 8 percent surtax applies to telecommunications services specified in Section 1022(a)(2).

(c) **Person Liable For Tax.** The services tax on a supply of taxable services is to be accounted for to the Minister by the registered services provider making the supply.

(d) **Services Tax Recoverable From Recipient.** Notwithstanding anything contained in any law, the services tax payable by a registered services provider under subsection (c) is recoverable by the provider from the recipient of the supply, except a recipient that is exempt by international conventions and agreement to which Liberia is a Party.

(e) **Payment Of Services Tax.** The services tax payable by a registered services provider in respect of supplies of taxable services made during a tax period is due on the date that the services tax return for that period is due.

Section 1022. Taxable Services⁵⁷

⁵⁶ Section 1021 reflects a modification to sub-section (b) of section 1021 of the Revenue Code of Liberia (2000), effected by an amendment contained in the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(a) **General Rule.** The term “taxable services” means any supply (other than an exempt supply) in connection with the carrying on of a business by a person of—

- (1) electricity services;
- (2) telecommunications services;
- (3) the provision of water for a fee;
- (4) services supplied in carrying on the business of a hotel or similar facility (including board, lodging, and incidental services), and restaurant meals, beverages, and other services supplied on the premises of a hotel;
- (5) services supplied in carrying on the business of a restaurant or café (including supplies of meals or beverages), and supplies of take-away meals by a restaurant, café, supermarket or similar supplier;
- (6) gambling services—
 - (A) in a casino;
 - (B) lottery ticket sales;
 - (C) betting at a track or off-track betting establishment; or
 - (D) drawings or other games of chance conducted by telecommunications suppliers or other similar suppliers;
- (7) sale of tickets by international transport services (air, sea, and land);
- (8) services of a travel agency or travel arranger, including the issuing of tickets;
- (9) sporting or game arranger services, including the issuing of tickets; and
- (10) other services (specified in regulations) in the sectors of air travel, vehicle rental, communications, automotive repair services, professional services (excepting medical services), and port-related services.

(b) **Supply Of Services.**

- (1) The term “supply of services” means the performance of services for another person.

⁵⁷ Section 1022, as structured, is the result of an amendment made to the same section of the Revenue Code of Liberia (2000), basically affecting Sub-section (a) of the section, done by enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

- (2) A supply of goods incidental to a supply of taxable services is part of the supply of the taxable services, and taxable by reason of this Section is not also taxable under Section 1000.
- (3) Subject to paragraph (2), where a supply is a supply of taxable services and goods, the Minister shall determine on any reasonable basis the extent to which the supply is to be treated as a supply of taxable services.

(c) **Definition.** The term “gambling services” means the supply of chips in a casino, the sale of lottery tickets and the acceptance of a bet at a track or off-track betting establishment.

Section 1023. Place Of Supply

(a) **Place Of Supply.** Subject to subsection (b), a supply of taxable services occurs at the place of business from which the services are provided.

(b) **Place Of Supply Of Electricity Or Telecommunications.** A supply of electricity or telecommunications services occurs at the location where the services are received.

Section 1024. Time Of Supply

(a) **General Rule.** A supply of taxable services occurs on the earlier of –

- (1) the date on which the services tax invoice for the supply is issued, or
- (2) the date on which the services tax invoice for the supply is required to be issued under Section 1028.

(b) **Periodic Supplies.** Where taxable services are supplied under an agreement or law that provides for periodic payments, the services are treated as successively supplied for successive parts of the period of the agreement or as determined by such law, and each successive supply occurs on the date on which the payment or partial payment is due or received, whichever is earlier.

Section 1025. Taxable Amount

(a) **General Rule.** Except as otherwise provided in this Subchapter, the taxable amount of a supply of taxable services is the consideration payable for that supply.

(b) **Supply Of Taxable Services Between Related Persons.** The taxable amount of a supply of taxable services between related persons for no consideration or for a consideration that is less than the fair market value of the supply is the fair market value of the supply.

(c) **No Consideration.** Except as provided in subsection (b), if a supply of taxable services is made for no consideration the taxable amount of the supply is zero.

(d) **Consideration.** The term “consideration” in relation to a supply means the total amount in money or kind paid or payable for the supply by any person, directly or indirectly, including any duties, levies, fees, and charges (other than tax imposed under this subchapter) paid or payable on, or by reason of, the supply, reduced by any price discounts or rebates allowed and accounted for at the time of the supply. Any consideration in kind is valued at fair market value at the time of the supply.

Section 1026. Registration Of Services Providers⁵⁸

(a) *Persons Required To Register.*

- (1) Subject to this Subchapter, every person who carries on a business involving the performance of taxable services has an obligation to register—
 - (A) at the end of any period of twelve months in which the person made taxable supplies the total taxable amount of which equaled or exceeded \$3,000,000; or
 - (B) at the beginning of any period of twelve months where there are reasonable grounds to expect that the total amount of taxable supplies to be made by the person during that period will equal or exceed \$3,000,000.
- (2) In determining whether a person has an obligation to register under paragraph (1), the Minister may include in the person's taxable supplies the taxable supplies made by another person who is a related person.
- (3) In determining whether a person has, an obligation to register under paragraph (1) the Minister may include in the person's taxable supplies of goods any taxable supplies of services provided by the person. A person registered by reason of this Section is considered registered for purposes of Section 1026.
- (4) Every person who has an obligation to register under paragraph (1) must apply to the Minister for registration within 21 days of becoming required to register.

(b) *Registration.*

- (1) ***Obligation To Register.*** The Minister shall register any person who has applied for registration within 21 days from receipt of the application, unless the Minister is satisfied that the person is not required to be registered.
- (2) ***Effective Date Of Registration.*** Registration takes effect from the beginning of the tax period immediately following the time at which the person was required to be registered.
- (3) ***Registration Of Persons Who Fail To Apply.*** Any person who fails to make an application as required under subsection (a) shall be treated as registered from the beginning of the tax period immediately following the time at which the person was required to be registered or such later date as the Minister may determine.

(c) ***Notification Of Changes.*** Every registered services provider shall notify the Minister in writing of any change in the name (including business name), address, place of business, or nature of the business of the person within 21 days of the change occurring.

⁵⁸ Section 1026, as currently worded, reflects amendments made to the previous Section 1026 of the Revenue Code of Liberia (2000), done by the enactment of a new Section 1026, including the addition of new sub-sections, contained in the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(d) ***Cancellation Of Registration.***

- (1) ***Application For Cancellation.*** A registered services provider shall apply in writing to the Minister for cancellation of the person's registration if the person ceases to be required to be registered under subsection (a).
- (2) ***Minister To Cancel Registration.*** Subject to paragraph (4), where the Minister is satisfied that a registered services provider who has properly made an application under paragraph (1) ceases to be required to be registered, the Minister shall cancel the person's registration with effect from the last day of the tax period in which the person ceased to be required to be registered or such other date as the Minister may determine.
- (3) ***Registered Person Ceases To Make Taxable Supplies.*** Subject to paragraph (4), where the Minister is satisfied that a registered services provider has ceased to make supplies of taxable services, the Minister shall cancel the person's registration with effect from the last day of the tax period in which the person ceased to make such supplies or such other date as the Minister may determine.
- (4) ***Exception.*** The Minister shall not cancel the registration of a registered services provider where the Minister has reasonable grounds to believe that, at any time in the next 12 months, the person will make supplies of taxable services in excess of the amount specified in subsection (a).
- (5) ***Obligations Under This Chapter.*** The obligations and liabilities of a person under this Chapter (including the filing of services tax returns) in respect of anything done or omitted to be done while the person was registered are not affected by cancellation of the person's registration.

(e) ***Collection from Recipient of Services.*** If a person required to register as a services provider has not voluntarily registered and has been registered involuntarily as permitted under subsection (b), the Minister is authorized to collect the services tax from the recipient of the services.

Section 1027. Port Service Tax⁵⁹

(a) ***General Rule.*** A tax of US \$25 (or its equivalent in Liberian dollars) is imposed on passengers leaving Liberia by luxury ocean liner, US \$10 on passengers leaving Liberia by other commercial sea transport, and US \$5 on passengers leaving Liberia by commercial ground transport.

(b) ***Collection Of Tax.*** The tax imposed by this Section is payable on passing through Customs when exiting Liberia and is to be collected by an Authorized Revenue Agent.

Section 1028. Services Tax Invoices

(a) ***Issue Of Services Tax Invoices.*** Every registered services provider making a supply of taxable services shall provide the recipient with a services tax invoice for the supply within 10 days of performing

⁵⁹ Section 1027 reflects amendments made to the previous Section 1027 of the Revenue Code of Liberia (2000), made by the insertion of new wording in the newly enacted Consolidated Tax Amendments Act, approved September 14, 2009, published November 1, 2011.

the service. In the case of a supply to which Section 1024(b) applies, the services provider shall issue the invoice at least 5 days before the due date of payment or partial payment.

(b) **Content Of Services Tax Invoice.** Unless the Minister provides otherwise, a services tax invoice shall contain the following particulars –

- (1) the words “services tax invoice” in a prominent place,
- (2) the name, address, and registration number of the registered services provider making the supply,
- (3) the individualized serial number and the date on which the services tax invoice is issued,
- (4) the description of the services supplied and the date on which the services were provided, and
- (5) the consideration for the supply and the amount of services tax charged.

Section 1029. Services Tax Returns

Every registered services provider shall file a services tax return for each tax period within 21 days after the end of the period, whether or not any services tax is due for such period.

Sections 1030-1039. Reserved

Subchapter C. Procedural Rules And Other Provisions Common To The Goods And Services Taxes

Section 1040. Amounts In Trust

Section 1041. Recovery Of Tax From Recipient Of A Supply

Section 1042. Offenses And Penalties

Section 1043. Procedure For Taxpayer Protest And Appeal

Section 1044. Determination Of Fair Market Value

Section 1045. Tax Period

Section 1046. Definitions

Sections 1047-1099. **Reserved**

Section 1040. Amounts In Trust

(a) **Collection And Payment Obligation.** Any registered manufacturer or registered services provider required under this Part to collect goods or services tax and to make payments of that tax to the government is considered to hold collected amounts in trust subject to the conditions stated in Section 63.

(b) **Exempt Persons.** A person who is an exempt person within Section 9(a) is not thereby relieved of the duty to collect or pay tax under this Part. A foreign person within Section 9(b) who is not by international agreement relieved of the duty to collect or pay tax under this Part is subject to this Part.

Section 1041. Recovery Of Tax From Recipient Of A Supply

(a) **Assessment Raised On The Recipient Of A Supply.** Where a registered manufacturer or registered services provider has, in consequence of a fraudulent action or misrepresentation by the recipient of a

supply, incorrectly treated the supply as an exempt supply, the Minister may raise an assessment on the recipient of the supply for the amount of tax payable together with any interest that is payable in respect of the supply.

An assessment raised under this subsection shall be treated as an assessment for all purposes of this Subchapter and the procedural rules in **Part I** shall apply to such an assessment.

(b) **Recovery Of Tax From The Supplier.** Subsection (a) does not preclude the Minister from recovering the tax and interest payable in respect of the supply from the registered person making the supply (referred to as “supplier”) and –

- (1) any amount recovered from the recipient of the supply is to be credited against the liability of the supplier in respect of the supply, and (2) any amount recovered from the supplier is to be credited against the liability of the recipient of the supply.

(c) **Indemnity.** Any supplier who pays sales tax or interest referred to in subsection (a) may recover the amount from the recipient of the supply.

Section 1042. Offenses And Penalties⁶⁰

(a) **Offenses Relating To Registration.** Any person who fails to do one of the following is guilty of a civil offense and is liable to pay a fine not exceeding \$100,000.00. If the failure is deliberate, or due to willful or gross neglect, then that person is guilty of a criminal offense and on conviction is liable to pay a fine not exceeding \$400,000.00 or to imprisonment for a term not exceeding 5 years, or both.

- (1) to apply for registration as required under this Part,
- (2) to notify the Minister of a change in circumstances as required in Section 1006 or 1026
- (3) to notify the Minister that the person ceases to make taxable supplies or supplies of taxable services as required in Section 1006 or 1026,

(b) **Offenses Relating To Returns.** Any person who fails to furnish any return as required under this Part is subject to the penalties provided in Section 51 and Section 52.

(c) **Offenses Relating To Records.** Any person registered in accordance with Section 1006 or Section 1026 is subject to the requirements of Section 55.

(d) **Reserved**[substance moved to new Section 78]

Section 1043. Procedure For Taxpayer Protest And Appeal

If a taxpayer objects to the Minister’s seizure or sale of goods under Section 1009 or to the Minister’s temporary closure of taxpayer’s business under Section 1042(d), or to any other determination of the Minister under this Part, the taxpayer may appeal to the Board of Tax Appeals as provided in Section 60, subject to the rules of Section 61.

⁶⁰ Section 1042 reflects amendment made to the Revenue Code of Liberia (2000) by the deletion of the substance of sub-section (d) from the Section to the new Section 78 of the Act by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

Section 1044. Determination Of Fair Market Value

(a) **General Rule.** For the purposes of this Chapter, the fair market value of a supply is the amount in money that a similar supply would fetch if supplied at the same time, if freely offered and made between persons who are not related persons.

(b) **Alternative Rule.** Where the fair market value of a supply cannot be determined under paragraph (a)(1) of this Section, the fair market value of the supply is the amount that, as determined by the Minister having regard to all the circumstances of the supply, is the fair market value of the supply.

(c) **Definition Of Similar Supply.** The term “similar supply,” in relation to a supply, means a supply that is identical to, or closely or substantially resembles, the first-mentioned supply having regard to the characteristics, quality, quantity supplied, functional components, materials, and reputation of the goods or services that are the subject of that supply.

Section 1045. Tax Period

For purposes of this Part, the tax period is the calendar month.

Section 1046. Definitions

For purposes of this Part:

(a) **Registered Manufacturer.** The term “registered manufacturer” means any person who is registered or required to be registered under this Subchapter.

(b) **Importer.** The term “importer” means any person who, at the time of an import –

- (1) owns the goods imported,
- (2) carries the risk of loss of the goods imported,
- (3) represents that, or acts as if, the person is the importer or owner of the goods imported,
- (4) actually brings the goods into Liberia,
- (5) has a beneficial interest in the goods at the time of import, or
- (6) acts on behalf of any person referred to in paragraphs (1)-(5).

(c) **Related Persons.** Where any person (other than in the capacity of employee) acts in accordance with the directions, requests, suggestions, or wishes of another person whether or not they are in a business relationship and whether or not those directions, requests, suggestions, or wishes are communicated to the first-mentioned person, both persons are treated as “related persons.” This subsection is to be applied in a manner consistent with Section 208.

(d) **Goods Previously Subject To Tax.** If sales tax has been paid on goods by reason of a paragraph of subsection (b), and the goods subsequently are in the hands of a person described in a different paragraph

of subchapter (b), the goods shall not thereby be subject again to tax if the person holding the goods can show proof that the sales tax has been paid.

Sections 1047-1099. Reserved

PART IV. EXCISE TAXES

Chapter 11. EXCISE TAXES

Section 1100. Earth And Stone, And Asbestos Products

Section 1101. Scrap Metal Exported From Liberia

Section 1102– 1119 **Reserved**

Section 1120. Alcoholic Beverages

Section 1121. Tobacco And Tobacco Products

Section 1122. Gambling Equipment

Sections 1123-1139 Reserved

Section 1140. Cosmetic Aids, And Non Alcoholic Beverages

Section 1141. Luxury Goods

Sections 1142-1159 **Reserved**

Section 1160. Payment Of Excise Tax

Section 1161. Excise Tax Returns

Section 1162. Amounts Payable

Section 1163. Seizure Of Goods And Protest Of Seizure

Section 1164. Monosodium Glutamate

Section 1165-1199. **Reserved**

Section 1100. Earths And Stone, And Asbestos Products⁶¹

Excise tax, at a rate of 35 percent of CIF value, shall be levied on any asbestos product imported to or produced in Liberia, and on any earth or stone imported into Liberia.

Section 1101. Scrap Metal Exported From Liberia⁶²

Excise tax, at a rate of 5 percent, shall be levied on the CIF value of scrap metal exported from Liberia.

Sections 1102 - 1119. Reserved

Section 1120. Alcoholic Beverages⁶³

⁶¹ Section 1100 reflects amendment made to the previous Section 1100 of the Revenue Code of Liberia (2000), increasing the percentage of the CIF value of the products named in the Section. The amendment was effected by the enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁶² Section 1101, previously reserved, is a new section added to the Revenue Code of Liberia (2000) by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁶³ Section 1120 reflects amendment made to the previous Section 1120 of the Revenue Code of Liberia (2000), increasing the excise tax rate from 25 percent to 35 percent, the said amendment done by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

Excise tax, at a rate of 35 percent shall be levied on all beverages with an alcohol content in excess of one percent, including beer, wine, stout, ale, gin, whisky, bourbon, and other products intended for consumption by mouth that have the requisite alcohol content, whether imported to or produced in Liberia, but not including pharmaceutical products or medicinal preparations (for example, cough suppressants or similar products) if certified by the Pharmacy Board.

Section 1121. Tobacco and Tobacco Products⁶⁴

Excise tax at a rate of 35 percent shall be levied on tobacco and on any product containing tobacco, including cigarettes, cigars, snuff, chewing tobacco, and similar products, whether imported to or manufactured in Liberia.

Section 1122. Gambling Equipment

Excise tax of 30 percent shall be levied on any product or equipment designed for gambling use, including slot machines, gaming tokens and chips, playing cards, gaming tables, roulette wheels, and similar equipment, whether imported to or manufactured in Liberia.

Sections 1123-1139. Reserved

Section 1140. Cosmetic, Non-Alcoholic Beverages, and Water⁶⁵

(a) *Cosmetics*. Excise tax, at the rate of not less than 5 nor more than 10 percent, as determined by regulation, shall be levied on any cosmetics or any cosmetic aids imported or produced in Liberia, including perfumes, toilet preparations, hair products, and nail care products. Soap, toothpaste, toilet tissue, and disinfectants are not cosmetics or cosmetic aids.

(b) *Non-Alcoholic Beverages And Water*

- (1) Excise tax, at the rate of 35 percent of the CIF value, shall be levied on water imported into Liberia.
- (2) Excise tax, at the rate of 10 percent of the CIF value, shall be levied on nonalcoholic beverages (other than water) imported into Liberia.
- (3) Excise tax, at a rate of 2 percent of the value (ex-factory price), shall be levied on non-alcoholic beverages manufactured in Liberia by a local registered manufacturer.

Section 1141. Luxury Goods⁶⁶

⁶⁴ Section 1121 reflects amendment of the previous Section 1121 of the Revenue Code of Liberia (2000) by increasing from between 11 and 25 the percentage of excise duty on tobacco to 25 percent, the amendment being effected by the enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁶⁵ Section 1140 reflects amendment to the previous Section 1140 of the Revenue Code of Liberia (2000), by the addition of new products subject to taxation, done by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(a) **General Rule.** Excise tax at the rate of 10% shall be charged on the following luxury goods imported to or manufactured in Liberia:

(1) Luxury automobiles

(2) Jewelry

(b) **Definitions.** For the purpose of this Chapter, the following definitions apply:

(1) The term “luxury automobile” means any automobile that is in the class of private passenger automobiles and that has a minimum of a CIF value of US \$40,000 for a new car or US \$20,000 for a used car.

(2) The term "jewelry" means any item of jewelry.

Section 1142. Sugar in Crystal or Granule Form⁶⁷

Excise tax, at the rate of 5 percent of the CIF value, shall be levied on sugar in crystal or granule form with the Tariff No. 1701.99.10 and 1701.99.90.

Sections 1143-1159. Reserved

Section 1160. Payment Of Excise Tax

(a) **General Rule.** Except as otherwise allowed under the law, the excise tax levyable on any excisable goods shall be paid by the manufacturer or importer thereof and such tax shall be due and payable when the goods are ex-factory in the case of manufactured goods or when the goods are imported in the case of imported goods.

(b) **Definitions.**

(1) **Ex-Factory.** In the case of finished excisable goods, “ex-factory” means at the time goods leave the licensed premises on which they have been manufactured.

(2) **Import.** In the case of imported goods, “import” means on arrival at the port of entry at which the goods are being imported.

(c) **Calculation Of The Amount Of Excise Tax Due.** The amount of excise tax levied under the provisions of this Chapter shall be calculated on the duty-paid value of imported goods, or the manufacturer’s cost price value of goods manufactured in Liberia, multiplied by the tax rate expressed as a percentage. Value is determined using the normal price charged customers.

⁶⁶ Section 1141, as presently worded, amends the previous Section 1141 of the Revenue Code of Liberia (2000), by enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁶⁷ Section 1142, previously reserved, is a new Section added to the Revenue Code of Liberia (2000) by enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(d) ***Assumptions To Be Made In Determining The Normal Price Charged Customers.*** The normal price charged customers shall be determined under the following assumptions:

- (1) that the excise tax chargeable is excluded from the normal price.
- (2) that the seller bears all costs, charges and expenses incidental to the manufacture or importation and sale of the goods up to the point when they are delivered from the licensed premises in which they have been allowed to be kept without payment of the excise tax;
- (3) that the normal price is based on the duty-paid value under the Tariff Law at the port of entry;
- (4) that where the goods to be valued are manufactured or imported in accordance with any patented invention or registered design or under trademark, the normal price covers the right to use that patent, design or trademark.

(e) ***Duty-Paid Value.*** The term “duty-paid value” used in this Section refers to the value defined in Section 1004(d) as the amount of a taxable import.

(f) ***Information To Be Given By Manufacturers Or Importers.*** For the purpose of ensuring compliance with any of the provisions of this Chapter, a manufacturer of any goods produced in Liberia, or an importer of goods into Liberia, shall furnish the Minister on demand with information relating to his import or manufacturing operations, materials used, goods produced or imported, and sales and prices of goods.

Section 1161. Excise Tax Returns

Every person required by Section 1160 to pay excise tax under this Part shall file an excise tax return for each tax period within 21 days after the end of the period, whether or not any excise tax is due for the period, except that no additional return need be made for excisable imported goods listed on a consumption entry form for purposes of the External Tariff Law and for which the excise tax was paid at the time of entry.

Section 1162. Amounts Payable

Any registered manufacturer or registered services provider required under this Part to pay the tax is considered to hold collected amounts in trust subject to the conditions stated in Part I.

Section 1163. Seizure Of Goods And Protest Of Seizure

In the event that a manufacturer or importer does not pay the required excise tax on goods, the goods may be seized and held for sale. The procedure for seizure and sale of goods for nonpayment of excise tax is the procedure provided in Section 1009 for seizure and forfeiture of goods under Chapter 10, The Sales and Services Tax. The procedure for taxpayer protest and appeal is the same as that provided in Section 1043 of Chapter 10.

(a) ***Power To Seize And Sell Goods.*** The Minister may seize and sell any goods in respect of which the Minister has reasonable grounds to believe that excise tax that is, or will become payable in respect of excisable goods has not been, or will not be paid, and such seizure is treated as made pursuant to a jeopardy assessment described in Section 74(a)(4).

(b) ***Power To Seize And Sell Vehicles.*** The Minister may seize and sell any vehicle used in the removal or transportation of excisable goods liable to be seized under subsection (a) unless it is shown that such vehicle was so used without the consent or knowledge of the owner of the vehicle or other person lawfully in possession or charge of the vehicle, and such seizure is treated as made pursuant to a jeopardy assessment described in Section 74(a)(4).

(c) ***Requirements.*** Seizure and sale of goods are subject to the requirements of Section 64 and Section 65. **[The Excise Schedule Are Detailed in The External Tariff Schedule]**

Section 1164. Monosodium Glutamate

Excise tax of **30 percent** shall be levied on monosodium glutamate or products containing more than 80 percent monosodium glutamate.

Sections 1165-1199. Reserved

PART V. CUSTOMS REVENUE CODE

Chapter 12. GENERAL PROVISIONS

Section 1200. Customs Law Defined

Section 1201. Equal Treatment Of All Nations

Section 1202. Discrimination Against Liberian Products; Remedies By Way Of Presidential Action

Section 1203. Reciprocal Trade Agreement: Presidential Authority To Reduce Duties

Section 1204. Protection Of Domestic Industries From Dumping Of Foreign Merchandise

Section 1205. Emergencies

Section 1206. Convict-Made Goods; Importation Prohibited

Section 1207. Powers Of Minister To Secure Uniform Assessment Of Duties

Section 1208-1299. **Reserved**

Section 1200. Customs Law Defined

The customs law of the Republic of Liberia shall include Part V of this title, which shall be cited as the Customs Revenue Code of 2000 and sometimes referred to as the Customs Code and this Code, and the customs regulations hereto be and issued.

Section 1201. Equal Treatment Of All Nations

The lawful commerce of all nations, when lawfully conducted, shall be administered uniformly at each port of entry within Liberia.

Section 1202. Discrimination Against Liberian Products; Remedies By Way Of Presidential Action

(a) ***Imposition Of New And Additional Duties On Foreign Goods.*** When the President finds that it will be in the public interest, he is authorized to proclaim and declare new and additional duties upon goods which are wholly or in part the growth or product of any foreign country or are imported in a vessel of any foreign country whenever he finds as a fact that such country:

- (1) imposes, directly or indirectly, an unreasonable charge, exaction, regulation or limitation which is not equally enforced upon like goods of every foreign country, upon the sale or other disposition, transport in transit, or re-exportation from such county, of any goods grown or produced in Liberia, or
- (2) discriminates in fact against the commerce of the Republic of Liberia, directly or indirectly, by law, administrative regulation or practice, in respect of any customs, tonnage or port duty, fee, charge exaction, classification, regulation, condition, restriction or prohibition, in such manner as to place the commerce of the Republic of Liberia at a disadvantage compared with the commerce of any other foreign country.

(b) *Exclusion Of Foreign Goods Upon Continuation Of Discrimination.* When the President finds it will be in the public interest, he is authorized to issue a proclamation excluding the exports of any country or, if he deems it advisable, some or all goods carried in vessels of any country which after the issuance of the proclamation authorized in Paragraph (a) maintains or increases its discrimination against the commerce of Liberia. Such proclamation may extend to exports from the whole of the discriminating country or to any sub-division thereof; and the President may, whenever he finds the public interest will be served thereby, suspend, revoke, supplement or amend any proclamation authorized by any part of this Section.

Section 1203. Reciprocal Trade Agreement: Presidential Authority To Reduce Duties

The President is authorized to reduce the duties upon the goods of any foreign country in consequence of a trade agreement entered into between the Republic of Liberia and such country which provides for more favorable treatment of Liberian exports by such country.

Section 1204. Protection Of Domestic Industries From Dumping Of Foreign Merchandise

The Minister, upon his own initiative or upon a complaint being filed with him alleging that a class or kind of foreign goods is being imported in such quantities or at such values that an existing industry in Liberia is being or may be injured by reason of such importation of such goods into Liberia, shall, in consultation with the Deputy Minister of Finance for Revenue and the Minister of Commerce and Industry, cause an investigation to be conducted into the matter. If the determination of the Minister is in the affirmative, he shall, by regulation, prescribe increase or decrease in the rate of customs duty applicable to the goods in question, which, in his judgement, will prevent further injury or potential injury to the existing industry concerned. The Ministry shall also by regulation accord preferential treatment with regard to lower customs duties for manufacturers that are registered under the "Ring" System for the importation of raw materials and capital goods for use in their manufacturing process.

Section 1205. Emergencies

Whenever the President shall by proclamation declare an emergency to exist by reason of a state of war or otherwise, he may authorize the Minister to extend during the continuance of such emergency the time herein prescribed for the performance of any act, and may authorize the Minister to permit, under such regulations as the Minister in consultation with the Deputy Minister may prescribe, the importation free of duty of food, clothing and medical, surgical and other supplies for use in emergency relief work. The Minister shall report to the Legislature through the President any action taken under the provisions of this Section.

Section 1206. Convict-Made Goods; Importation Prohibited

(a) ***Imposition Of Ban, Exception.*** All goods, wares, articles, and merchandise mined, produced or manufactured wholly or in part in any foreign country by convict labor, or forced labor, or indentured labor under penal sanctions, shall not be entitled to entry at any of the ports of entry in Liberia, and the importation thereof is hereby prohibited. The Minister is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision. However, in no case shall this provision be applicable to goods, wares, articles or merchandise so mined, produced, or manufactured which are not mined, produced, or manufactured in such quantities in Liberia as to meet the consumptive demands of Liberia.

(b) ***Definition Of Forced Labor.*** Forced labor as herein used, shall mean all work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily.

Section 1207. Powers Of Minister To Secure Uniform Assessment Of Duties

For the purpose of obtaining uniformity, the following powers and directives shall be applicable to the revenue laws relating to customs:

(a) ***Powers Of The Minister.*** The Minister shall establish and promulgate such rules and regulations not inconsistent with law and may disseminate such information as may be necessary to secure a just, impartial and uniform account and valuation of imported and exported goods, and the classification and assessment of duties thereon at the various ports of entry.

(b) ***Procedure For Reversal Of Minister's Ruling.*** No ruling or decision, once made by the Minister, giving construction to any law imposing customs duties shall be reversed or modified adversely to the Republic of Liberia by the same or a succeeding Minister, except in concurrence with an opinion of the Minister of Justice recommending the same or a final decision of the Tax Court.

(c) ***Minister's Rulings To Be Binding On Customs Officers.*** It shall be the duty of all officers of the customs to execute and carry into effect all instructions of the Minister relative to the execution of the revenue laws relating to customs and in case any difficulty arises as to the true construction or meaning of any part of the revenue laws, the decision of the Minister shall be binding upon all officers of the customs.

Section 1208-1299. Reserved

Chapter 13. LIBERIAN TARIFF COMMISSION

Section 1300. Establishment Of Commission

Section 1301. Organization Of Commission

Section 1302. Duties And Powers Of The Commission

Section 1303. Commission To Act As Ad Hoc Consultative Body

Section 1304. Members Not To Receive Compensation

Section 1305. Expenses Of Commission

Section 1306-1399. **Reserved**

Section 1300. Establishment Of Commission

The President is hereby authorized to establish a commission to be known as the Liberian Tariff Commission and hereinafter referred to as the "Commission".

Section 1301. Organization Of Commission

(a) *Composition.* The Commission shall include, but shall not be limited to, the heads of the following ministries: Finance, Commerce and Industry, Transportation, Agriculture, and Planning and Economic Affairs, and in addition, a public member to be selected from among the business community.

(b) *Chairman And Vice Chairman.* The President shall designate one of the Commissioners as chairman and one as vice chairman of the Commission. The vice chairman shall act as chairman in case of the absence or the disability of the chairman.

(c) *Quorum, Alternates.* A majority of the Commissioners in office shall constitute a quorum and the Deputy Minister for Revenues, Assistant Minister for Revenue or any assistant to the duly appointed Commissioners may be designated to serve as alternates.

Section 1302. Duties And Powers Of The Commission

The Commission shall have the following duties and powers:

(a) It shall be the duty of the Commission to investigate the administrative and fiscal operation of the customs laws with respect to their relationship to national revenues, their effect on the industries and labor of the Republic of Liberia and to submit reports of its investigations and recommendations in connection therewith to the President. Nothing in this Section is intended to empower the Commission to issue regulations or to become involved in any manner in matters relating to the administration and enforcement of the customs laws and regulations promulgated thereunder;

(b) The Commission is hereby authorized:

- (1) To direct heads of Government agencies to produce from their official files, papers, books and documents dealing with matters being investigated by the Commission, or certified copies thereof.
- (2) To direct businessmen and other members of the Republic and officials of Government agencies to appear before it to be examined or to furnish information in connection with its functions.

Section 1303. Commission To Act as Ad Hoc Consultative Body

The President may, at any time require the Commission to act as an ad hoc consultative body to investigate any matter relating to the customs laws and to make such recommendation in connection with its investigations as will enable the President to act by executive order or proclamation or to propose to the Legislature any action necessary to implement such recommendations.

Section 1304. Members Not To Receive Compensation

Members and alternate members of the Commission shall serve without compensation other than that regularly provided by law for the respective positions held by them.

Section 1305. Expenses Of Commission

The Minister is hereby authorized under warrant of the President to draw out of any monies in the consolidation account not otherwise appropriated, a sufficient sum to cover the expenses of the Commission.

Sections 1306-1399 Reserved

Chapter 14. CUSTOMS ADMINISTRATION

Subchapter A. Definitions

Section 1400. General Definitions.

Section 1401. Ports Of Entry.

Section 1402-1405 **Reserved**

Subchapter B. Approval Of Boarding Stations, Wharves And Transit Warehouses

Section 1406. Boarding Stations.

Section 1407. Wharves.

Section 1408. Transit Warehouses.

Section 1409-1413. **Reserved**

Subchapter C. Importation By Sea; Report Of Vessels, Unloading Of Goods

Section 1414. Arrival Of Vessels.

Section 1415. Report Of Vessels Inwards.

Section 1416. Production Of Manifest.

Section 1417. Preliminary Report.

Section 1418. Vessels Not Required To Report.

Section 1419. Goods Remaining On Board.

Section 1420. Deposit Of Registry Of Foreign Vessel.

Section 1421. Berthing Of Vessels.

Section 1422. Unloading Of Vessels.

Section 1423. Customs Possession Of Goods Where Entry, Examination Or Unloading Delayed.

Section 1424. Goods Reported For Transshipment Or Removal In Transit To A Place Outside Liberia.

Section 1425. Outturns And Correction Of Manifests.

Section 1426. Presumption That Manifested Goods Have Been Imported; Payment Of Duty Thereon.

Section 1427. Stores Of Vessels; Retention On Board, Transfer And Landing.

Section 1428. Prohibition On The Sale And Purchase Of Goods From Vessels

Section 1429. Power To Place Officers On Board Vessels To Superintend Unloading.

Section 1430. Special Inspections, Re-Examination And Searches Authorized

Sections 1431-1439. **Reserved**

Subchapter D. Departure By Sea; Clearance Of Vessels; Entry And Loading Of Export Goods; Production Of Manifests

Section 1440. Restrictions On Departure And Loading Of Vessels

Section 1441. Entry Outwards Of Vessels

Section 1442. Clearance To Be Obtained Before Departure

Section 1443. Refusal Or Demand For Return Of Clearance

Section 1444. Exporter To Make Entry

Section 1445. Notice To Be Given Of Entered Goods Not Loaded

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Section 1448. Minimum Size Of Vessels

Section 1449. Export Goods Loaded Into A Vessel Carrying Other Goods

Section 1450. Coastwise Goods Intended For Exportation In The Same Vessel
Section 1451. Submission Of Manifests
Section 1452. Power Of Minister And Deputy Minister To Modify Requirements
Section 1453. Penalties
Section 1454-1459. **Reserved**

Subchapter E. Carriage Of Goods Coastwise

Section 1460. Procedure For Carrying Goods Coastwise.
Section 1461. Penalty For Deviation.
Section 1462. Vessels In The Foreign Trade Carrying Goods Coastwise.
Section 1463. Imported Goods Transshipped For Carriage Coastwise.
Section 1464. Restrictions On The Carriage Of Particular Goods
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Subchapter F. Approved Routes; Importation And Exportation Of Goods By Land Or Inland Waterway

Section 1480. Approved Routes
Section 1481. Vehicles And Vessels Entering From Or Departing To A Contiguous Country
Section 1482. Report, Entry And Unloading Of Imported Goods
Section 1483. Goods Imported In Secure Vehicle Or Container
Section 1484. Exportation Of Goods By Land Or Inland Waterway
Section 1485. Security For And Proof Of Exportation
Section 1486. Penalties
Sections 1487-1499. **Reserved**

Subchapter G. Goods Imported And Exported By Pipeline

Section 14100. Approved Pipelines
Sections 14101-14109. **Reserved**

Subchapter H. Air Traffic

Section 14110. Aircraft Entering Or Departing
Section 14111. Permit For Arrival At Or Departure From Place Other Than A Customs Airport
Section 14112. Notice Of Arrival And Departure Required
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Section 14126. Notice Required Of Goods Not Loaded
Section 14127. Permission Required To Re-Land Goods
Section 14128. Clearance Outwards Via Another Customs Airport
Section 14129. Aircraft Clearing Outwards Before It Has Been Fully Cleared Inwards

Section 14130. Internal Passengers And Goods Carried On An Aircraft Engaged In A Foreign Flight
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Sections 14138-14149. **Reserved**

Subchapter I. Entry And Examination Of Imported Goods

Section 14150. Importer To Make Entry
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Section 14152. Special Delivery Permits
Section 14153. Importer To Enter The Full Imported Quantity
Section 14154. Payment Of Duty On Imported Goods
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Subchapter J. Transportation Of Goods Under Bond

Section 14175. Licensing Of Common Carriers
Section 14176. Transportation And Exportation Of Goods Destined For A Foreign Country
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Section 14186. Bond To Be Given
Section 14187. Appointment Of Officers To Supervise Warehouses; Compensation, Payable By Warehouse Proprietor; Provision Of Accommodation
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Section 14196. Rates Of Duty Chargeable On Warehoused Goods
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Section 14215. Application Of Customs Laws To Goods Imported Or Exported By Post
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Ascertained
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Officers
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Subchapter N. Freeport Of Monrovia

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Section 14252. Application Of Customs Laws
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Section 14262. Application Of Liberian Laws And Law Enforcement To Freeport
Section 14263. Transitional Rule For The Customs Code
Sections 14264-14999. **Reserved**

Subchapter A. Definitions

Section 1400. General Definitions

In this code, except in so far as the context otherwise requires, the following expressions have the following meanings respectively:

- (a) “***Aircraft***” means civil aircraft not used exclusively in the service of the Government of the Republic of Liberia or a foreign country; and includes any government-owned aircraft engaged in carrying passengers or goods for commercial purposes, and all balloons, gliders, kites, airships and flying machines.
- (b) “***Airport***” means any area of land or water designed, equipped, set apart or commonly used for affording facilities for the landing and departure of aircraft.
- (c) “***Appraiser***” means a person appointed as an appraiser of goods and includes any person authorized by law or regulation of the Minister to perform such duties.
- (d) “***Approved***” means approved by the Minister or his delegate.
- (e) “***Approved Route***” means a route designated under the provisions of Section 1480 of this Code for the movement of vehicles and vessels into, out of and in transit through Liberia by land, or inland waterway.
- (f) “***Approved Wharf***” means a wharf approved under the provisions of Section 1407 of this Code.
- (g) “***Authorized Agent***” means a person accepted by the Minister as authorized by another person to perform any act which is required to be performed by that other person under the provisions of this Code.
- (h) “***Boarding Station***” means a place approved by the Minister under the provisions of Section 1406 of this Code.
- (i) “***Border***” means the boundary between the Republic of Liberia and a contiguous country.
- (j) “***Coastwise Carriage***” means the carriage of goods by sea between places in Liberia.
- (k) “***Collector***” means the officer in charge of collecting customs duties at any port of entry and any person authorized by law or regulation of the Minister to perform such duties.

(l) “**Commander**” in relation to an aircraft, includes any person having or taking the charge or command of the aircraft.

(m) “**Commissioner**” means the Commissioner of Customs and includes Deputy Commissioner.

(n) “**Consumption**” in relation to the making of entry of imported goods means entry for ultimate consumption or use in Liberia on payment of customs duty or, where permitted, without payment of all or part of that duty.

(o) “**Container**”, includes any bundle or package and any box, cask or other receptacle whatsoever.

(p) “**Customs Airport**” means an airport designated as a port of entry under the provisions of Section 1401 of this Code.

(q) “**Customs Laws**” means the provisions of this Code and any other enactment for the time being in force relating to customs.

(r) “**Customs Port**” means a place designated under the provisions of Section 1401 of this Code in connection with the arrival and departure of vessels by sea.

(s) “**Customs Station**” means a place designated under the provisions of Section 1401 of this Code in connection with the arrival and departure of vehicles, vessels and persons by land and inland waterway.

(t) “**Debenture**” means an approved form signed by a Minister authorizing a refund of duty or payment of drawback.

(u) “**Drawback**” means the refund of duty in whole or in part when goods are exported or deposited for export in a warehouse or free zone.

(v) “**Examination Station**” means a place or part of a customs airport approved under the provisions of Section 14113 of this Code.

(w) “**Excise goods**” means goods chargeable with duty under the provisions of the customs code of this Title.

(x) “**Exporter**”, in relation to goods for exportation or for use as stores, includes the shipper of the goods and any person performing in relation to an aircraft or vehicle functions corresponding to those of a shipper.

(y) “**Goods**” means articles of all kinds and includes vessels, aircraft, vehicles, animals, stores and baggage.

(z) “**Government**” means the Government of the Republic of Liberia.

(aa) “**Government Warehouse**” means a place appointed or leased by the Minister under the provisions of Section 14204 of this Code.

(bb) “**Importer**”, in relation to any imported goods, means the person to whom or to whose order the goods are consigned, and includes any owner or other person being possessed of or beneficially interested in the goods at any time between their importation and the time when they are delivered out of customs custody.

- (cc) “**Inland Waterway**” means any passage for a vessel into, out of or through Liberia other than by sea.
- (dd) “**Land And Landing**”, in relation to aircraft, include alighting on water.
- (ee) “**Master**”, in relation to a vessel, includes any person having or taking charge of the vessel.
- (ff) “**Officer**” means an official of the Liberian Customs Service and includes commissioned and warrant and petty officers of the Coast Guard.
- (gg) “**Official Hours**” means the time from eight o’clock antemeridian to four o’clock postmeridian Monday through Friday and from eight o’clock antemeridian to noon on Saturday, exclusive of official holidays, when customs offices shall be open and officers shall be in attendance.
- (hh) “**Owner**”, in relation to an aircraft, includes the operator of the aircraft.
- (ii) “**Port Of Entry**” means a place or area designated under Section 1401 of this Code.
- (jj) “**Proper**”, in relation to the officer by whom or with or to whom any thing is to be done means the officer appointed or authorized in that behalf by the Minister.
- (kk) “**Shipment**” includes loading into an aircraft.
- (ll) “**Stores**” means goods for use in a vessel or aircraft and includes fuel and spare parts and other articles of equipment, whether or not for immediate fitting, and goods carried in vessels and aircraft for retail sale to passengers on board.
- (mm) “**Transit Or Transshipment**”, in relation to the entry of goods, means transit through Liberia or transshipment with a view to the re-exportation of the goods, and transshipment includes transshipment on an aircraft.
- (nn) “**Transit Warehouse**” means a place approved under the provisions of Section 1408 of this Code. “vehicle” includes every description of carriage or other contrivance used or capable of being used as a means of transportation on land, but does not include aircraft.
- (oo) “**Vessel**” includes every description of watercraft or other contrivance used or capable of being used as a means of transportation by water, but does not include aircraft.
- (pp) “**Warehouse**” means a secure place approved by the Minister under the provisions of Section 14185 of this Code.
- (qq) “**Warehouse Proprietor**” means the occupier of an approved warehouse.

Section 1401. Ports Of Entry

- (a) Port of Entry, which may be referred to as “Customs Port”, Customs Airport” or “Customs Station”, as appropriate, shall refer to any place or area in Liberia designated under an act of the Legislature or by an executive order of the President, at which customs officers are assigned to accept entry of imported or exported goods, to collect duties thereon and to administer the various provisions of the customs law; and such designation shall specify the name, location and exact limits of each port of entry.

(b) Any such port of entry existing on the effective date of the commencement of the provisions of this Code shall be deemed to be so designated under the provisions of the Code. Provided that the Legislature by its act or the President by executive order may revoke or vary and designation made, or deemed to have been made, in accordance with this Section and may designate additional places and areas to be ports of entry as the public interest may require.

Sections 1402-1405. Reserved

Subchapter B. Approval Of Boarding Stations, Wharves And Transit Warehouses

Section 1406. Boarding Stations

The Minister may in any customs port from time to time appoint boarding stations for the purpose of the boarding of, or disembarkation from, vessels by officers.

Section 1407. Wharves

(a) The Minister may in any customs port approve for such periods and subject to such conditions and restrictions as he thinks fit, places for the loading or unloading of goods or of any class or description of goods and any place so approved shall be referred to as an “approved wharf”.

(b) Any place so approved in a port of entry prior to the commencement of this Code shall have effect as an approval of that place given under this Section.

(c) The Minister may at any time for reasonable cause revoke or vary the terms of any approval given or deemed to have been given under this Section.

Section 1408. Transit Warehouses

The Minister may in any port of entry approve, for such periods and subject to such conditions and restrictions as he sees fit, places for the deposit of goods imported at that port of entry and not yet cleared from customs charge, including any goods not yet reported or entered in accordance with this Code and any place so approved shall be referred to as a “transit warehouse”.

Sections 1409-1413. Reserved

Subchapter C. Importation By Sea; Report Of Vessels, Unloading Of Goods

Section 1414. Arrival Of Vessels.

(a) Save as otherwise permitted under the customs laws, the master of a vessel arriving in Liberia from a place outside Liberia shall not cause or permit the vessel to call at any place other than a customs port-

(1) on its first arrival in Liberia; or

(2) at any time whilst it is carrying passengers or goods brought in the vessel from a place

outside Liberia and not yet cleared on importation, and any person concerned in importing any goods in any vessel shall not bring the goods into Liberia at any place other than a customs port.

(b) Without prejudice to any other provisions of the customs laws any person contravening or failing to comply with any provisions of this Section shall be liable to a penalty of \$200,000.00.

Section 1415. Report Of Vessels Inwards

(a) Report of every vessel entering Liberia from a place outside Liberia shall be made by the master or his authorized agent, in such form and manner as the Minister may prescribe, to the proper officer-

(1) at the customs port of first arrival in Liberia; and

(2) at each subsequent customs port of call in Liberia at any time whilst it is carrying passengers or goods brought in the vessel from a place outside Liberia and not yet cleared on importation, within twenty-four hours of arrival, excluding Sundays and official holidays.

(b) If the person by whom the report should be made fails to make report as required under this code, he shall be liable to penalty of \$20,000.00 and any goods required to be reported which are not duly reported may be detained by any officer until so reported or until the commission has been explained to the satisfaction of the Minister, and may in the meantime be deposited in a Government warehouse at the expense and risk of the master or owner of the vessel.

(c) The person making the report shall at the time of making it answer all questions relating to the vessel, the goods carried therein, the crew and the voyage as may be put to him by the proper officer, and if he refuses to answer he shall be liable to a penalty of \$120,000.00

Section 1416. Production Of Manifest

Notwithstanding any other provisions of this Code relating to the report of vessels, the master or his authorized agent shall produce for inspection to the officer who first boards the vessel after its arrival in a customs port a copy of the manifest of all goods carried in the vessel regardless of the intended ports of discharge and, if so requested, shall furnish the officer with a copy of that manifest.

Section 1417. Preliminary Report

(a) to facilitate the landing of goods and baggage and the disembarkation of passengers prior to formal report the master or his authorized agent may make application in a form prescribed by the Minister to the proper officer at the port of entry.

(b) The application when signed by the proper officer, and subject to any prescribed documents having been submitted, shall constitute the permit to commence the operation requested in the application: provided that no permit granted under this Section shall permit the landing of any goods or baggage or the disembarkation of passengers in contravention of any laws or regulation relating to public health.

(c) Nothing in this Section shall relieve the master of his obligation to make formal report as required by Section 1415 of this Title.

(d) No permit granted under the provisions of this Section shall be valid after the vessel leaves the port, where it is granted, save where it returns thereto after leaving that port due to stress of weather or other necessity without having touched at any other port or place.

Section 1418. Vessels Not Required To Report

Report shall not be required in the case of the following vessels-

(a) Vessels of war and public vessels not permitted by the law of the nations to which they belong to be employed in the transportation of passengers and goods by way of trade;

(b) Vessels arriving in distress or for the purpose of taking on bunkers or other stores or of embarking or disembarking seagoing laborers of Liberian citizenship for or from work abroad and which shall depart within 24 hours of their arrival without having taken on board any passengers or goods other than bunkers and stores; provided that the master shall report under oath to the proper officer at the custom house the date and hour of arrival and intended departure, the quantity of bunkers and stores taken on board, and the number of Liberian citizens so embarked or disembarked;

(c) Tugs in the foreign trade when towing vessels which are required to report;

(d) Yachts and other craft used exclusively as pleasure vessel and belonging to residents of the Republic of Liberia provided that-

(1) any duty due on the importation of the yacht or other craft into Liberia has been paid; and

(2) there are not on board any goods obtained abroad or duty-free in Liberia, other than the personal effects of the master, crewmembers and passengers;

(e) foreign-owned yachts and other craft used exclusively for pleasure which are allowed to be temporary imported without payment of duty under the customs laws and are not carrying any goods obtained outside Liberia which are intended to be landed in Liberia, provided reciprocal temporary importation facilities are available to residents of Liberia in the foreign country of ownership of any such yacht or craft;

(f) fishing vessels registered in Liberia and carrying only fish of Liberian taking, provided they have not called at any foreign port whilst outside Liberia.

Section 1419. Goods Remaining On Board

(a) Provided a vessel has made due report in accordance with the provisions of this Code, and subject to any conditions or restrictions which the Minister may see fit to impose, any goods carried in the vessel which are shown on the manifest to be destined for another Liberian or foreign port may remain on board without payment of any duty to which the goods may otherwise be liable on importation into Liberia for discharge at the intended port of destination.

(b) Where any goods remaining on board are found not to correspond with the manifest they shall be liable to forfeiture and may be removed to a Government warehouse at the expense and risk of the master or owner of the vessel or his agent in Liberia.

Section 1420. Deposit Of Registry Of Foreign Vessel

(a) Deposit with Consul. The master of a foreign vessel, upon its arrival in a Liberian port, shall deposit its registry or document in lieu thereof with the consul, vice consul or consular agent of the vessel's country of registry if there be any resident at the port and upon such deposit such consular officer shall issue a certificate of deposit certifying that the said document has been deposited with him.

(b) In the Absence of Consular Officer; Security. When there is no consular officer resident in the port to represent the country of registry, the master of the arriving foreign vessel shall deposit its registry or document in lieu thereof with the proper officer at the custom house at the time of report of the vessel and before he begins to land or unload any part of his cargo he shall be required to give security to the Minister, in an amount to be fixed by the Minister, to ensure the revenue against loss or fraud or any attempt to resist or violate the laws governing commerce and revenue, either by the deposit of sufficient funds in his hands or by bond conditioned thereon with good and sufficient sureties.

(c) Registry Documents Returned Upon Clearance. The registry or document in lieu thereof deposited by a master of a vessel in accordance with sub-sections (1) or (2) of this Section shall be returned to such master upon clearance of the vessel, and until he produces a clearance in due form from the proper officer at the port where such vessel has reported on arrival, it shall be unlawful for any officer in the custom house where it has been deposited or for the foreign consular officer with whom it has been deposited, as the case may be, to return it.

Section 1421. Berthing of Vessels

(a) On the arrival in a port of entry of a vessel which is required to report, the master shall-

- (1) Where a boarding station has been appointed at that port immediately bring the vessel to that boarding station;
- (2) Thereafter, or where no boarding station has been appointed at that port, bring the vessel as quickly as possible to the proper mooring or unloading place as the nature of the port will permits without touching at any place except as may be necessary for the safe navigation of the vessel.

(b) The vessel shall not be removed from the aforesaid mooring or unloading place unless the proper officer responsible for supervision of the unloading of the vessel has been informed and has given his permission.

Section 1422. Unloading Of Vessels

(a) Restrictions on Unloading. Except as otherwise permitted under the custom laws no goods, passengers or baggage may be unloaded or landed from any vessel, which is required to report:

- (1) other than a custom port;
- (2) prior to report of the vessel;
- (3) other than at an approved wharf;
- (4) outside the official hours;

- (5) without the authority of the proper officer;
- (6) other than for immediate deposit in a transit warehouse in the port of arrival, unless formal report of the vessel and entry of the goods have been made in accordance with this Code.

(b) Power of Minister to Vary Unloading Requirements

- (1) The Minister may, upon good cause being shown and subject to such conditions and restrictions as he sees fit to impose, permit the unloading of goods elsewhere than at a customs port at any place designated by him;
- (2) The Minister may, upon good cause being shown and subject to such conditions and restrictions for the security of the revenue which he sees fit to impose, permit the unloading of goods within a customs port into another vessels or at any mooring or place other than an approved wharf and may permit the goods to be removed to, or deposited in, any place designated by him in that port prior to formal report of the vessel and entry of the goods.

(c) Goods Unloaded Into Another Vessel. Except as otherwise allowed by the Commission, goods unloaded from an importing vessel into another vessel in a customs port shall forthwith be removed to and landed at an approved wharf or other permitted place.

(d) Retention of Goods at Place of Unloading. Except as otherwise allowed under the customs laws, goods unloaded from a vessel shall remain at the place of unloading or at any place to which they have been allowed by the Minister to be removed after unloading until entry thereof has been made and a permit for their release or delivery has been issued by the proper officer in accordance with the provisions of this Code.

Section 1423. Customs Possession Of Goods Where Entry, Examination Or Unloading Delayed

(a) Where in the case of goods imported by sea, other than goods reported for transshipment or in transit to a destination outside Liberia

- (1) entry has not been made of the goods within fourteen days of the relevant date or, if entry has been so made, the goods, having been unloaded, have not been produced for examination by an officer within twenty-one days of this relevant date, the proper officer may cause the goods to be removed to the Government warehouse at the expense and risk of the importer thereof to await entry or examination or other proper disposal; or
- (2) entry of the goods having been made, they have not been unloaded from the importing vessel within twenty-one days from the relevant date, the proper officer may cause the goods to be removed to a Government warehouse at the expense and risk of the master or owner of the vessel or his agent in Liberia to await examination for other proper disposal.

(b) In this Section the expression “relevant date” means the date when the report was made of the importing vessel or, where no such report was made, the date when it should properly have been made.

(c) For the purpose of this Section a special permit issued in accordance with Section 14152 of this Code shall be deemed to be an entry of the goods.

Section 1424. Goods Reported For Transshipment Or Removal In Transit To A Place Outside Liberia

Where, in the case of goods imported by sea and reported for transshipment or transit to a place outside Liberia, the goods have not been unloaded from the importing vessel, or have not been entered for such transshipment or transit, or have not been produced for examination by an officer within thirty-five days of the date when report was made of the importing vessel or, where no such report was made the date when it should properly have been made, the proper officer may cause the goods to be removed to a Government warehouse at the expense and risk of the master, or owner of the vessel or his agent in Liberia to await entry or other proper disposal.

Section 1425. Outturns And Correction Of Manifests

(a) Not later than twenty eight days, or such longer time as the proper officer may allow, from the date of completion of discharge of a vessel in a customs port the master or his authorized agent shall deliver to the proper officer an outturn of all goods landed from the vessel at that port showing particulars of goods landed in excess or of short of the manifest and, if so requested, produce for inspection copies of the relevant tallies taken at the time of landing.

(b) Where necessary, the master or his authorized agent shall make prompt application in writing to the officer in charge of the port to correct the manifest.

Section 1426. Presumption That Manifested Goods Have Been Imported; Payment Of Duty Thereon

(a) Goods borne on the manifest of a vessel arriving from a place outside Liberia and reported for landing at a port of entry or other place of unloading approved by the Minister in accordance with the provisions of this Code, shall be presumed to have been so landed at that port of entry or other place and to have been imported into Liberia and, unless they are otherwise accounted for to the satisfaction of the Minister, any duty chargeable thereon on such importation shall be paid:

- (1) in the case of goods not shown to have been landed, by the owner of the vessel; and
- (2) in the case of goods shown to have been landed by the person responsible for the administration of the port of entry or other place where the goods are shown to have been landed.
- (3) Notwithstanding any other provisions of this Code, the provision of this Section shall apply to the Freeport of Monrovia as they apply in the case of other ports of entry.

Section 1427. Stores Of Vessels; Retention On Board, Transfer And Landing

(a) Subject to such conditions and restrictions as the Minister sees fit to impose, stores carried in a vessel arriving from place outside Liberia and specified in the report of a vessel.

- (1) May be retained on board without payment of duty for use in continuation of voyage to an eventual destination outside Liberia; or
- (2) May, in the case of a vessel belonging to a line plying regularly between Liberia and foreign ports, on application by the master be transferred under permit issued by proper officer to

another vessel of the same line without payment of duty for use on board that other vessel on a voyage to an eventual destination outside Liberia.

(b) On application from the master of the vessel and subject to the prior permission of the Minister, surplus stores which have been specified in the report may be landed for warehousing and reshipment on the same vessel or another vessel of the same line without payment of duty for use as stores on a voyage to an eventual destination outside Liberia or, provided they contain no prohibited goods, for entry for consumption in Liberia on payment of the duty due.

(c) Without prejudice to any other provisions of the customs laws, any person who contravenes or fails to comply with the provisions of this Section shall be liable to a penalty of \$40,000.00 and the goods in respect of which the offence is committed shall be liable to forfeiture.

Section 1428. Prohibition On The Sale And Purchase Of Goods From Vessels

(a) In relation to a vessel arriving at any place in Liberia from a place outside Liberia, whether direct or via another place in Liberia, it shall be an offence-

- (1) for any member of the crew of the vessel or any passenger carried therein to sell or offer to sell any goods belonging to them or in their possession;
- (2) for any person to purchase or to attempt to purchase any goods belonging to or in the possession of any member of the crew of the vessel or any passenger carried therein.

(b) Without prejudice to any other provisions of the customs law, any person who is guilty of an offence under this Section shall be liable to a penalty of \$40,000.00 and the goods in respect of which the offence is committed shall be liable to forfeiture.

Section 1429. Power To Place Officers On Board Vessels To Superintend Unloading

(a) ***Duties.*** One or more officers may be put on board any vessel arriving at any customs port while such vessel is within such port and, if necessary, while going from one such port to another, to examine the cargo and contents of such vessel and superintend the unloading thereof and to perform such other duties as may be required by law or the customs regulations for the protection of the revenue. Such officers, if they shall deem it necessary for the protection of the revenue, may secure the hatches or other communications or outlets of such vessel with customs seals or other proper fastenings while such vessel is not in the act of unloading and such fastenings shall not be removed without the permission of any officer. Officer may also require any vessel to discontinue or suspend unloading during the continuance of unfavorable weather or any conditions rendering the discharge of goods dangerous or detrimental to the Revenue.

(b) ***Compensation And Expenses Of Officers To Be Reimbursed To Government.*** The compensation of any officer stationed on any vessel while proceeding from one port to another and returning there from, shall be reimbursed to the Government by the owner or master of such vessel together with the actual expense of such customs officer for subsistence or, in lieu of such expense, he may be furnished while he remains aboard with board and lodging accommodation usually supplied to passengers.

Section 1430. Special Inspections, Re-Examination And Searches Authorized

Whenever a vessel from a foreign port arrives at a port in Liberia, whether direct or via another Liberian port, the Proper officer at the port of arrival, for the purpose of assuring compliance with any law, regulation or instruction which the Minister or the Customs Service is authorized to enforce, may cause an inspection, examination and search to be made of the persons disembarked or baggage or goods unloaded from such vessel, whether or not any or all such persons, baggage or goods had previously been inspected, examined or searched by an officer.

Sections 1431-1439. Reserved

Subchapter D. Departure By Sea; Clearance Of Vessels; Entry And Loading Of Export Goods; Production Of Manifests

Section 1440. Restrictions On Departure And Loading Of Vessels.

(a) Save as permitted under the customs laws no person shall depart on a voyage to a place outside Liberia from any place in Liberia other than a customs port and the master of any vessel engaged in a voyage from a customs port to a place outside Liberia shall not cause or permit the vessel to call at any place in Liberia other than a customs port specified in the application for the clearance.

(b) Except as otherwise allowed under the customs laws, no goods may be loaded or made waterborne for loading into a vessel for exportation or as stores for use on a voyage to an eventual destination outside Liberia-

- (1) before the vessel has been entered outwards;
- (2) other than a customs port and at an approved wharf;
- (3) outside official hours;
- (4) until due entry has been made of the goods;
- (5) without the permission of an officer.

(c) without prejudice to any other provisions of the customs laws, anyone who contravenes or fails to comply with any provision of this Section shall be liable to a penalty of \$200,000.00.

Section 1441. Entry Outwards Of Vessels

(a) Before any goods are loaded or made waterborne for loading into a vessel for exportation or as stores for use on a voyage to an eventual destination outside Liberia, the master or his authorized agent shall make entry outwards of the vessel by delivering to the proper officer at the customhouse at or nearest to the place of departure a notice of intended departure in such form and manner and containing such particulars as the Minister may prescribe.

(b) The person making entry outwards shall answer all such questions relating to the vessel, the goods carried therein, the crew, the passengers and the voyage and any other relevant matter as may be put to him by the proper officer.

Section 1442. Clearance To Be Obtained Before Departure.

(a) Except as otherwise allowed under the customs laws, no vessel shall depart from any custom port at which it commences, or at which it touches during a voyage to an eventual destination outside Liberia, until clearance for the departure has been obtained by the master or his authorized agent from the proper officer at that port.

(b) The Minister may prescribe the procedure for obtaining clearance and the information to be provided by the person applying for such clearance.

Section 1443. Refusal Or Demand For Return Of Clearance

(a) For the purpose of securing compliance with any provisions of the customs laws or any other enactment relating to the importation or exportation of goods, the proper officer may, on good cause being shown, at any time, refuse clearance of any vessel and, where clearance has been granted, at any time whilst the vessel is within the limits of a customs port demand that the clearance be returned to him.

(b) Any such demand may be made orally or in writing to the master of the vessel and if made in writing may be served,

(1) by delivering it to him personally;

(2) by leaving it on board the vessel with the person appearing to be in charge thereof; or

(3) by delivering it to the vessel's agent at the port of clearance.

(c) Where a demand for the return of a clearance is made as aforesaid, the clearance shall forthwith become void and if the demand is not complied with the master shall be liable to a penalty of \$20,000.00

Section 1444. Exporter To Make Entry

(a) The exporter of any goods loaded into a vessel for exportation or as stores for use on a voyage to a destination outside Liberia shall make entry of the goods in such form and manner as the Minister may prescribe to the officer at the customhouse at or nearest to the place of loading of the goods and shall pay the duty and other charges due thereon at the time of making entry.

(b) Except as otherwise allowed under the customs laws, entry under this Section shall be made before the goods are loaded on to the exporting vessel.

(c) Except as otherwise allowed under the customs laws, no goods which are required to be entered in accordance with this Section shall be loaded until they have been produced to and made available for examination by the proper officer at the place of the loading and they shall not be loaded without the permission of that officer.

Section 1445. Notice To Be Given Of Entered Goods Not Loaded

If any goods which have been entered in accordance with the last foregoing section have not been duly loaded before the clearance from the port of departure of the vessel for which they were entered, the goods shall be liable to forfeiture unless notice of the failure to load is given to the proper officer immediately after that clearance has been given.

Section 1446. Restriction On The Unloading Of Export Goods Loaded

Except as otherwise allowed under the customs laws no goods which have been loaded into a vessel for exportation or use as stores on a voyage to an eventual destination outside Liberia shall, whether or not they are required to be entered before loading, be unloaded from that vessel without the permission of the proper officer and any goods unloaded without such permission having been given shall be liable to forfeiture.

Section 1447. Exporter To Give Security

The exporter of any goods required to be entered shall if required, give security to the satisfaction of the Minister, that the goods will be duly shipped and exported and discharged at the destination for which they are entered within such time as the Minister may prescribe or, in the case of goods for use as stores, will be so used, or that they will be otherwise accounted for to the satisfaction of the Minister.

Section 1448. Minimum Size Of Vessels

The Minister may prescribe the minimum size of vessels into which any class or description of goods may be loaded for exportation or use as stores on a voyage to a destination outside Liberia.

Section 1449. Export Goods Loaded Into A Vessel Carrying Other Goods

Subject to such conditions as the Minister may prescribe and to compliance with the other provisions of this Subchapter, goods may be loaded into a vessel for exportation notwithstanding that it is carrying goods –

- (a) brought from a place outside Liberia for landing at another Liberian or foreign port;
- (b) brought coastwise from another Liberian port; or
- (c) loaded for exportation at another Liberian port.

Section 1450. Coastwise Goods Intended For Exportation In The Same Vessel

If, on the arrival at any customs port of entry a vessel carrying goods coastwise from another place in Liberia, it is decided that the vessel shall proceed with those goods or any of them to a place outside Liberia, entry outwards shall be made of that vessel whether or not any goods are to be loaded at that port and entry shall be made of the goods as if they were to be loaded at that port, provided that, subject to such conditions as the Minister sees fit to impose, entry may be made without the goods first being discharged.

Section 1451. Submission Of Manifests

Not later than five working days from the date of clearance of a vessel from a customs port or other place approved by the Minister for a voyage to an eventual destination outside Liberia, the master or his authorized agent shall deliver to the proper officer at the customhouse at or nearest to the port or place of departure a declaration and a manifest in such form and manner and containing such particulars as the Minister may prescribe of all goods loaded into vessel for exportation at that port or place.

Section 1452. Power Of Minister And Commissioner To Modify Requirements

(a) The Minister may, upon good cause being shown and subject to such conditions and restrictions as he sees fit to impose, permit a vessel to load goods for exportation or as stores for use on a voyage to an eventual destination outside Liberia other than in a customs port at a place designated by him.

(b) The Commissioner may, upon good cause being shown and subject to such conditions and restrictions as he sees fit to impose, permit goods and stores of the kind referred to in Paragraph (a) of this Section to be loaded, or made waterborne for loading, in a customs port other than at an approved wharf at a place designated by him.

Section 1453. Penalties

Without prejudice to any other provisions of the customs laws, any person who contravenes or fails to comply with the provision of this Subchapter shall be liable to a penalty of \$20,000.00 and any goods in respect of which the offence is committed shall be liable to forfeiture.

Sections 1454-1459. Reserved

Subchapter E. Carriage Of Goods Coastwise

Section 1460. Procedure For Carrying Goods Coastwise

The Minister may make regulations as to the carriage of goods coastwise –

- (a) regulating the loading and unloading of the goods; and
- (b) requiring the keeping and production by the master of a vessel of such record of the goods carried therein as may be prescribed in the regulations.

Section 1461. Penalty For Deviation

If in the case of any vessel which is carrying goods coastwise -

- (a) any goods are taken on board or removed therefrom at sea or any place outside Liberia; or
- (b) except for some unavoidable cause the vessel touches at any place outside Liberia or deviates from its voyage; or
- (c) the vessel touches at any place outside Liberia and the master or other person in charge does not report the fact to the proper officer at the first place in Liberia at which the vessel arrives thereafter, then without prejudice to any other provisions of the customs laws the master of the vessel shall be liable to a penalty of \$40,000.00.

Section 1462. Vessels In The Foreign Trade Carrying Goods Coastwise

The Minister may, subject to such conditions and restrictions as he sees fit to impose, permit a vessel to carry goods coastwise, notwithstanding, that the vessel is -

- (a) carrying goods brought therein from some place outside Liberia and not yet entered on importation; or
- (b) carrying, or has commenced to load, goods for exportation to any eventual destination outside Liberia.

Section 1463. Imported Goods Transshipped For Carriage Coastwise

The Minister may, subject to such conditions and restrictions as he sees fit to impose, permit goods brought by an importing vessel to some place in Liberia but consigned to and intended to be delivered at some other place in Liberia but to be transshipped before due entry of goods has been made for carriage coastwise to that other place in Liberia.

Section 1464. Restrictions On The Carriage Of Particular Goods

(a) Except as otherwise allowed under the customs laws, no goods to which this Section applies may be -

- (1) loaded into a vessel for carriage coastwise or unloaded therefrom after such voyage other than in a customs port and at an approved wharf;
- (2) loaded into any vessel for carriage coastwise until the master or his authorized agent has given notice to the proper officer at the port of loading in such form and manner as the Minister may prescribe of the intention to make such voyage and the goods to be loaded;
- (3) removed coastwise after loading until the master or his authorized agent has obtained clearance for the voyage from the proper officer;
- (4) brought to any place in Liberia during the course of a coastwise voyage other than a customs port specified in the clearance;
- (5) unloaded after carriage coastwise until the master or his authorized agent has made report of the goods in such form and manner as the Minister may prescribe to the proper officer as the intended port or unloading.

(b) The goods to which this Section applies are -

- (1) goods brought from a place outside Liberia and not yet entered on importation;
- (2) goods delivered from a customs or excise warehouse under bond; or
- (3) any other class or description of goods liable to a duty of customs or excise which the Minister may in regulations specify.

(c) The Minister may, subject to such conditions and restrictions as he sees fit to impose, permit any goods to which this section applies to be loaded or unloaded other than in a customs port at a place designated by him.

(d) The Minister may, subject to such conditions and restrictions as he sees fit to impose, permit any goods to which this Section applies to be loaded or unloaded other than in a customs port other than an approved wharf at a place designated by him.

Section 1465. Penalties

Without prejudice to any other provisions of the customs laws, any person who contravenes or fails to comply with any provision of this Subchapter shall be liable to a penalty of \$20,000.00 and any goods in respect of which the offence is committed shall be liable to forfeiture.

Sections 1466-1479 Reserved

Subchapter F. Approved Routes; Importation And Exportation Of Goods By Land Or Inland Waterway

Section 1480. Approved Routes

Except as otherwise allowed under the customs laws, no vehicle or vessel shall enter or depart from Liberia by land or inland waterway, or carry any imported goods on which the duty has not been paid in transit through Liberia by land or inland waterway otherwise than by a route designated by an Act of the Legislature or by an Executive Order of the President and such a route shall be known as an “approved route”: Provided, that this Section shall not apply in the case of the passage in transit through Liberia or a private motor vehicle which, with the permission of the proper officer, has been temporarily imported under the provisions of the customs laws and is carrying only the reasonable personal effects of the owner and passengers.

Section 1481. Vehicles And Vessels Entering From Or Departing To A Contiguous Country

(a) The person in charge of any vehicle or vessel entering Liberia by land or inland waterway shall proceed at once with his vehicle or vessel to the customs station nearest to the point at which he shall have crossed the border into Liberia and shall not proceed beyond that station without the permission of the proper officer.

(b) The person in charge of any vehicle or vessel departing from Liberia on a journey to a contiguous country by land or by inland waterway shall proceed with his vehicle or vessel to the customs station nearest to the place of intended final departure from Liberia and shall not proceed beyond that station without the permission of the proper officer.

Section 1482. Report, Entry And Unloading Of Imported Goods

(a) The person in charge of any vehicle or vessel entering Liberia by land or inland waterway which is carrying any goods, or the importer of any goods otherwise brought by land, from a place outside Liberia shall, unless the Minister otherwise prescribes, make verbal report of the goods to the proper officer at the customs station nearest to the point of his entry into Liberia and produce to the officer any manifest, waybill, loading list, tally, invoice or other document in his possession relating to the goods.

(b) Entry of goods imported by land or inland waterway shall be made to the proper officer at the customs station of first arrival not later than seven days from the date of arrival of the goods at that station, but otherwise the provisions of this Code relating to the entry and examination of imported goods generally shall apply to goods imported by land or inland waterway.

(c) Unless entry, where required, is made forthwith upon the arrival of the goods at the prescribed customs station, the goods shall, by and at the expense and risk of the carrier or importer, be removed to and deposited in a transit warehouse, Government warehouse or any other secure place approved by the Minister at the place of arrival.

(d) Without prejudice to the provisions of Paragraph (c) of this Section, any goods brought to a customs station in a vehicle or vessel shall, at the request of the proper officer, be unloaded by and at the expense and risk of the person in charge of that vehicle or vessel to the extent necessary to enable the officer, in his absolute discretion, to make a proper examination at a customs station of first arrival of entry and examination of the goods.

Section 1483. Goods Imported In Secure Vehicle Or Container

Notwithstanding any other provisions of this Code, the Minister may upon good cause being shown and subject to such conditions and restrictions as he sees fit to impose, permit goods imported by land in a secure vehicle or other secure container, and accepted as such by the Minister, to be removed without examination at a customs station of first arrival of entry and examination at another port of entry in Liberia for transit through Liberia and exportation to a contiguous country.

Section 1484. Exportation Of Goods By Land Or Inland Waterway

(a) Except where otherwise allowed under the customs laws, no person shall permit or cause any goods to be exported from Liberia by land or inland waterway, whether in a vehicle or vessel or by any other method -

(1) except via the customs station nearest to the point at which goods shall be taken across the border out of Liberia;

(2) Unless –

(A) the goods have been reported to and made available for examination by the proper officer at the station; and

(B) due entry of goods has been made and any duty thereon has been paid; and

(3) without the permission of the proper officer at that station.

(b) Where goods intended for exportation have been loaded into a vehicle or vessel before their arrival at the proper customs station of departure from Liberia, the proper officer at that station may require the goods to be unloaded by and at the expense and risk of the person in charge of that vehicle or vessel to an extent necessary for the proper examination of the goods by an officer.

(c) When goods have been cleared for exportation by the proper officer they shall be transported forthwith across the border of Liberia.

Section 1485. Security For And Proof Of Exportation

Section 1447 of this Title shall apply to goods exported by land or inland waterway as they do in the case of goods exported by sea.

Section 1486. Penalties

Without prejudice to any other provisions of the customs laws, any person who contravenes or fails to comply with the provisions of this Subchapter shall be liable to penalty of \$40,000.00 and any goods in respect of which the offence is committed shall be liable to forfeiture.

Sections 1487-1499. Reserved

Subchapter G. Goods Imported And Exported By Pipeline

Section 14100. Approved Pipelines

- (a) No goods may be imported into or exported from Liberia by means of a pipeline other than through a pipeline approved for that purpose by an act of the Legislature or by an Executive Order of the President and any such pipeline shall be referred to as an “approved pipeline”.
- (b) Any approval made under this Section may be revoked or varied by an Act of the Legislature or by an Executive Order of the President.
- (c) The Minister may, by regulations prescribe the conditions under which goods may be imported or exported by an approved pipeline.
- (d) With prejudice to any other provisions of the customs laws, any person who imports or exports goods by pipeline in contravention of any conditions or restrictions imposed by any approval granted, or regulations prescribed, in accordance with this Section shall be liable to a penalty of \$20,000.00 and any goods in respect of which the offence is committed shall be liable to forfeiture.

Sections 14101-14109. Reserved

Subchapter H. Air Traffic

Section 14110. Aircraft Entering Or Departing

- (a) Save as otherwise permitted under the customs laws, the commander of an aircraft entering Liberia from a place outside Liberia shall not cause or permit the aircraft to land at any place other than a customs airport -
- (1) on its first arrival in Liberia; and
 - (2) at any time whilst it is carrying passengers or goods brought in that aircraft from a place outside Liberia and not yet cleared on importation and any person importing or concerned with importing any goods in an aircraft shall not bring the goods into Liberia at any place other than a customs airport.
- (b) Save as otherwise permitted under the customs laws, no person shall depart on a flight to a place outside Liberia and no passengers or goods shall be taken on board an aircraft for such a flight from any place other than a customs airport, and the commander of an aircraft engaged in a flight to a place outside Liberia shall not cause or permit it to land at any place in Liberia other than a customs airport specified in the application for clearance.
- (c) The two proceeding Subsections shall not apply in relation to any aircraft flying to or from a place outside Liberia from or to a place therein which is required under or by virtue of any law relating to air navigation, or is compelled by accident, stress or weather or other unavoidable cause to land at a place other than a customs airport, but the commander of any such aircraft -

- (1) shall immediately report the landing to an officer, or police officer and shall on demand produce to him the journey log book belonging to the aircraft;
- (2) shall not, without the consent of an officer, permit any goods carried in the aircraft to be unloaded from, or any of the crew or passengers to depart from the vicinity of the aircraft; and
- (3) shall comply with the directions of any officer with respect to any such goods, and no passenger or member of the crew shall without the consent of an officer or police officer leave the immediate vicinity of the aircraft.

(d) Nothing in this Subsection shall prohibit the departure of the crew of passengers from the vicinity of, or the removal of goods from, an aircraft where the departure or removal is necessary for reasons of health, safety or the preservation of life or property.

(e) In the case of an aircraft landing in the circumstances described in Paragraph (c) of this Section, the operator or commander of the aircraft shall reimburse the Government at rates prescribed by the Minister for the cost of providing the necessary attendance by the proper officers of customs and other relevant Government agencies including the cost of the compensation due to, and any expense incurred by, those officers.

Section 14111. Permit for Arrival At Or Departure From Places Other Than A Customs Airport

(a) The Minister in charge of the agency responsible for the direction of civil aviation in Liberia may, after consultation with the Minister and the proper officer in other Government agencies concerned with the arrival and departure of aircraft, permit an aircraft to arrive from, or depart to, a place outside Liberia other than a customs airport at a place designated by him.

(b) In such cases, the operator or commander of the aircraft shall reimburse the Government at rates prescribed by the Minister for the cost of providing such facilities, including the compensation due to, and the expenses incurred by, the proper officers of customs and other Government agencies concerned.

Section 14112. Notice Of Arrival And Departure Required

(a) Except in the case of an aircraft arriving at or departing from a customs airport in Liberia according to a notified international scheduled service, the operator or commander of any aircraft arriving in or departing from Liberia shall give timely notice of the intention to arrive or depart to the proper officer responsible for civil aviation at the customs airport of arrival or departure, as the case may be who shall promptly notify the proper officers of customs and other Government agencies concerned with the supervision of the arrival and departure of aircraft at that airport.

(b) If in the case of the arrival of an aircraft in Liberia the proper officer of customs and other relevant Government agencies concerned have not reached the place of arrival, the commander of the aircraft shall, except as otherwise allowed under the customs laws, keep the aircraft intact and not permit any goods carried therein to be unloaded from, or any of the crew or passengers to depart from the vicinity of, the aircraft prior to the arrival of the aforementioned officers.

Section 14113. Examination Stations At Customs Airports

(a) The Minister may in any customs airport approve, for such periods and subject to such conditions and restrictions as he thinks fit, a part of or place at that airport for the loading and unloading of goods and the embarkation and disembarkation of passengers, and any such part of place so approved shall be referred to as an “examination station”.

(b) The Minister may at any time for reasonable cause, revoke or vary the terms of an approval given under this Section.

Section 14114. Report Of Arrival By Aircraft Commander

Except as otherwise allowed under the customs laws, the commander of an aircraft arriving at a customs airport from a place outside Liberia shall immediately –

(a) take the aircraft or cause it to be taken to the examination station at that airport;

(b) make report of the aircraft by delivering to the proper officer, in such form and manner as the Minister may prescribe -

(1) a general declaration relating to the flight;

(2) a manifest, in duplicate, of the goods carried in the aircraft provided that where no goods are carried a statement to this effect may be made in the general declaration;

(3) a list of passengers disembarking at the airport of arrival, showing their nationalities; a list, in duplicate of the stores carried in the aircraft; and such other documents as the Minister may prescribe.

(c) answer such questions as the officer may put to him concerning the aircraft; goods carried therein, crew, passengers and flight;

(d) unload and produce to the proper officer all goods carried in the aircraft except such goods as are intended to be carried on to another customs airport in Liberia or foreign destination and are permitted by the officer to remain on board; and

(e) unless the proper officer otherwise allows, deposit all the goods unloaded from the aircraft in a transit warehouse at the airport; provided that, if through circumstances beyond the control of the commander the aircraft is prevented from being taken to the examination station the commander shall:

(1) immediately make report as required by Paragraph (b) above; and

(2) remove all goods carried in the aircraft to a transit warehouse or other place approved by the proper officer.

Section 14115. Goods Remaining On Board

(a) Goods shown on the manifest of an aircraft arriving at a customs airport in Liberia to be destined for another customs airport in Liberia or foreign airport may, with the permission of the proper officer, remain on board without payment of any duty which would otherwise be due on their importation for carriage to the intended airport of destination.

(b) Any goods found on board which do not correspond with the manifest shall be liable to forfeiture.

Section 14116. Procedure Where An Aircraft Is Calling At More Than One Customs Airport

If an aircraft arriving in Liberia intends to call at more than one customs airport in continuation of an inward flight whilst carrying passengers and goods brought in that aircraft from a place outside Liberia and not yet cleared on importation, the general declaration submitted by the aircraft commander at the airport of first arrival in Liberia shall specify each intended airport of subsequent call and on arrival at each such airport the commander shall make report of the aircraft and otherwise proceed in accordance with the requirements of Section 14114 of this Code.

Section 14117. Restrictions On The Unloading And Removal Of Imported Goods

Except as otherwise allowed under the customs laws no person shall in the case of goods imported by air—

(a) unload or permit the unloading of the goods:

(1) at any place other than the examination station at a customs airport;

(2) outside official hours;

(3) without the permission of officer;

(b) remove or permit the removal of the goods from the examination station without the permission of the proper officer;

(c) remove goods, other than baggage, from the examination station except to a transit warehouse; until due entry has been made; or

(d) remove goods from a transit warehouse without the permission of the proper officer.

Section 14118. Outturn Of Goods Landed

The commander or operator of an aircraft or his agent in Liberia shall, if required by the proper officer at the place of arrival, forthwith deliver to the officer an outturn of all goods landed from the aircraft showing the particulars of goods landed in excess of or short of the manifest and, where appropriate, make written application to the proper officer to correct the manifest.

Section 14119. Presumption That Manifested Goods Have Been Imported

The provisions of Section 1426 shall apply in relation to goods imported in an aircraft as they do in the case of goods imported in a vessel.

Section 14120. Entry Of Imported Goods

Except as otherwise provided under the customs laws, goods imported by air shall be entered, examined, and otherwise dealt with in accordance with the provisions of this Code relating to imported goods generally.

Section 14121. Customs Possession Of Goods Where Entry Or Examination Is Delayed

(a) Where in the case goods imported by air -

- (1) entry of the goods has not been made within seven days of the relevant date; or
- (2) entry having been made, the goods are not produced to an officer for examination within fourteen days of the relevant date, the proper officer may cause the goods to be removed to a Government warehouse at the expense and risk of the importer to await entry and examination or other proper disposal.

(b) The expression “relevant date” in Paragraph (a) of this Section is the date when report was made of the importing aircraft or, if report was not made, the date when it would properly have been made; provided that, where goods are permitted to be transported prior to entry from the place of their first arrival in Liberia to another place in Liberia, the periods referred to in Subparagraphs (1) and (2) of Paragraph (a) of this Section shall commence to run from the date when they were permitted to be so transported.

Section 14122. Departure Procedure And Clearance

Except as otherwise allowed under the customs laws, before an aircraft departs on a flight to a place outside Liberia and before any passengers, goods or stores are taken on board the aircraft for such a flight the commander of the aircraft shall –

- (a) cause the aircraft to be taken to the examination station at the customs airport of departure;
- (b) give notice of intended departure to the proper officer;
- (c) deliver to him, in such form and manner as the Minister may prescribe -
 - (1) a general declaration;
 - (2) a manifest, in duplicate, of the goods to be loaded;
 - (3) a list of passengers;
 - (4) a list, in duplicate of stores remaining on board or to be loaded at the place of departure; and
 - (5) such other documents as the Minister may prescribe.
- (d) answer any questions put to him by the officer concerning the aircraft, goods carried therein, crew, passengers and flight, and any other relevant matters;
- (e) obtain clearance before departure.

Section 14123. Refusal Or Demand For Return Of Clearance

(a) For the purpose of securing compliance with any provisions of the customs laws or any other law relating to the importation or exportation of goods, the proper officer may, on good cause being shown, at

any time refuse clearance of an aircraft and, where clearance has been granted, at any time whilst the aircraft is on the ground at the place of departure demand that the clearance be returned to him.

(b) Any such demand may be made orally or in writing to the commander of the aircraft and if made in writing may be served -

(1) by delivering it to him personally;

(2) by leaving it on board the aircraft with the person appearing to be in charge thereof; or

(3) by delivering it to the aircraft's agent at the port of clearance.

(c) Where a demand for the return of a clearance is made as aforesaid, the clearance shall forthwith become void and if the demand is not complied with the commander shall be liable to a penalty of \$20,000.00.

Section 14124. Restrictions On Loading Of Goods

Except as otherwise allowed under the customs laws no goods shall be taken on board an aircraft for exportation or use as stores on a flight to a place outside Liberia:

(a) until due notice of intended departure has been given;

(b) other than at the examination station in a customs airport;

(c) until due entry of the goods has been made;

(d) outside official hours;

(e) without the permission of the proper officer.

Section 14125. Entry Of Exported Goods

The exporter of any goods taken on board an aircraft for exportation or as stores for use on a flight to a destination outside Liberia shall make entry of the goods in such form and manner as the Minister may prescribe and pay the duty and other charges due thereon and, except as otherwise allowed under the customs laws, such entry shall be made before the goods are loaded into the exporting aircraft.

Section 14126. Notice Required Of Goods Not Loaded

Where any goods which have been entered in accordance with the last forgoing section have been duly loaded into the intended aircraft, they shall be liable to forfeiture unless notice of the fact is given to the proper officer immediately after departure of the aircraft.

Section 14127. Permission Required To Re-land Goods

Except as otherwise allowed under the customs laws, no goods which have been placed on board an aircraft for exportation or use as stores on a flight to a place outside Liberia shall be unloaded therefrom without the permission of the proper officer and any such goods unloaded in contravention of the provisions of this Section shall be liable to forfeiture.

Section 14128. Clearance Outwards Via Another Customs Airport

Subject to such conditions and restrictions as the Minister sees fit to impose, an aircraft may be cleared outwards and embark passengers and load goods and stores at a customs airport for a flight via another customs airport in Liberia to an eventual destination outside Liberia.

Section 14129. Aircraft Clearing Outwards Before It Has Been Fully Cleared Inwards

Subject to such conditions and restrictions as the Minister sees fit to impose, an aircraft may be cleared outwards and passengers may embark and goods may be loaded for exportation or as stores for use thereon for a flight to an eventual destination outside Liberia, notwithstanding that the aircraft is continuing its inward flight to another customs airport in Liberia and is carrying passengers and goods brought from a place outside Liberia and not yet cleared on importation.

Section 14130. Internal Passengers And Goods Carried On An Aircraft Engaged In A Foreign Flight

Subject to such conditions and restrictions as the Minister sees fit to impose, passengers and goods may be taken on board an aircraft at a customs airport for carriage to another customs airport in Liberia notwithstanding that the aircraft -

(a) is carrying passengers and goods brought in that aircraft from a place outside Liberia and not yet cleared on importation; or

(b) has been cleared outwards and is carrying passengers and goods on a flight to an eventual destination outside Liberia;

Provided that such internal carriage of passengers and goods shall not contravene any restriction on such carriage under any provision of the law relating to civil aviation.

Section 14131. Exporter To Give Security

The provisions of Section 1447 of this Code shall apply in relation to goods exported by air as they do in the case of goods exported by sea.

Section 14132. Clearance Of Passengers

(a) Except as otherwise allowed under the customs laws, every person entering or leaving Liberia by air shall report to the proper officer in the examination station at the customs airport of arrival or departure, as the case may be, immediately on his arrival or prior to his departure and shall answer any questions put to him by the officer concerning his journey and stay in Liberia and, if required, shall produce his baggage and any article carried therein or on his person to the officer for examination and shall not depart from the examination station or remove any baggage or article therefrom without the permission of the proper officer.

(b) The provision of Paragraph (a) of this Section shall apply also to any person travelling between different places in Liberia in the circumstances set out in Section 14120 of this Code.

(c) Without prejudice to any other provisions of the customs laws, any person to whom Paragraphs (a) and (b) of this Section refer may, on good cause being shown, be searched by an officer at any time whilst he is in an examination station at a customs airport:

Provided that no female may be searched except by another female.

Section 14133. Aircraft Stores

(a) Subject to such conditions and restrictions as the Minister may seek to impose, goods carried as stores on an aircraft arriving from a place outside Liberia and duly reported on arrival may, with the permission of the proper officer -

- (1) be retained on board for use on a flight to an eventual destination outside Liberia; or
- (2) be landed for temporary custody in a secure place approved by the Minister and reshipment on the same aircraft for use on a flight to an eventual destination outside Liberia; or
- (3) be landed for immediate transfer at the same place to another aircraft of the same line for use on a flight to an eventual destination outside Liberia; or be landed for entry for warehousing or provided they contain no articles prohibited to be imported into Liberia, for entry for consumption on payment of the duty due.

(b) Without prejudice to any other provision of the customs laws, any stores landed in contravention of the provisions of Paragraph (a) of this Section shall be liable to forfeiture.

Section 14134. Restrictions On Entering The Examination Station

(a) Unless otherwise authorized by the Minister, no person shall enter the examination station at a customs airport other than -

- (1) a person coming within such category of person as is specified in Paragraphs (a) and (b) of Section 14132 of this Code; or
- (2) a person acting in the course of his duty which necessarily requires his presence in the examination station, provided he is carrying on his person evidence in such form as the Minister shall prescribe of his authority to perform that duty in that place; or
- (3) any person authorized by the Collector, in such form as the Minister may prescribe, to accompany a sick person or a child under twelve years of age to or from an aircraft arriving from or departing to a place outside Liberia.

(b) Any person who enters the examination station in contravention of the provisions of this Section or, having so entered, refuses to leave promptly when so requested by an officer or a police officer or an officer of any agency having responsibility for security within the examination station shall, without prejudice to any other provisions of the customs laws, be liable to a penalty of \$4,000.00.

Section 14135. Customs Laws Governing Vessels Apply To Aircraft

Except as otherwise provided in this subchapter and in so far as they are not inconsistent with its provisions, all statutes, rules and regulations governing vessels engaged in the foreign and domestic trade, including fines and penalties, shall apply to aircraft engaged in foreign and domestic flights.

Section 14136. Compliance With International Conventions

The Minister is authorized to promulgate such regulations as may be required to ensure compliance with international conventions and procedures relating to civil aviation.

Section 14137. Exemption For Military Aircraft

Military aircraft belonging to a foreign government which are not engaged in any civilian or commercial activity and which lands in Liberia by permission of the Government and which are in no way violating the customs laws of the Republic of Liberia shall not be subject to the provisions of those laws.

Sections 14138-14149. Reserved

Subchapter I. Entry And Examination Of Imported Goods

Section 14150. Importer To Make Entry

Except as otherwise provided in this Code, the importer of any imported goods shall deliver to the proper officer an entry thereof in such form and manner and containing such particulars as the Minister shall in regulations prescribe together with the following documents which shall be deemed to be a part of the entry –

- (a) an invoice of the goods in a form prescribed in regulations made by the Minister;
- (b) a declaration by the importer, in a form prescribed in regulations made by the Minister as the circumstances of the importation and giving such other facts as are relevant to the determination of the value of the goods for customs purposes.
- (c) any other documents which the Minister may prescribe.

Section 14151. Purposes For Which Imported Goods May Be Entered

Imported goods may be entered:

- (a) for consumption, if so eligible; or
- (b) for warehousing; or
- (c) for transit or transshipment; or
- (d) where permitted under the customs laws, for the temporary importation with a view to their re-exportation;

Provided that the Minister may:

- (1) refuse to accept an entry of any goods if he is not satisfied that the goods were imported before the time of delivery of the entry; and
- (2) direct that goods of any particular class or description shall not be permitted to be entered for warehousing.

Section 14152. Special Delivery Permits

The Minister may, subject to such conditions and restrictions as he sees fit to impose, authorize the issue of a special permit for the delivery, prior to entry thereof of perishable goods and, on good cause being shown, goods of any other description.

Section 14153. Importer To Enter The Full Imported Quantity

- (a) The importer of any goods shall make entry of the full imported quantity which in the case of goods imported in a vessel or an aircraft; shall be taken to be not less than the quantity; borne on the manifest of the importing vessel or aircraft.
- (b) The Minister may refuse to accept an entry not made in accordance with the provisions of Paragraph (a) of this Section and any entry of which acceptance has been refused in accordance with the provisions of this section shall be deemed not to have been delivered for the purposes of Section 14150 of this Code.

Section 14154. Payment Of Duty On Imported Goods

Except as otherwise allowed under customs laws, no goods shall be delivered or removed on importation until importer has paid the proper officer the duty chargeable thereon and that duty shall, in the case of goods of which entry is made, be paid at the time of making entry.

Section 14155. Rate Of Duty Chargeable

- (a) The duties of customs and rates chargeable on imported goods –
 - (1) if entry is made thereof other than for warehousing, shall be those in force with respect to such goods at the time of delivery of the entry; or
 - (2) if entry is made thereof for warehousing, shall be ascertained as provided in Section 14156 of this Code; or
 - (3) if no entry is made thereof, shall be those in force with respect to the goods at the time of importation.
- (b) If, in the case of any imported goods of which entry for consumption has been made in accordance with the provisions of Section 14150 of this Code; the goods are removed from the place of importation prior to their unloading from the importing vessel, aircraft or vehicle because of inaccessibility, over-carriage, strike, acts of God or unforeseen emergency, they shall, if returned to that place or brought to another port of entry in Liberia within ninety days of such removal, be chargeable at the rate of duty in force with respect to those goods at the time of delivery of that entry;
- (c) Provided that the identity of the goods covered by the entry is satisfactorily established in accordance with the procedures for the examination of imported goods as prescribed in this Code.

(d) A special permit for the delivery of goods in accordance with the provisions of Section 14152 of this Code shall be deemed to be an entry of the goods for the purpose of Paragraphs (a) and (b) of this Section.

(e) Any goods coming into Liberia by sea other than cargo, stores or baggage carried in a vessel shall be chargeable with the like duty, if any, as would be applicable to those goods if they had been imported in a vessel; and if any question arises as to the origin of the goods they shall be deemed to be the produce of such country as the Minister may on investigation determine.

Section 14156. Assessment Of Commingled Goods

Whenever goods liable to different rates of duty are so packed or commingled that the quantity or value of each class or description of goods cannot readily be ascertained on examination thereof by an officer, then the whole of the contents of the container or lot in which the goods are so packed or commingled shall be subject to the highest rate of duty applicable to any part thereof:

Provided that the importer or exporter thereof may at his own risk and expense segregate the goods in such a manner that the classification, quantity and value of each class or description of goods may be properly ascertained.

Section 14157. Liability To Duty Of Packing And Containers For Imported Goods

Where goods are imported:

(a) in packing or containers other than which the Minister accepts as being customary and normal packing for goods of the class or description contained therein; or

(b) In containers of a kind which are normally used for a series of transactions, such packing and containers shall be classified for duty purposes separately from the goods contained therein.

Section 14158. Duty Not Payable On Goods Entered For Warehousing

Any goods which are on their importation permitted to be entered for warehousing shall be allowed to be warehoused without payment of duty.

Section 14159. Relief from Duty Of Goods Entered For Transit, Transshipment Or Temporary Importation

Subject to any conditions and restrictions provided in this Code or as the Minister otherwise sees fit to impose, goods entered for transit, transshipment or temporary importation may be delivered on importation for that purpose without payment of duty.

Section 14160. Evidence Of Entitlement To Make Entry

(a) Any person making entry in accordance with the provisions of Section 14150 of this Code shall, if required, produce evidence to the proper officer that he is a person entitled to make such entry.

(b) Any person certified by the carrier who brought any goods to the port of entry at which entry is made to be the owner or consignee thereof, or the agent of such owner or consignee, shall be deemed to be a person entitled to make entry.

Section 14161. Goods Consigned To A Partnership Or Corporation; Who May Make Entry

When goods are consigned to a partnership any one of the partners may make entry; and when they are consigned to a corporation, entry may be made by any officer of the corporation or by any person specifically authorized by such an officer.

Section 14162. Examination Of Imported Goods

(a) Except as otherwise provided under the customs laws, no imported goods, whether or not entry has been made thereof, shall be released from customs custody until they have been examined by the proper officer to the fullest extent which that officer shall deem necessary to ensure that all applicable laws of the Republic of Liberia have been complied with; and those officers may take samples of the goods to assist them in the determination of any relevant fact.

(b) For the purpose of conducting an examination of goods in accordance with Paragraph (a) of this Section, the proper officer may require the goods to be removed by and at the expense and risk of the importer to a Government warehouse.

(c) Subject to such conditions and restrictions as the Minister sees fit to impose, the Minister may permit imported goods of which entry has been made to be removed from the place of landing or importation for examination in a warehouse or at the private premises of the importer.

Section 14163. Release Of Imported Goods From Customs Custody

(a) Imported goods, other than goods brought into Liberia by the importer himself or goods carried by a passenger or in his baggage, shall be released from customs custody only to, or to the order of, the carrier by whom the goods were brought to the port of entry, except that goods entered for warehousing and deposited in a warehouse shall be released from customs custody only to, or to the order of, the proprietor of the warehouse.

(b) An officer shall not be liable to any person in respect of the release of goods in accordance with the provisions of this Section; and where a recovery had in any suit or proceeding against an officer on account of such release in the performance of his official duty and the court certifies that there was probable cause for such release or that he acted under the direction of the Minister or other proper officer of the Government, no execution shall be issued against such officer, but any amount so recovered shall, upon final judgment, be paid out of monies appropriated by the Government for that purpose.

Section 14164. Liability Of Re-imported Goods

(a) Whenever goods, whether originating in Liberia or not, of a kind chargeable with duties of customs are re-imported into Liberia after exportation therefrom, such goods shall be exempted from such duty on such re-importation if it is shown to the satisfaction of the Minister-

- (1) That such goods had not been imported prior to their exportation; or
- (2) That such goods had not been imported prior to their exportation and were not at the time of such importation liable to duties of customs; or
- (3) That such goods had been imported prior to their exportation and that all duties of customs

with which they were chargeable on such importation had been duly paid and either no drawback of duties has been paid on such exportation or all drawback so paid has been repaid to the Customs Authority; and

- (4) That such goods had not undergone a process while outside Liberia which would make them liable to a duty of customs under the provisions of Section 14166 of this Code.

(b) This Section shall not apply to goods in the manufacture or production of which there has been used any imported component which, if it had been imported at the date of reimportation of the goods, would be chargeable with a duty of customs, unless it is shown to the satisfaction of the Minister that-

- (1) no duty was chargeable on such component at the time of its original importation, or that any such duty then chargeable had been paid; and
- (2) no drawback of any such duty was paid on exportation of the goods or that any such drawback has been repaid to the Customs Authority.

(c) Goods which have been imported and exported by way of transit or transshipment or temporarily imported without payment of duty with a view of their re-exportation only shall not be deemed to have been imported or exported for the purpose of Paragraphs (a) and (b) of this Section.

Section 14165. Liability Of Goods Processed Abroad

(a) Whenever goods which are of a kind chargeable on importation into Liberia with duties of customs are exported and are subsequently re-imported after having been subjected to any process (whether of repair or further manufacture) outside Liberia and would, if they had not been subjected to such process, be exempted from duty on such re-importation then in every such case-

- (1) if the form of character of such goods has in the opinion of the Minister been substantially changed by such process, duty shall be charged on the full value of such goods on importation;
- (2) if the form of character of such goods has, in the opinion of the Minister, not been substantially changed by such process duty shall be charged only on the amount by which in the opinion of the Minister the value of the goods at the time of exportation was increased by subjection to process;
- (3) when computing the amount by which the value of the goods has been increased by subjection to process; the Minister may if he thinks fit, fix the amount by reference to the sum which is shown to his satisfaction to have been paid for the process of such goods.

(b) Photographic and cinematographic film exposed in Liberia and developed or printed abroad shall be exempt from duty on importation.

(c) Nothing in this Section shall operate to effect in any way a legal exemption from specified duties of customs conferred by law on the importation into Liberia of goods which have been exported therefrom for the purpose of being subjected to and have been so subjected to, any process, outside Liberia for which such exemption is allowed.

Section 14166. Goods Not In Accordance With Contract

(a) Where any goods were imported in pursuance of a contract of sale and duty was paid thereon but the description, quality, state or condition of the goods at the time of clearance from customs custody was not in accordance with the contract, then, if the importer either -

(1) returns the goods to the supplier, or

(2) with the permission of the Minister abandons the goods to the Customs Authority; or with the permission of the Minister destroys the goods under customs supervision, the Minister shall refund to the importer any duties paid:

Provided that any refund under this paragraph shall be subject to the Minister being satisfied that the conditions mentioned herein have been complied with and, further, that the goods have not been subjected to use after release from customs custody other than to an extent necessary to discover that the goods were not in accordance with the contract.

(b) Where the Minister is satisfied that the goods were shipped without the consent of the consignee and duty has been paid thereon, then if the goods are without having been used, returned to the consignor or abandoned to the Customs Authority or destroyed under customs supervision, the Minister shall refund to the importer the duty paid thereon.

(c) The provisions of this Section shall not apply if the claim for refund of duty is not made within ninety days of the date of release from customs custody or such longer period not exceeding one year as the Minister may allow.

Section 14167. Modified Entry Requirements In Particular Cases

With the object of expediting the clearance thereof, the Minister may by regulations vary the requirements in this Code for the declaration and entry of the following goods -

(a) Goods of which the aggregate value in a consignment does not exceed \$4,000.00 or such smaller amount in relation to any particular class or description of goods as the regulation may specify.

(b) Goods damaged during the voyage by fire or through marine casualty or any other cause, without fault on the part of the shipper.

(c) Goods recovered from a wrecked or stranded vessel.

(d) Personal and household effects not imported in pursuance of a purchase and not intended for sale.

(e) Goods sent by person abroad as gift to persons in Liberia.

(f) Articles carried on the person or contained in the baggage of a person arriving in Liberia.

(g) Tools of trade of a person arriving in Liberia.

(h) Personal effects of citizens of the Republic of Liberia who have died abroad.

Sections 14168-14174. Reserved

Subchapter J. Transportation Of Goods Under Bond

Section 14175. Licensing Of Common Carriers

(a) The Minister may, subject to such conditions and restrictions as he sees fit to impose, grant a license under bond -

- (1) to any person operating or owning a business of common carrier in Liberia to transport into, out of, through or within Liberia any goods liable to a duty of customs and not yet released from customs custody; or
- (2) to any person operating or owning a business of common carrier in a foreign country to transport into or out of Liberia, for carriage on a journey commencing or ending at a place outside Liberia.
- (3) any goods liable to a duty of customs and not yet released from customs custody.

(b) Any such person licensed under the provisions of this Section shall be referred to in this Code as a bonded carrier.

(c) The Minister may refuse to allow the transportation of imported goods in the circumstances described in Paragraph (a) above other than by a bonded carrier.

Section 14176. Transportation And Exportation Of Goods Destined For A Foreign Country

(a) Subject to such conditions and restrictions as the Minister sees fit to impose, any imported goods, including baggage and personal effects, other than explosives and goods the importation of which is prohibited, which the Minister is satisfied are destined for a place outside Liberia, may be delivered from a port of entry or any warehouse in which they have been deposited for transportation by a bonded carrier for exportation to a place outside Liberia without payment of any duty chargeable thereon on importation.

(b) In places where no bonded carrier is reasonably available such goods may be transported other than by a bonded carrier under such conditions as the Minister may allow.

Section 14177. Transportation Of Goods Within Liberia

(a) Subject to such conditions and restrictions as the Minister sees fit to impose, any imported goods, including baggage and personal effects; other than explosives or goods the importation of which is prohibited, may be delivered without payment of duty for transportation by a bonded carrier from a port of entry or any warehouse in which they have been deposited to another port of entry or warehouse in Liberia for entry or warehousing or re-warehousing at that other port or warehouse, as the case may be.

(b) In places where no bonded carrier is reasonably available, such goods may be transported other than by bonded carrier under such conditions as the Minister may allow.

Section 14178. Penalty

Without prejudice to any other provisions of the customs laws, any person who contravenes or fails to comply with any provisions of this Subchapter and regulations made hereunder shall be liable to a penalty of \$200,000.00 and any goods in respect of which the offence is committed shall be liable to forfeiture.

Sections 14179-14184 Reserved

Subchapter K. Warehouses; Government Warehouse Section

Section 14185. Approval Of Warehouses

(a) The Minister may, upon application of the occupier thereof, approve, for such periods and subject to such conditions and restrictions as he sees fit to impose, places of security for the deposit of –

- (1) any goods chargeable with a duty of customs, without payment of that duty;
- (2) imported goods intended for re-exportation or shipment as stores, being goods not eligible for consumption in Liberia; and
- (3) goods permitted under the customs laws to be warehoused on payment of drawback.

(b) Any place of security so approved shall in this Code be referred to as a “warehouse”.

(c) The Minister may in his approval specify –

- (1) the class or description of goods which may be deposited in any particular warehouse; and
- (2) the part of any warehouse in which any class or description of goods may be deposited.

(d) The Minister may at any time, for reasonable cause, revoke or vary the terms of approval of a warehouse.

(e) The warehouse proprietor shall not, without the previous consent of the Minister, make any addition or alteration of the warehouse.

(f) If any person contravenes or fails to comply with the provisions of any approval granted by the Minister he shall be liable to a penalty of \$200,000.00 and any goods in respect of which the offence is committed shall be liable to forfeiture.

(g) A warehouse may be approved as either -

- (1) a “private warehouse” for the deposit of goods belonging exclusively to the proprietor of that warehouse; or
- (2) a “general warehouse” for the use of importers and traders generally.

(h) The proprietor of a general warehouse shall not, without reasonable cause being shown to the satisfaction of the Minister, refuse to accept the deposit in that warehouse of any goods eligible for deposit therein.

(i) Notwithstanding any other provisions of the customs laws, the proprietor of a warehouse shall, in respect of any goods deposited therein, be responsible to the owner of the goods for the safe custody thereof and to the Government for the duty chargeable thereon, until those goods have lawfully been withdrawn from the warehouse.

Section 14186. Bond To Be Given

Bond shall be given in amount of 150 percent of the assessed customs duty due Government and manner as the Minister shall prescribe and determine.

- (1) by the proprietor of any warehouse in respect of goods deposited and kept therein until they are lawfully withdrawn from the warehouse;
- (2) by any person making entry of goods for warehousing or re-warehousing; and
- (3) except as otherwise allowed by the Minister, by any person withdrawing goods from a warehouse other than for consumption on payment of the full duty due thereon.

Section 14187. Appointment Of Officers To Supervise Warehouses; Compensation Payable By Warehouse Proprietor; Provision Of Accommodation.

(a) Appointment and Compensation.

- (1) The Minister shall appoint an officer or officers to supervise each warehouse, to take any necessary account of goods received, or in storage, or being manipulated, or in the course of withdrawal from warehouse, and generally to ensure compliance with the provisions of this Code relating to the warehousing of goods.
- (2) The proprietor of any warehouse shall reimburse the Government at rates to be determined by the Minister, for the cost of providing the supervision by officers of that warehouse.

(b) Accommodation for Warehouse Officers. The warehouse proprietor shall provide for the use of officers appointed to supervise the warehouse, free of expense to the Government, suitable office accommodation and toilet facilities with the necessary furniture, lighting, air conditioning, heating and cleaning.

Section 14188. Import Procedure

(a) Entry of Goods for Warehousing. Before any imported goods are warehoused the importer shall make entry thereof in accordance with the provisions of this Code.

(b) Goods to be Treated in Original Containers or Lots. Except as otherwise allowed by the Minister, goods shall be deposited and kept in warehouse in the containers or lots in which they were first entered for warehousing.

(c) Marking of Goods In Warehouse. The warehouse proprietor shall mark the containers or lots of warehoused goods in such manner as the proper officer shall direct and shall, subject to any further directions, keep them so marked while they are in the warehouse.

(d) Storage of Goods in Warehouse. The warehouse proprietor shall stow every container or lot of warehoused goods so as to facilitate easy access thereto and identification thereof.

Section 14189. Production Of Warehoused Goods To An Officer

The warehouse proprietor shall produce to any officer on request any goods deposited therein which have not been lawfully withdrawn therefrom and, notwithstanding any other provisions of this Code, he shall be liable to a penalty of \$20,000.00 for every container or lot which he fails to produce.

Section 14190. Inspection, Display And Sampling Of Warehoused Goods

Subject to such conditions and restrictions as the Minister sees fit to impose, and without prejudice to any reasonable conditions imposed by the warehouse proprietor, the owner of any warehoused goods may –

- (1) inspect the goods and their containers and prevent loss therefrom;
- (2) display goods for sale; and
- (3) take samples from the goods.

Section 14191. Manipulation Of Warehoused Goods

Subject to such conditions and restrictions as the Minister sees fit to impose and with the permission of the proper officer, the warehouse proprietor or the owner of any goods may separate, pack or repack the goods or perform any other operation thereon necessary in connection with their preservation, sale, exportation or other approved disposal and any such permitted operation as referred to in this Code as “manipulation”.

Provided that such manipulation shall not, except where otherwise allowed by the Minister, involve any process of manufacture or assembly of goods in warehouse.

Section 14192. Deficiency In Warehoused Goods

(a) If, at any time after goods have been warehoused and before they are lawfully withdrawn there from in accordance with the provisions of this Code, the goods are found to be missing or deficient and it is not shown to the satisfaction of the Minister that their absence or deficiency is due to natural wastage or other legitimate cause, then, without prejudice to any other provisions of the customs laws, the Minister may require the warehouse proprietor or the owner of the goods to pay immediately the duty due on the missing goods or the deficiency.

(b) If on the written demand of the proper officer for the payment of any duty due under the foregoing paragraph, the warehouse proprietor or owner of the goods refuses to pay the sum so demanded he shall, in addition, be liable to a penalty of double that sum.

(c) Where any goods have been lawfully removed from warehouse without payment of duty for transportation to another warehouse or some other place, the provisions of this Section shall apply to the goods as if they were still in warehouse;

Provided that in such a case, any duty due to be paid under the provisions of Paragraph

(a) of this Section shall be recoverable only from the owner of the goods or from any other person who has given bond to secure their withdrawal from warehouse for the transportation as aforesaid.

Section 14193. Time Allowed For Goods To Remain In Warehouse

(a) Except as the Minister shall otherwise allow, no goods shall remain in warehouse for longer than two years from the date of their first entry for warehousing;

Provided that, except in the case of goods warehoused in the Freeport of Monrovia, the extension of time granted by the Minister under the provisions of this Section shall not extend more than four years from the date of first entry of goods for warehousing.

(b) If any goods which have not been duly cleared for withdrawal remain in warehouse beyond the time allowed in paragraph (a) above, the proper officer may cause the goods to be removed to a Government warehouse at the risk and expense of the warehouse proprietor or importer or owner of the goods.

(c) Where goods of which entry for consumption has been made and on which the full duty chargeable has been paid remain in warehouse beyond the time allowed in paragraph (a) above, they may, on application by the warehouse proprietor, be disposed of in any manner of which the Minister shall approve.

Section 14194. Records to be Kept by Warehouse Proprietor; Annual Inventory to be Rendered

(a) The Minister may prescribe the form and manner of the records to be kept by the proprietor of a warehouse in respect of goods received into, stored in, manipulated in and delivered from, that warehouse.

(b) The proprietor of every warehouse shall submit annually to the proper officer, at a date to be agreed by the Minister, an inventory of all goods remaining in warehouse at that date, including goods cleared for withdrawal from the warehouse but not yet withdrawn; and this inventory shall be submitted in such form and manner and containing such particulars as the Minister may prescribe.

Section 14195. Withdrawal of Goods from Warehouse

(a) Entry Required. Before any goods are withdrawn from warehouse an entry therefor must be delivered to the proper officer in such form and manner and containing such particulars as the Minister shall prescribe.

(b) Purpose for Which Goods May be Withdrawn. Goods may be withdrawn from warehouse for –

(1) consumption; or

(2) exportation or shipment as stores without payment of duty; or

(3) removal to another warehouse without payment of duty; or

(4) any other purpose approved by the Minister.

(c) Payment of Duty. Except as permitted by or under any provision of this Code or other enactment, no goods shall be withdrawn from warehouse until any duty chargeable thereon has been paid and any duty shall be paid at the time when the entry is delivered.

(d) Person Who May Make Entry. No goods may be entered for withdrawal from warehouse other than by the person shown as the importer or owner thereof on the entry of goods for first warehousing or re-

warehousing, as the case may be, or any person to whom such importer or owner has transferred the right to withdraw the goods in accordance with the provisions contained in regulations made by the Minister.

(e) Goods to be Withdrawn in Complete Packages. Except as otherwise allowed by the Minister, goods shall be withdrawn from warehouse only in the complete packages or lots in which they were entered for warehousing.

(f) Warehouse Proprietor to Authorize Withdrawal. No entry shall be valid for the withdrawal of goods from a warehouse until the proprietor thereof has certified his authority for the withdrawal on the entry therefor.

(g) Officer's Permission Required. Notwithstanding any other provisions of this Section, no goods may be withdrawn from warehouse except with the permission of, and in accordance with any directions given by, the proper officer.

Section 14196. Rates Of Duty Chargeable On Warehoused Goods

(a) Subject to the next following, paragraph, the duties of customs and rates thereof chargeable on warehoused goods shall be those in force with respect to goods of that class or description at the date of delivery of entry for withdrawal;

Provided that where there has been an increase in the rates of duty with respect to the goods between time of delivery of the entry and the time of withdrawal of the goods from warehouse, the rates chargeable shall be those in force with respect to the goods at the time of their physical withdrawal from the warehouse.

(b) Where goods have been permitted under this Code to be removed from a warehouse without payment of duty for any purpose with the intention that they shall be rewarehoused but the goods are entered for consumption before being re-warehoused, the duties of customs and the rates thereof chargeable on the goods shall be those in force with respect to goods of that class or description at the date of payment.

Section 14197. Quantity On Which Duty To Be Paid

Except where the Minister may otherwise prescribe in the case of goods which are subject to natural loss in warehouse or in any other case, the amount of duty payable on chargeable goods on withdrawal from warehouse shall be calculated in accordance with the account taken of the goods upon their first being warehoused.

Section 14198. Re-entry Of Goods Entered For Warehousing

The whole or part of any goods which have been entered for warehousing, or which have been permitted to be withdrawn from a warehouse for any purpose with the intention that they shall be re-warehoused, may, with the permission of the proper officer, at any time before they have been duly warehoused, or as the case may be, re-warehoused –

(a) be further entered by the importer or owner thereof for consumption if so eligible, or for exportation or for use as stores and dealt with as if so entered on withdrawal from warehouse; or

(b) subject to the like procedure as if they had been duly warehoused or, as the case may be, re-warehoused, be removed to another warehouse approved for the warehousing of such goods.

Provided that where any such goods are held in containers and part only of the goods is to be further entered or removed as aforesaid, that part shall consist of one or more complete containers.

Section 14199. Re-warehousing Of Warehoused Goods

Where any goods are brought to a warehouse for re-warehousing after transportation from another warehouse, the importer or owner of the goods shall make entry thereof in such form and manner and containing such particulars as the Minister shall prescribe but otherwise the provisions of this Code relating to warehouse goods shall apply to such goods which have been re-warehoused.

Section 14200. Refund Of Duty Paid On Warehoused Goods

Subject to such conditions as the Minister may prescribe, where any goods on which duty has been paid and which have remained under continuous customs supervision, in a warehouse are withdrawn for exportation or shipment for use as stores, any duty so paid thereon may be refunded.

Section 14201. Provision For Destruction Of Warehoused Goods

Where, with the permission of the Minister and subject to such conditions and restrictions as he sees fit to impose, any goods in warehouse are allowed to be destroyed, any duty paid or payable on those goods may be repaid or remitted.

Section 14202. Restrictions On Abatements And Refunds

Notwithstanding any other provisions of this Code, where any goods remain in a warehouse beyond the time allowed under the provisions of this Code no abatement or refund of duty shall be allowed in respect of any loss, destruction or damage suffered by those goods.

Section 14203. Procedure On Warehouse Ceasing To Be Approved

(a) If the Minister intends to revoke or not to renew his approval of a warehouse he shall, not later than three months before the date when the revocation is due to take effect or the approval is to expire, give notice to this intention, specifying therein the said date.

(b) The said notice shall be given in writing and shall be deemed to have been served on all persons interested in any goods deposited in that warehouse, or permitted to be deposited therein between the date of giving the notice and the date specified therein, if addressed to the proprietor or, and left at, the warehouse.

(c) If after the date specified in the said notice, or such later date as the Minister may in any case allow, any goods not duty cleared remain in the warehouse, the proper officer may cause the goods to be removed to a Government warehouse at the risk and expense of the warehouse proprietor or importer or owner of the goods.

Section 14204. Designation Of Government Warehouses

(a) The Minister may appoint or lease any place for the storage on customs custody of

(1) any goods not yet entered or examined or released from customs custody; or

(2) any goods seized as liable to forfeiture, and any place so appointed or leased shall be designated as a Government warehouse.

(b) Any place so leased shall be on public account.

Section 14205. Provisions As To Deposit In Government Warehouse

(a) The following provisions of this Section shall have effect in relation to any goods which are deposited in a Government warehouse under or by virtue of any provision of this Code.

(b) Such rent and other charges shall be payable while the goods are deposited as may be fixed by the Minister, provided such rent and charges shall not be less than those levied for storage and similar services by commercial concerns at the port of entry or other place where the warehouse is situated, and such rent and charges shall be deposited and accounted for as customs receipts.

(c) If the goods are of a combustible or inflammable nature or otherwise of such a character as to require special care or treatment -

- (1) they shall, in addition to any other charges payable thereon, be chargeable with such expenses for securing, watching and guarding them as the Minister sees fit;
- (2) neither the Minister nor any officer shall be liable to make good any damage which the goods may have sustained; and
- (3) if the importer or owner of the goods has not cleared them within period of fourteen days from the date of deposit, they may sold by the Minister.

(d) Save as permitted by or under this Code, the goods shall not be removed from the warehouse until any duty chargeable thereon and any charges in respect thereon -

- (1) for their removal to the warehouse; and
- (2) under the two last foregoing paragraphs, have been paid and, in the case of goods requiring entry and not yet entered, until entry has been made thereof.

(e) The officer having the custody of the goods may refuse to allow them to be removed until it is shown to his satisfaction that any freight charges due thereon have been paid.

(f) If the goods are, under or by virtue of any provision of this Code sold, the proceeds of sale shall be applied -

- (1) in paying any duty chargeable on the goods;
- (2) in defraying any such charges as are mentioned in Paragraph (d) of this Section, and
- (3) in defraying any charges for freight, and if the person who was immediately before the sale the owner of the goods makes application in that behalf the remainder, if any, shall be paid over to him.

(g) When the goods are under or by virtue of any provision of this Code authorized to be sold but cannot be sold -

- (1) if the goods are to be exported, for a sum sufficient to make the payment mentioned in Subparagraph (2) of the last foregoing paragraph; or
- (2) in any other case, for a sum sufficient to make the payments mentioned in Subparagraphs (1) and (2) of Paragraph (f), the Minister may destroy the goods.

Section 14206. Officers Not To Own Or Lease Warehouses

No officer shall own, in whole or in part, any place used as a warehouse or Government warehouse or enter into any contract or agreement for the lease or use of any such place with a view to its subsequent use as a warehouse or Government warehouse.

Section 14207. General Offences Relating To Warehouses And Warehoused Goods

(a) Any person who, except with the authority of the proper officer or for just and sufficient cause, opens any of the doors or locks of a warehouse or Government warehouse or makes or obtains access to any such warehouse or to any goods warehoused therein shall be liable to a penalty of \$200,000.00 (b) Where-

- (1) any goods which have been entered for warehousing are taken into the warehouse without the authority of, or otherwise than in accordance with any direction given by, the proper officer; or
- (2) save as permitted by this Code any goods which have been entered for warehousing are removed without being duly warehoused or are otherwise not duly warehoused; or
- (3) any goods which have been deposited in a warehouse or Government warehouse are lawfully removed therefrom or are unlawfully loaded into any vessel, aircraft or vehicle for removal or for exportation or use as stores; or
- (4) any goods entered for warehousing are concealed either before or after they have been warehoused; or
- (5) any goods which have been lawfully permitted to be withdrawn from a warehouse or Government warehouse without payment of duty for any purpose are not duly delivered at the destination to which they should have been taken in accordance with that permission, those goods shall be liable to forfeiture and if any person who withdrew, took, removed, loaded or concealed any goods as aforesaid did so with intent to defraud the Government of any duty chargeable thereon or to evade any prohibition or restriction for the time being in force with respect thereto under or by virtue of any enactment, he shall be liable to a penalty of \$200,000.00 or two years imprisonment or both.

Sections 14208-14214. Reserved

Subchapter L. Postal Traffic

Section 14215. Application Of Customs Laws To Goods Imported Or Exported By Post

(a) Subject to the provision of this Section, the enactments for the time being in force relating to customs shall apply in relation to goods contained in postal packets to which this Section applies brought into or sent out of Liberia by post from or to any place outside the Liberian postal area as they apply in relation to goods otherwise imported into or exported from Liberia from or to any such place.

(b) The Minister, after consultation with the Minister of Postal Affairs, may make regulations, which may include, but shall not be restricted to, provisions -

- (1) for specifying the postal packets to which this section applies;
- (2) for making modifications or exceptions in the application of the said enactments to postal packets;
- (3) for enabling officers of the Post Office to perform for the purpose of the said enactments all or any of the duties of the importer or exporter;
- (4) for carrying into effect any arrangement with the Government or postal administration of any other country with respect to foreign postal packets;
- (5) for ensuring the observance of the said enactments and, without prejudice to any liability of any person under those enactments, for the punishing of any contravention of the regulations.

Sections 14216-14224. Reserved

Subchapter M. General Provisions

Section 14225. Disposal Of Goods Imported Duty Free

Whenever any person (including an organization or institution) who qualifies for duty-free privilege desires to sell or otherwise dispose of any goods which have been imported or delivered free of duty under any legal provision or in respect of which a refund of duty paid has been allowed, such sale or disposal shall be subject to –

- (a) the consent of the Minister;
- (b) the fulfillment of such terms as to payment of duty not exceeding the amount which would have been payable if the goods at the time of the desired sale or disposal were imported for the first time;
- (c) the fulfillment of any other conditions which the Minister may prescribe.

Section 14226. Refund of Duty Overpaid

(a) Whenever it is shown to the satisfaction of the Minister that duty had been paid on any imported or exported goods in excess of that which should have been paid under the law, such excess duty shall be refunded.

(b) Every claim for refund of duty shall be made within twelve months of payment of the duty.

(c) Every claim for refund of duty shall be honored by the Minister on presentation of the proper debenture certified as correct by the proper officer.

- (1) The Minister may remit or authorize the refund in whole or in part of any customs duties payable or paid by any person on any goods imported or exported provided he is satisfied that it is just and equitable to do so;
- (2) The remission or refund authorized to be made under Subparagraph (1) of this paragraph may apply either to specific instances or generally or in respect of a specified person or persons of a specified class; and
- (3) In lieu of making any remission or refund under Subparagraph (1) of this paragraph, the Minister may if satisfied that it is just and equitable to do so direct that there shall be repaid to any person to whom the goods in question have been sold or transferred, an amount not exceeding the amount of customs duties paid thereon or estimated to have been paid thereon.

Section 14227. Duty Free Stores For Vessels And Aircraft

(a) Under such regulations as the Minister may prescribe, goods of foreign or domestic origin intended for use as stores on vessels or aircraft engaged in the foreign trade may be withdrawn free of any duty from any warehouse or from continuous customs custody elsewhere or from a free zone.

(b) Under such regulations as the Minister may prescribe, fuel oil, replacement parts, accessories, equipment and consumable stores, other than clothing, tobacco and alcoholic beverages, may be shipped free of import duty from any warehouse or from continuous customs custody elsewhere or from a free zone, on any vessel registered in Liberia and engaged in domestic trade.

Section 14228. Temporary Importation: General

Where the Minister is satisfied that goods are being imported temporarily with a view to subsequent re-exportation he may make regulations prescribing both the conditions under which the goods may be admitted without payment of duty and the penalties for non-compliance with those conditions.

Section 14229. Temporary Importation Of Personal Effects

At the discretion of the Minister, a bona fide alien visitor to Liberia may be permitted to import temporarily without payment of duty thereon non-consumable goods including a motor vehicle, vessel or aircraft required for his personal use during his visit on giving security for the duty chargeable thereon and subject to such other conditions as the Minister may see fit to impose:

Provided that –

- (1) The Minister may waive the requirement for security;
- (2) All goods imported without payment of duty under the authority of this section shall be exported within ninety days of importation or such further period not exceeding ninety days as the Minister may at his discretion allow; or
- (3) On the exportation of goods imported without payment of duty in accordance with this

section, any bond given shall be cancelled or any cash deposited shall be refunded.

Section 14230. Procedure For Administrative Imposition Of A Higher Rate Of Duty

Should the Minister change by administrative ruling the rate of duties or charges applicable to any goods under an established and uniform practice, no such duties or charges shall have effect with respect to goods entered for consumption or withdrawn from bonded warehouse for consumption prior to the expiration of thirty days, or such longer period as the Minister may allow, from the date of publication of that ruling.

Section 14231. Conversion To Foreign Currency

For customs purposes the rates of exchange between the Liberian dollar and other currencies shall be the market rate published by the Central Bank of Liberia and applicable on the date on which duty becomes payable.

Section 14232. Procedure Where Amount Of Duty And Other Charges Cannot Immediately Be Ascertained

(a) Where it is impracticable immediately to ascertain whether any or what duty or charges are payable on any imported goods entered for consumption, whether on importation or withdrawal from warehouses, or on any goods entered for exportation, the Minister may if he thinks fit allow those goods to be delivered or exported; as the case may be, upon the importer or exporter, as appropriate giving security by deposit of money or otherwise to his satisfaction for payment of any amount paid which may be payable by way of duty or other charges.

(b) For the purpose of the foregoing paragraph the Minister may treat goods as having been entered notwithstanding that the entry does not contain all the particulars required for perfect entry, provided it contains as many of those particulars as are then known to the importer or exporter, as the case may be, in which case the importer or exporter, as appropriate, will supply the remaining particulars as soon as possible to the Minister.

(c) Where any goods are allowed to be delivered or exported under the provisions of this Section, the Minister shall when he has determined the amount which in his opinion is payable, give to the importer or exporter, as the case may be, a notice specifying that amount and the amount so specified or, where any amount has been deposited under paragraph (a) of this Section, any difference between those amount shall forthwith be paid or repaid as the case may require;

Provided that if the importer or exporter, as the case may be, disputes the correctness of the amount so specified, he may at any time within ninety days of the date of the said notice make a request in writing to the Minister for arbitration in accordance with the laws of the Republic of Liberia, so, however, that no such request for arbitration shall be made until any amount failing to be paid under this section by the importer or exporter, as the case may be, has been paid.

Section 14233. Verification Of Assessment By Officers

(a) Notwithstanding any other provisions of the customs laws, the Minister may make, or direct any officer to make, inquire -

(1) In respect of imported goods, at any time before or after they have been released from customs custody; or

(2) in respect of any exported goods, for the purpose of verifying any matter relevant to the determination of the duty or other charges due thereon on importation or exportation, as the case may be, and whether any such duty or other charges which are properly payable have been paid.

(b) Without prejudice to any other provisions of the customs laws, any amount which the Minister deems to have been underpaid in consequence of any verification performed under the provisions of Paragraph (a) of this Section shall be recoverable as a civil debt due to the Government.

Section 14234. Repayment Of Remission Of Duty On Goods Lost, Destroyed Or Damaged

(a) Where it is shown to the satisfaction of the Minister that any goods chargeable with duty on their importation or exportation, as the case may be, have been lost or destroyed by unavoidable accident -

(1) in the case of imported goods, before release from customs custody for any purpose for which they may be entered on importation; or

(2) in the case of goods required to be entered for exportation, at any time before they have been exported; or

(3) while in a warehouse or a Government warehouse; or

(4) at any time while that duty is otherwise lawfully unpaid, except when payment of that duty has become due but has been allowed by the Minister to be deferred, the Minister shall remit or repay any duty chargeable or paid thereon.

(b) The Minister, may, at the request of the owner of the goods in question and subject to such conditions as he sees fit to impose, permit the destruction of, and waive payment of duty on-

(1) any part of any warehoused goods which become damaged or surplus by reason of carrying out permitted manipulation of the goods in warehouse and any waste or refuse resulting from any such manipulation; and

(2) any imported goods not yet cleared for any purpose for which they might be entered on importation or any warehoused goods, being in either case goods which have by reason of their state or condition ceased to be worth the full duty chargeable thereon.

(c) Subject to such conditions as the Minister sees fit to impose, where any imported fruit or other perishable goods have been condemned by the proper officer of the health authority or other legally constituted authority at the port of entry of the goods within ten days of their landing or unloading at the port, and provided the importer has given notice thereof to the collector at the port within five days of the condemnation of the goods, any duty of customs chargeable or paid on those goods may be remitted or repaid.

Section 14235. Forfeiture Of Goods For Breach Of Conditions

Where, by virtue of the provisions of any enactment, regulation or practice, goods chargeable with a duty of customs are allowed to be delivered without payment of all parts of that duty on condition that they

will not be sold or will be exported or upon any like condition, then, if the condition is not observed the goods shall, unless the nonobservance was sanctioned by the Minister, be liable to forfeiture.

Section 14236. Time Of Importation And Exportation

(a) The provisions of this section shall have effect for the purpose of this Code and of any\ other enactment relating to customs.

(b) The time of importation of any goods into Liberia shall be deemed to be -

- (1) where goods are brought by sea, the time when the vessel carrying them come within the limits of a customs port;
- (2) where goods are brought by air, the time when the aircraft carrying them lands in Liberia or the time when the goods are unloaded in Liberia, whichever is the earlier;
- (3) where goods are brought by land or inland waterway, the time when the goods are brought across the border into Liberia.

(c) The time of exportation of any goods from Liberia shall be deemed to be-

- (1) where goods are exported by sea or air, the time when the goods are shipped for exportation;
- (2) where the goods are exported by land or inland waterway, the time when they are taken across the border out of Liberia;

Provided that in the case of goods of a class or description with respect to the exportation of which any prohibition or restriction is for the time being in force which are exported by sea or by air, the time of exportation shall be deemed to be the time when the exporting vessel or aircraft departs from the last customs port or customs airport, as the case may be, at which it is clear before departing for a destination outside Liberia.

(d) A vessel shall be deemed to have arrived at or departed from a port at the time when the vessel comes within or, as the case may be, leaves the limits of the port.

Section 14237. Appointment Of Agents

(a) Subject to the provisions of the following Paragraphs of this Section anything required by this Code to be done by any person may be done on his behalf by an agent.

(b) In relation to the requirements for the report and clearance of a vessel by the master thereof, it shall be lawful for those functions to be performed on his behalf by a licensed deck officer or the purser of such vessel or by a responsible member, accepted by the Minister as such, of the firm of agents for the vessel in Liberia;

Provided that nothing contained in this Section shall thereby relieve a master of any liability or penalty provided under the customs laws in connection with the report and clearance of vessels.

(c) in relation to the requirements for the report and clearance of an aircraft by the commander thereof, it shall be lawful for those functions to be performed by another member of the crew of the aircraft or by a

person authorized to act for the owner or operator of the aircraft, provided that nothing contained herein shall relieve the commander or the owner or operator of the aircraft of any liability or penalty in connection with the report and clearance of aircraft.

(d) If required, authority for a person to act as an agent for another person shall be given in writing by that other person in such form and manner as the Minister may prescribe.

Section 14238. Liens On Imported Goods

When the Minister is notified of the existence of a lien for freight charges or contribution in general average upon any imported goods in the custody of customs, he shall refuse delivery thereof until proof is produced that the said lien has been satisfied or discharged. The rights of the Government shall not be affected or prejudiced by the filing of such lien, nor shall the Government or its officers be liable for losses or damages resulting from refusal to permit delivery in accordance with the provisions of this Section. If goods subject to such lien, shall be forfeited or abandoned, and sold at public auction by reason of such non-delivery, the freight charges or contribution in general average thereon shall be paid from the proceeds of such sale in the same manner as other lawful charges and expenses are paid therefrom; however, customs duties and charges shall first be paid in full from the proceeds of such sale.

Section 14239. Immunity From Liability

The Minister, collector, or the officer involved, shall not be in any way liable to any owner, importer, consignee, exporter, agent or any other person for or on account of any rulings or decisions as to the classification of any imported or exported goods or the duties charged thereon, or the collection of any duties, taxes or other customs charges on or on account of said goods, or any other matter or things as to which the said owner, importer, consignee, exporter, agent or any other person might under this Code be entitled to protest or appeal from the decision thereon of the Minister, the collector or the other officer involved.

Section 14240. Cost Of Examination Of Goods

The opening, unpacking, weighing, measuring, repacking and performance of any operation on any imported or exported goods during the course of their examination by an officer in accordance with the provisions of this Code shall be at the risk and expense of the importer or exporter thereof, or in the case of goods deposited in a warehouse, the warehouse proprietor.

Section 14241. Clearance Of Passengers Entering Or Leaving Liberia

(a) Without prejudice to any other provisions of the customs laws, any person entering or leaving Liberia shall report promptly to the proper officer at the place of arrival or departure and shall answer any questions put to him by the officer concerning his journey and his stay in Liberia and, if required, shall produce his baggage and any article carried therein or on his person to the officer for examination.

(b) Any duty chargeable on any goods carried in the baggage or on the person of a passenger shall, subject to the provisions of Section 14232 of this Code, be determined by the officer to whom the goods are produced for examination in accordance with the provisions of Paragraph (a) of this Section.

Section 14242. Status Of Goods Released From Customs Custody

Except where otherwise allowed under the customs laws, no remission or refund of duty shall be allowed on any goods released from customs custody other than -

(a) prohibited goods which have regularly been imported in good faith and are subsequently re-exported or destroyed under such conditions as the Minister may prescribe; or

(b) in such other cases as the Minister may allow.

Section 14243. Goods Conditionally Exempt from Duty

Where any goods are conditionally exempt from duty by reason of any special use or circumstance, they shall be exempt only upon a claim for exemption being made by the importer himself in such form and manner as may be prescribed by the Minister who may require the production of evidence as to such special use or circumstance as a condition of the grant of the exemption.

Section 14244. Disposal Of Uncleared Goods

(a) Public Auction.

(1) Where any goods which have been deposited in a Government warehouse in accordance with the provisions of the Code have not been cleared by the importer thereof –

(A) in the case of goods which are in the opinion of the Minister of a perishable nature, forthwith; or

(B) in any other case, within three months after they have been so deposited, they shall be considered to be unclaimed and abandoned to the Government and they shall be appraised by the appraiser of goods and sold by the collector at public auction under such regulations as the Minister shall prescribe.

(2) Goods which have become subject to sale under the provisions of Paragraph (a) of this Section may be entered and cleared for consumption at any time prior to the sale on payment of the duty and storage and other charges and expenses; but such goods may not prior to the sale be exported without payment of such duty, charges and expenses as aforesaid or be entered for warehousing.

(b) Computation of Duties on Auctioned Goods. The computation of duties for the purposes of this Section shall be at the rate or rates applicable at the time the goods became subject to sale by auction.

(c) Proceeds of Sale: Distribution. The surplus of the proceeds of a sale held under this Section, after the payment of storage charges, expenses, duties and the satisfaction of any lien for freight, charges or contribution in general average, shall be deposited in an official depository if claim therefor is not filed within ten days from the date of sale. The sale of such goods shall exonerate the master of any vessel, the commander of any aircraft or the person in charge of any vehicle in which the goods were imported from all claims of the owner thereof, who, nevertheless, on due proof of his interest as owner, shall be entitled to receive the amount of any surplus of the proceeds of sale less a ten percent charge for handling.

Section 14245. Permit For Operations Outside Official Hours; Charges To Be Paid; Overtime Payable To Officers

The Minister shall by regulations prescribe –

- (a) the procedure to be followed by any person seeking a permit for the performance, outside official hours, of any operation or matter referred to in this Code;
- (b) the charges to be paid by the person seeking such permit; and
- (c) the overtime payments which shall be made to officers for working outside official hours in consequence of the grant of such permit.

Section 14246. Provisions Of Accommodation For Customs Officers

Without prejudice to any other provisions of this Code relating to the provision of accommodation of customs officers, the person responsible for the administration of any port of entry shall provide for the use of officers appointed to that port of entry suitable accommodation together with the necessary furniture, toilet facilities, cleaning, heating and air-conditioning to the satisfaction of the Minister free of expense to the Government.

Section 14247. Power Of The Minister To Make Regulations

The Minister may make regulations for the purpose of carrying into effect any of the provisions of this Code.

Sections 14248-14249. Reserved

Subchapter N. Freeport Of Monrovia

Section 14250. Freeport Established

A part of the harbor at Monrovia, the limits of which are hereinafter set forth, is hereby designated as a Freeport to be known as the Freeport of Monrovia and shall be operated in accordance with the provisions of this Subchapter. The President, by proclamation, or the Legislature by its own acts, may alter the area comprising the Freeport.

Section 14251. Definitions

When used in this Subchapter, the terms listed below shall have the meanings ascribed to them as follows:

- (a) “Freeport of Monrovia”, hereinafter sometimes referred to as the “Freeport” shall mean the area in the harbor of Monrovia which is enclosed by the North and South breakwaters and the fence on the land-side of Bushrod Island.
- (b) “Customs territory” includes, in connection with the importation and exportation of goods for permissible Freeport operation, all the territory within the Republic of Liberia except that included within the Freeport of Monrovia.
- (c) “Domestic goods” means all goods which are the growth, produce, or manufacture of the Republic of Liberia and foreign goods which have been previously legally imported into Liberia on payment of the full duties of customs which have not been drawn back.

(d) “Foreign goods” means all goods other than domestic goods.

(e) “Port Management” means any person with whom the President has entered into contractual agreement for the operation and maintenance of the Freeport pursuant to Section 14258 or to any public agency established by law for those purposes.

Section 14252. Application Of Customs Laws

Except as may be otherwise allowed in regulations made by the Minister under the provisions of this Subchapter, the provisions of the customs laws apply to the Freeport of Monrovia as they do in the case of any other customs port.

Section 14253. Provisions For Processing Goods

Subject to regulations made by the Minister and to such conditions and restrictions as he sees fit to impose, foreign or domestic goods may be brought into the Freeport, whether, from a place outside Liberia or from customs territory and whether or not the full duties of customs or excise have been paid or any drawback of such duties has been allowed on those goods, for the purpose of being stored exhibited, sold or subjected to a process of packing, unpacking, sorting, blending, grading, cleaning, repairing, marking, assembly or manufacture and any such goods or goods resulting from any such process may be exported, shipped for use as stores, destroyed or removed to customs territory.

Section 14254. Liability To Duties Of Goods Removed To Customs Territory

Where any goods which have been brought into the Freeport under the provisions of the last foregoing Section are, with the approval of the proper officer, removed to customs territory either in their original state or after being subjected to such a process as may be allowed under the provisions of that Section, then, subject to the satisfaction of the Minister as to the origin of the goods or any part or ingredient thereof, the duties of customs and excise chargeable, and the repayment of drawback, on those goods shall be determined in the following manner -

(a) any duties chargeable on the goods shall be those in force with respect to goods of that class or description at the time of delivery to the proper officer of the entry of the goods for removal to customs territory in accordance with the provisions thereof which shall be specified in any regulation made under the last foregoing Section;

(b) goods or any part or ingredient thereof of foreign origin shall be chargeable with the duties of customs or subject to repayment of drawback, as the case may be, in accordance with the provisions of this Code relating to the importation and re-importation of such goods in so far as they are applicable and not inconsistent with any regulations made under the last foregoing Section;

(c) goods or any part or ingredient thereof of domestic origin, not being goods of a class or description liable to a duty of excise in Liberia or, if so liable, the proper duties having previously been paid thereon and not drawn back shall not be liable to any duty; and (d) goods or any part thereof of domestic origin of a class or description liable to a duty of excise in Liberia but on which that duty has not been paid or which were brought into the

Section 14256. Designation Of Entrances And Exits Of Goods

All goods entering customs territory from the Freeport or entering the Freeport from customs territory shall do so only through the designated entrances and exits.

Section 14257. Designation Of Entrances And Exits Of Persons

All persons entering or leaving the Freeport shall pass through the designated entrances and exits.

Section 14258. Arrangement For Freeport Management

The President is authorized and empowered to conclude such agreements for the maintenance and management of the Freeport as may be necessary. Such agreements as are concluded shall contain provisions for the filing of a bond or other security to assure protection of the revenue in permissible Freeport operations for which Port Management is directly or indirectly responsible.

In addition, such agreements shall require that Port Management, without expense to the Government, provide for the operations at the Freeport suitable accommodation and sanitary facilities for officers assigned to the Freeport, all necessary office equipment and supplies, other than official forms, and all tools necessary for opening and closing cases of goods designated for examination. All agreements made by the President shall be submitted to the Legislature for approval at its next ensuing session; they shall have the full force and effect of law until the end of such session or until the Legislature sooner acts thereon.

Section 14259. Rules And Rate Schedules To Be Published By Port Management

Port Management shall prepare and publish in a newspaper of general circulation and in addition in handbills to be made available to the public, a schedule of all charges for services and privileges performed and granted within the Freeport area. Such publication shall contain rules, regulations, and practices deemed necessary for the operation of the Freeport, provided that such rules, regulations and practices shall not contain any provisions which would impede or restrict the movement of officers in the performance of their official duties, nor, in any way conflict with customs laws and regulations, promulgated thereunder. All schedules, rules, regulations and practices provided for herein shall first be approved by the Minister.

Section 14260. Access And Inspection Of Freeport Facilities By Customs Officials

Duly authorized customs officials and employees shall have access to the Freeport at all times and shall have the right during regular business hours to inspect all warehouses and other facilities there and to examine books and record relating to arrival and departure of ships, loading and unloading of cargo, storage and delivery of goods, processing and other manipulation of goods and to all other matters necessary for safeguarding Governmental Revenue and carrying out the purposes of this Subchapter. The company or other authority managing the Freeport and all other persons transacting business therein shall furnish customs officials with such documents, reports, books and records relating to the operations of the Freeport as may be necessary.

Section 14261. Accommodation And Compensation For Customs Official Assigned To Warehouses

When officers are assigned to bonded warehouses within the Freeport area to supervise and account for the receipt and delivery of goods stored therein, the proprietors of such warehouses shall be responsible

for providing suitable accommodation and sanitary facilities for such officers and shall reimburse the Government for their compensation.

Section 14262. Application Of Liberian Laws And Law Enforcement To Freeport

Except as provided in this Subchapter, all Liberian laws shall apply to the Freeport of Monrovia and officers of the National Police Force and all other duly authorized law enforcement officers of the Republic shall at all times have access to the Freeport for purpose of enforcing such laws.

Section 14263. Transitional Rule For The Customs Code

(a) *Administrative*: To the extent not otherwise provided by this Code all regulations and procedures issued under this code are hereby extended until such time as the Minister and the Deputy Minister concur in the issuance of administrative regulations and procedures continuing those provisions of establishing replacement procedures except to the extent the constitution requires that any action provided for in those chapter be accomplished or repealed by legislation rather than by regulation, such provisions are extended until passage of appropriate legislation modifying such procedure.

(b) *Prohibition*:

- (1) Regulation on Protective Tariff of 25 Percent, MOF/R/99-001 dated 07 January 1999, shall not be renewed in light of the policy of Government to encourage a competitive free trade market, and encouragement of exportation of quality made in Liberia goods.
- (2) There shall be no importation of used motor vehicles more than 10 years old, whether intended for transport of passengers or goods, or for private or commercial use.
- (3) The following vehicles are exempt from the paragraph (2) prohibition on the import of vehicles more than 10 years old:
 - (A) Earth moving machinery;
 - (B) Heavy-duty trucks used in forestry or for the transportation of heavy equipment; and
 - (C) Industrial vehicles and tankers.
- (4) Persons are exempt from Customs duties as follows—
 - (A) *General Exemptions*. General exemptions are stated in the Second Schedule to the Customs Code (Sections 100.00 – 100.07 except 100.06).

Persons not mentioned therein shall pay Customs duties on the importation of commodities not exempt in Sections 100.00 – 100.07 at the rates specified in the First Schedule to the Customs Code.
 - (B) *Special Circumstance Exemptions*. Exemption shall be made in accordance with Section 100.06 of the Second Schedule to the Customs Code.

Sections 14264-14299. Reserved

Chapter 15. MISCELLANEOUS CUSTOMS PROVISIONS

Section 1500. Customs Brokers.

Section 1501. Minister May Regulate Acceptance Of Uncertified Checks By Collectors.

Section 1502. Minister Authorized To Extend Time For Performance Of Required Acts.

Section 1503. Customs Seal.

Section 1504. Customs Revenue Flag.

Section 1505. Marking Of Imported Articles And Containers.

Sections 1506-1599. **Reserved**

Section 1500. Customs Brokers

(a) ***Minister May Prescribe Regulations For Licensing Brokers.*** The Minister may prescribe rules and regulations governing the licensing as customs brokers of persons of good moral character, and of corporations, associations, and partnerships, and may require as a condition to the granting of any license, the showing of such facts as he may deem advisable as to the qualifications of the applicant to render valuable service to importers and exporters. No such license shall be granted to any corporation, association, or partnership unless licenses as customs brokers have been issued at least two of the officers of such corporation or association, or two of the members of such partnership, and such licenses are in force. Any license granted to any such corporation, association, or partnership shall be deemed revoked if for any continuous period of more than sixty days after the issuance of such license there are not at least two officers of such corporation or association or two members of such partnership who are qualified to transact business as customs brokers. No person shall transact business as a customs broker without a license granted in accordance with the provisions of this Subsection, but nothing in this Section shall be construed to authorize the requiring of a license in the case of any person transacting as a customhouse business pertaining to his own importations. If a license application is denied, the applicant shall have a right to an administrative review thereof in accordance with the applicable provisions of Section 59, by filing a request thereof with the Minister within ten days after receipt of written notice of such denial.

(b) ***Revocation And Suspension Of Licenses; Hearings And Appeal.*** The Minister in accordance with the procedure herein set forth shall have the right to revoke or suspend the license of any customs broker, shown to be incompetent, disreputable, or who has refused to comply with the rules and regulations issued under this Section, or who has with intent to defraud, in any manner willfully and knowingly deceived, misled, or threatened any importer, exporter, claimant, or client, or prospective importer, exporter, claimant, or client, by word, circular, letter, or by advertisement. To that end, the Minister, at any time, for good and sufficient reasons, may serve notice in writing upon any customs broker licensed pursuant to the provisions of this section to show cause why said license shall not be revoked or suspended, which notice shall be in the form of a statement specially setting forth the ground of complaint. Within ten days thereafter the said customs broker shall be notified in writing to appear upon said charges on a day certain no less than five days from the date of service of such notice before such qualified employee of the Ministry as the Minister may appoint to act as hearing officer. At such hearing the customs broker may be represented, and the hearing shall be conducted in accordance with the Administrative Procedure Act. The Minister may act as hearing officer.

(c) ***Appeals Of Minister; To Tax Court.*** Except when a hearing is heard by the Minister as authorized under the provisions of Paragraph (b), in which event his determination therein shall be the final administrative determination, a customs broker aggrieved by a determination made by a hearing officer pursuant to the provisions of Paragraph (b) may appeal to the Minister for a final administrative determination by filing in the office of the Deputy Minister for Revenues within 10 days after receipt of notice of such determination, a request for such final administrative determination. The Minister shall review the appeal in accordance with the provisions contained in Section 59 with respect to such an appeal taken by a taxpayer. An appeal to the Tax Court may be taken by any licensed customs broker

from any determination of the Minister, suspending or revoking a license, in accordance with the provisions of Section 59 relating to appeals from final determinations made by the Minister with regard to taxpayers.

(d) ***Minister To Prescribe Operating Regulations.*** The Minister shall prescribe such rules and regulations as he may deem necessary to protect importers and the revenue of the Republic of Liberia and to carry out the provisions of this Section, including rules and regulations requiring the keeping of books, accounts, and records by customs brokers and the inspection thereof and of their papers, documents, and correspondence and the furnishing by them of information relating to their business to duly accredited officials of the Republic of Liberia.

Section 1501. Minister May Regulate Acceptance Of Uncertified Checks By Collectors

Under such rules and regulations as the Minister may prescribe, collectors may accept uncertified checks in payment of duties and other customs charges, but if a check so received is not paid, the person by whom such check has been tendered shall remain liable for the payment of the duties or other charges and for all legal penalties and addition to the same extent as if such check had not been tendered.

Section 1502. Minister Authorized To Extend Time For Performance Of Required Acts

In any case where a time for the performance of any act is established by any provision of law, the Minister is hereby authorized to provide for an extension of such time for such specific periods as the circumstances warrant: provided, that the period for which goods may remain in bonded warehouses shall not, except in the case of warehouses in the Free Port of Monrovia, be extended for more than a total of two additional years.

Section 1503. Customs Seal

The Customs Seal of the Republic of Liberia shall be impressed upon all official documents requiring the impress of the seal. The original counterpart of import entries and supporting documents which are delivered to the importer for the purpose of obtaining release from customs custody of imported goods shall bear the impress of the customs seal.

Section 1504. Customs Revenue Flag

(a) ***Design.*** The Customs Service of the Republic of Liberia shall use and display at customhouses, other customs buildings and stations and on boats employed in the customs service, a Customs Revenue Flag which shall have the following described form and design: it shall be the same shape and proportion as the National flag with five vertical red stripes and six vertical white stripes, in the upper field there shall be a square of white with a single blue star therein.

(b) ***Authorized Display.*** The Liberian Customs Revenue Flag shall be displayed only as herein authorized:

(1) All boarding boats of the customs service shall fly the customs revenue flag in the bow and the National flag in the stern.

(2) All customhouses, customs buildings and stations shall fly the Customs revenue Flag on the same staff beneath the National flag.

Section 1505. Marking Of Imported Articles And Containers

(a) Minister May Prescribe Regulations. The Minister by regulation may require that every article of foreign origin imported into the Republic of Liberia, or its container, be marked in a conspicuous place as legibly, indelibly and permanently as the nature of the article or its container will permit in such manner as to indicate the name of the country of origin of the article in the English Language and in particular he may so require the marking of any imported article, or its container, when, in his opinion, it is deemed necessary for the protection of a domestic industry.

(b) Additional Duties for Failure to Mark, Exceptions. If at the time of importation, any article or its container is not marked in accordance with the regulation prescribed by the Minister under the provisions of Paragraph (a) and the Minister has given public notice of such requirements at least ninety days prior to importation that such article or its container is required to be marked to show the country of origin, there shall be levied, collected and paid an additional duty of 10 per cent of the value of such article, which shall be deemed to have accrued at the time of importation, shall not be construed to be penal, and shall not be remitted wholly or in part, nor shall payment thereof be avoidable for any cause except as follows:

- (1) Such article or its container is incapable of being marked;
- (2) Marking is to be accomplished prior to release from customs custody, under customs supervision, and at the expense of the importer;
- (3) The article is to be destroyed or exported under customs supervision, at the expense of the importer;
- (4) If it can be shown to the satisfaction of the Minister that such article cannot be marked prior to shipment to the Republic of Liberia without injury;
- (5) The marking of the container of such article will reasonably indicate the country of origin of such article;
- (6) Such article is imported for use by the importer and not intended for sale in its imported or any other form; or
- (7) Such article is to be processed in the Republic of Liberia by the importer or for his account otherwise than for the purpose of concealing the origin of such article and in such manner that any mark contemplated by this Section would necessarily be obliterated, destroyed, or permanently concealed.

Sections 1506-1599. Reserved

Chapter 16. ENFORCEMENT PROVISIONS

Section 1600. Powers Of Officers In Boarding Vessels And Vehicles

Section 1601. Seizure Of Vessels Aircraft Or Vehicles For Breach Of Customs Laws

Section 1602. Libel Of Vessels, Aircraft And Vehicles

Section 1603. Lack Of Manifest Civil Penalty

Section 1604. Goods Not Included In Manifest Subject To Forfeiture

Section 1605. Missing Goods; Civil Penalty

Section 1606. Narcotic Drugs; Additional Penalties

Section 1607. Unlawful Unloading Or Transshipment On Highseas Adjacent To And Within

Territorial Waters; Civil Penalties

- Section 1608. Untrue Declaration; Recovery Of Duty; Penalties
- Section 1609. Sanctions Against Aiding Unlawful Importation
- Section 1610. Search Of Persons And Baggage; Minister To Prescribe Regulations
- Section 1611. Searches And Seizures Of Goods; Warrant Procedure
- Section 1612. Custody Of Seized Or Detained Goods
- Section 1613. Appraisalment Of Seized Goods; Limitation Of Value Of Prohibited Goods
- Section 1614. Notice Of Seizure To Be Given
- Section 1615. Notice Of Claim; Condemnation Proceedings; Goods Deemed To Be Condemned
As Forfeited
- Section 1616. Disposal Of Seized And Detained Goods
- Section 1617. Perishable Goods Subject To Summary Sale Or Disposal
- Section 1618. Disposal Of Proceeds Of Sale Of Forfeited Property
- Section 1619. Release Of Seized Property In Lieu Of Condemnation Proceedings
- Section 1620. Burdens Of Proof In Forfeiture Proceedings
- Section 1621. Minister Authorized To Compromise Customs Claims
- Section 1622. Remission Or Mitigation Of Fines, Penalties And Forfeiture Before Sale Of
Seized Property
- Section 1623. Award Of Compensation To Informers
- Section 1624. Limitation Of Actions To Recover Penalties And Forfeitures
- Section 1625. Minister May Require Production Of Foreign Landing Certificates
- Section 1626. Examination Of Importers And Others By Officers
- Section 1627. Importers And Exporters To Permit Inspection Of Books; Penalties For Refusal
- Section 1628. Bond And Other Security Requirements
- Section 1629-1699. **Reserved**

Section 1600. Powers Of Officers In Boarding Vessels And Vehicles

Any officer of the customs may at any time go on board any vessel, aircraft or vehicle at any place in Liberia or within the territorial waters thereof and examine the manifest and other documents and papers and examine, inspect, and search the vessel, aircraft or vehicle and every part thereof and any person, trunk, package, or cargo on board, and to this end may hail and stop such vessel, aircraft or vehicle and use all necessary force to compel compliance. In addition, such officer shall have authority to secure any part by such means as he shall consider necessary to require any goods to be unloaded and removed for examination or for the security thereof, and to lock up, seal, mark or otherwise secure any goods on board such vessel, aircraft or vehicle:

Provided that these provisions shall only apply in the case of an aircraft whilst it is stationary on the ground.

Section 1601. Seizure Of Vessels, Aircraft Or Vehicles For Breach Of Customs Laws

If upon the examination of any vessel, aircraft or vehicle it shall appear that a breach of the customs laws of the Republic of Liberia is being or has been committed so as to render such vessel, aircraft or vehicle, or the goods or any part thereof, on board of or brought into Liberia by such vessel, aircraft or vehicle, or the goods or any part thereof, on board of, or brought into Liberia by such vessel, aircraft or vehicle, liable to forfeiture, the same shall be seized and held in accordance with law.

Section 1602. Libel Of Vessels, Aircraft And Vehicles

Whenever a vessel, aircraft, vehicle or animal or the owner or master, commander, conductor or driver or other person in charge thereof has become subject of a civil penalty for infringement of the customs laws of the Republic of Liberia, such vessel, aircraft, vehicle or animal shall be held for the payment of such penalty and may be seized and proceeded against summarily by libel to recover the same; provided that no vessel, aircraft, vehicle or animal used by any person as a common carrier in the transaction of business as such common carrier shall be so held or subject to seizure or forfeiture under the customs laws, unless it shall sufficiently appear that the owner or master of such vessel, or the commander of such aircraft, or the conductor or driver of such vehicle or animal or any other person in charge thereof; was at the time of the alleged illegal act consenting party or privy thereto.

Section 1603. Lack Of Manifest Civil Penalty

Any master of any vessel or commander of any aircraft and any person in charge of any vehicle entering Liberia who does not produce the required manifest under the provisions of this Code to the officer demanding the same, shall be liable to a civil penalty of \$20,000.00 provided, that if the collector shall be satisfied that the said manifest was lost or mislaid without international fraud, said penalty shall not be incurred.

Section 1604. Goods Not Included In Manifest Subject To Forfeiture

If any goods, including stores, are found on board of any vessel, aircraft or vehicle which are not included or described in the manifest required under the provisions of this Code or after having been unladen from such vessel, aircraft or vehicle found not to have been included or described therein, the master of such vessel or commander of such aircraft or the person in charge of such vehicle or the owner of such vessel, aircraft or vehicle shall be liable to a civil penalty equal to the value of the goods so found unladen, and any such goods in the possession of or belonging or consigned to the master or to any of the crew of such vessel or to the commander or any of the crew of such aircraft or to the owner or person in charge of such vehicle, shall be subject to forfeiture provided, that if the collector shall be satisfied that the manifest was defaced by accident or is incorrect by reason of clerical error or other mistake, said penalties shall not be incurred.

Section 1605. Missing Goods; Civil Penalty

If before unloading any vessel, aircraft or vehicle, any goods including stores, described in any manifest or list required under the provisions of this Code, are not found on board such vessel, aircraft or vehicle, or after unloading, any such goods are not found among the unladen goods, the master of such vessel or the commander of such aircraft or the person in charge of such vehicle, or the owner of such vessel, aircraft or vehicle shall be subject to a civil penalty of \$20,000.00, provided, that if the collector shall be satisfied that no part of the goods not found was unshipped or discharged except as specified in the report of the master or commander of the person in charge, said penalty shall not be incurred.

Section 1606. Narcotic Drugs; Additional Penalties

If any of the goods found on board any vessel, aircraft or vehicle, or found among the goods unladen therefrom, consist of the following narcotic drugs and are not included or described in the manifest required under the provisions of the Code, then (a) if any such goods so found consist of heroin, morphine or cocaine, the master of the vessel, owner of such vessel, commander of such aircraft or person in charge in such vehicle or the owner of such vessel, aircraft or vehicle shall be liable to a civil penalty of \$5,000.00 for each ounce thereof so found;

(b) if any such goods so found consist of smoking opium or opium prepared for smoking or marijuana, the master of such vessel or commander of such aircraft or person in charge of such vehicle, aircraft or the owner of such vessel, or commander of such person in charge of such aircraft or vehicle shall be liable to a civil penalty of \$2,000.00 for each ounce thereof so found;

(c) if any of such goods so found consist of crude opium, the master of such vessel or commander of such aircraft or person in charge of such vehicle, aircraft or the owner of such vessel, aircraft or vehicle shall be liable to a civil penalty of \$1,000.00 for each ounce thereof so found. Such penalties shall, notwithstanding the provision in Section 1602 relating to the immunity of vessels, aircraft or vehicles used as common carrier, constitute a lien upon such vessel, aircraft or vehicle which may be enforced by a libel in rem, except that the master of such vessel or commander of such aircraft or person in charge of such vehicle or the owner of such vessel, aircraft or vehicle used by any person as a common carrier of such vehicle, aircraft or the owner of such vessel, aircraft or in the transaction of business as such common carrier shall not be liable to such penalties and neither the vessel nor the aircraft nor the vehicle shall be held subject to the lien, if it appears to the satisfaction of the court that neither the master nor any of the carrier officers of such vessel including licensed and unlicensed officers and petty officers, nor commander of any of the crew of such aircraft nor the person in charge of such vehicle, nor the owner of the vessel, aircraft or vehicle, knew and could not, by the exercise of the highest degree of care or diligence, have known, that such narcotic drugs were on board.

Clearance of any such vessel, aircraft or vehicle may be withheld until such penalties are paid or until a bond, satisfactory to the collector, is given for payment thereof. The provision of this paragraph shall not prevent forfeiture of any such goods, vessel, aircraft or vehicle under any other provision of law.

Section 1607. Unlawful Unlading Or Transshipment On Highseas Adjacent To And Within Territorial Waters; Civil Penalties

(a) Within Territorial Waters. The master of any vessel from a foreign port or place who allows any goods, including stores, to be unladen from such vessel at any time after its arrival within the territorial waters of the Republic of Liberia and before such vessel has come to the proper place for the discharge of such goods, and before he has received a permit to unlade, shall be liable to a civil penalty equal to twice the value of such goods but not less then \$50,000.00

(b) On Highseas Adjacent to Territorial Waters. The master of any vessel from a foreign port or place who allows any goods, including stores, the importation of which into Liberia is prohibited, to be unladen from his vessel at any place upon the highseas adjacent to the territorial waters of the Republic of Liberia to be transshipped to or placed in or received on any vessel of any description with knowledge, or under circumstances indicating the purpose to render it possible that such goods or any part thereof may be introduced, or attempted to be introduced, into Liberia in violation of law, shall be liable to a civil penalty equal to twice the value of such goods but not less than \$100,000.00.

(c) Exceptions Due to Unavoidable Cause. Whenever any part of the cargo or stores of a vessel described in this section has been unladen or transshipped because of accident, stress of weather or other necessity, the master of such vessel and the master of any vessel to which such cargo or stores has been transshipped shall, as soon as possible thereafter, notify the collector at the port which such vessel or vessels shall first arrive of such unlading or transshipment, and shall furnish proof that such unlading or transshipment was made necessary by accident, stress of weather or other necessity and if the collector is satisfied that the unlading or transshipment was in fact due to accident, stress of weather, or other necessity, the civil penalties prescribed in this Section shall not be incurred.

Section 1608. Untrue Declaration; Recovery Of Duty; Penalties

(a) If any person –

- (1) makes or signs, or causes to be made or signed, or delivers or causes to be delivered to the Minister or an officer, any entry, declaration, notice, certificate or other document whatsoever; or
- (2) makes any statement in answer to a question put to him by an officer which he is required by or under the provisions of this Code to answer, being a document or statement produced or made under the provisions of this Code which is untrue in any material particular, he shall be guilty of an offence under this Section.

(b) Where by reason of any such document or statement as aforesaid the full amount of any duty payable is not paid, the amount of duty unpaid shall be recoverable as debt due to the Government.

(c) Without prejudice to the last foregoing Subsection and to any other provisions of the laws of the Republic of Liberia, if any person who commits an offence under this Section does so either knowingly or recklessly he shall be liable to a penalty of \$200,000.00 and any goods in respect of which the document or statement was made or the domestic value thereof, shall be liable to forfeiture.

(d) Without prejudice to Subsection (2) of this Section and to any other provisions of the laws of the Republic of Liberia, if a person commits an offence under this Section in such circumstances that he is not liable under the last foregoing Subsection he shall be liable to a penalty of \$50,000.00.

Section 1609. Sanctions Against Aiding Unlawful Importation

(a) Against Means of Transportation. Except as specified in the proviso of Section 1602 of this Code, every vessel, aircraft, vehicle, animal, or other thing used in, to aid in, or to facilitate, by obtaining information or in any other way, the importation, bringing in, unloading; landing, removal, concealing, harboring, or subsequent transportation of any goods which are being or have been introduced, or attempted to be introduced, into Liberia contrary to law, whether upon such vessel, aircraft, vehicle, animal, or other thing or otherwise, shall be seized and forfeited together with its tackle, apparel, furniture, harness or equipment.

(b) Against Persons. Every person who directs, assists financially or otherwise, or is in any way knowingly concerned in any unlawful activity mentioned in Paragraph 1, shall be liable to a civil penalty equal to the domestic value of the article or articles introduced or attempted to be introduced.

Section 1610. Search Of Persons And Baggage; Minister To Prescribe Regulations

The Minister, for the purpose of carrying out the customs laws of the Republic of Liberia and of preventing infringement thereof, may prescribe regulations for the search of persons entering and leaving Liberia and of their baggage. Such persons shall be liable to detention and search by authorized officers or agents of the Government under such regulations. The Minister is further authorized to employ female inspectors for the examination and search of persons of their own sex.

Section 1611. Searches And Seizures Of Goods; Warrant Procedure

If any officer authorized to make searches and seizures or any other person so authorized shall have valid ground to establish that any goods on which the proper duties of customs have not been paid, except where those duties remain lawfully unpaid, or which have been brought into Liberia contrary to law is upon any person or place in Liberia, he may make application in accordance with the Criminal Procedure Law for a warrant to search for and seize any such goods; Provided that no such warrant shall be required for search of any warehouse, vessel, aircraft, or vehicle or any place situated within the limits of a port of entry or of any person found in any vessel, aircraft or vehicle or in any such aforesaid place.

Section 1612. Custody Of Seized Or Detained Goods

(a) Except as otherwise allowed in this Chapter, any goods seized or detained as liable to forfeiture shall forthwith be placed and remain in the custody of the collector for the port of entry at which, or nearest to the place at which, the goods were seized or detained to await disposition according to law; and pending such disposition the goods shall be stored in such place as in the collector's opinion is most convenient and appropriate with due regard to security and the expense involved, whether or not the place of storage is at the port of entry or place in which the goods were seized or detained and storage of any goods outside the port or place in which they were seized or detained shall in no way affect the jurisdiction of the court which would otherwise have jurisdiction over such goods.

(b) Notwithstanding the provisions of the last foregoing Paragraph of this Section, where the person seizing any goods as liable to forfeiture under the customs law is a police officer and those goods may be required for use in connection with any proceedings otherwise than under the provisions of this Code, they may be retained in the custody of the police until either those proceedings have been completed or it is decided that no such proceedings shall be brought:

Provided that-

- (1) notice in writing of the seizure or detention and of the intention to retain the goods in question in police custody, together with full particulars as to those goods, shall be given forthwith in writing to the Minister at the nearest convenient customs office; and
- (2) any office shall be permitted to examine those goods and take account thereof at any time while they remain in the custody of the police.
- (3) If any person other than a Government officer by whom any goods were seized or detained or who has custody thereof after their seizure or detention, fails to comply with any requirement of this Section or with any direction of the Minister given hereunder, he shall be liable to penalty of \$20,000.00.
- (4) Paragraphs (b) and (c) of this Section shall apply in relation to any dutiable goods seized or detained by any person other than an officer notwithstanding that they were not so seized as liable to forfeiture under the customs laws.

Section 1613. Appraisement Of Seized Goods; Limitation Of Value Of Prohibited Goods

Whenever any goods are seized under the customs laws, the Minister shall require an appraiser to determine the domestic value of such goods at the time and place of appraisement; provided that the domestic value of goods of which the importation is prohibited shall be determined not to exceed \$200,000.00.

Section 1614. Notice Of Seizure To Be Given

(a) Notice of seizure of any goods as liable to forfeiture and of the grounds thereof shall be given in accordance with the following provisions of this Section:

(b) Notice of seizure may be given orally by the officer or other person seizing the goods if the seizure is made in the presence of-

- (1) the owner or any of the owners of the goods seized; or
- (2) the person whose offence or suspected offence occasioned the seizure; or
- (3) in the case of goods seized in any ship or aircraft, the master or commander thereof, respectively

(c) In any case in which notice of seizure is not given in accordance with the provisions of the last foregoing paragraph of this Section, the Minister shall give such notice to any person who to his knowledge was the owner or one of the owners of the goods seized-

- (1) in writing, by delivering it to that person personally or by leaving it at, or forwarding it by registered post to, his usual or last known place of abode or business; or
- (2) by causing it to be displayed at three public places within the port of entry in which, or nearest to which, the goods were seized; or
- (3) by publication in a newspaper in general circulation once a week for three successive weeks; or
- (4) by publication in an official gazette.

Section 1615. Notice Of Claim; Condemnation Proceedings; Goods Deemed To Be Condemned As Forfeited

(a) Notice of Claim. Any person claiming that any goods seized as liable to forfeiture are not so liable shall, within thirty days of the first notice of seizure having been given in accordance with the provisions of the last foregoing Section, file with the Minister a claim stating his interest therein.

(b) Condemnation Proceedings. Upon the filing and giving a bond to the Government in a penal sum of \$20,000.00 with sureties to be approved by the Minister, conditioned that in the case of condemnation of the goods so claimed the obligor shall pay all costs and expenses of the proceedings to obtain such condemnation, the Minister shall transmit such claim and bond, with duplicate list and description of the goods seized and the names of available witnesses, to the Minister of Justice for the institution of proper proceedings for the condemnation of the goods seized.

(c) Goods Deemed to have been Condemned as Forfeited. Where no claim is filed within the time prescribed in Subsection (a) of this Section in respect of any goods of which notice of seizure has been given in accordance with the provisions of Section 1614 those goods shall be deemed to be condemned as forfeited.

Section 1616. Disposal Of Seized And Detained Goods

Subject to the provisions of Section 1612 (b) of this Chapter any goods seized or detained under the provisions of this Code shall, pending the determination of their forfeiture or disposal, be dealt with and, if condemned or deemed to be condemned as forfeited, be disposed of in such manner as the Minister may direct; provided that where goods are directed to be sold the proceeds of the sale shall be disposed of in accordance with the priorities First, Second and Third as prescribed in Section 1618 of this Chapter.

Section 1617. Perishable Goods Subject To Summary Sale Or Disposal

Whenever it appears to the Minister that any goods seized under the customs law are liable to perish or waste or to be greatly reduced in value by keeping them in the regular course, or that the expense of so keeping them is disproportionate to the value thereof, the Minister within twenty-four hours after the receipt by him of the appraiser's report, shall proceed forthwith to advertise and sell or otherwise dispose of the goods under regulations to be prescribed by him. The proceeds of any such sale shall be held subject to claims of parties in interest to the same extent as the goods so sold would have been subject to such claims.

Section 1618. Disposal Of Proceeds Of Sale Of Forfeited Property

Where any goods which have been condemned or deemed to have been condemned as forfeited under the provisions of this Chapter are sold; the proceeds shall be disposed of in accordance with the following priorities:-

First - for the payment of all proper expenses of the proceedings of forfeiture and sale, including expenses of seizure, maintaining the custody of the property, advertising and sale, and if condemned by a decree of court and a bond for such costs was not given, the cost as taxed by the court;

Second - for the satisfaction of liens for freight, charges, and contribution in general average, notice of which has been filed with the Minister, according to law; and

Third - the residue shall be deposited in the Treasury of the Republic of Liberia as a customs fine or penalty.

Section 1619. Release Of Seized Property In Lieu of Condemnation Proceedings

If any person claiming an interest in any vessel, aircraft, vehicle, animal, merchandise or baggage seized under the provisions of this Code, offer to pay the value of such vessel, aircraft, vehicle, animal, goods or baggage, as determined under Section 1614 and it appears that such person has in fact a substantial interest therein, the Minister may accept such offer and release the vessel, aircraft, vehicle, animal, goods or baggage seized upon the payment of such value thereof which shall be distributed in the order provided in Section 1618.

Section 1620. Burdens Of Proof In Forfeiture Proceedings

In all suits or actions brought for the forfeiture of any vessel, aircraft, vehicle, animal, goods or baggage seized under the provisions of this Code, where the property is claimed by any person, the burden of proof shall lie upon the claimant; and in all suits or actions brought for the recovery of the value of any vessel, aircraft, vehicle, animal, merchandise or baggage because of violation of any such laws, the burden of proof shall be upon the defendant, provided the probable cause shall be first shown for the institution of such suit or action, to be judged of by the courts subject to the following rules of proof:

(a) The testimony or disposition of the officer who has boarded, or required to come to a stop, or seized a vessel, aircraft, vehicle, animal, or has arrested a person, shall be prima facie evidence of the place where the act in question occurred.

(b) Marks, labels, brands or stamps indicative of foreign origin, upon or accompanying goods or containers of merchandise, shall be prima facie evidence of the foreign origin of such goods.

(c) The fact that a vessel of any description is found, or discovered to have been, in the vicinity of any vessel within the territorial water of the Republic of Liberia and under any circumstances indicating contact or communication therewith, whether by proceeding to or from such vessel, or by coming to in the vicinity of such vessel, or by delivering to or receiving from such vessel any goods, person, or communication, or by any other means affecting contact or communication therewith, shall be prima facie evidence that the vessel in question had visited such vessel within the territorial waters of the Republic of Liberia.

Section 1621. Minister Authorized To Compromise Customs Claims

Upon a report by the head of the customs service, the Minister of Justice, or any official having charge of any claim arising under the customs laws, showing the facts upon which such claim is based, the probabilities of a recovery and the terms upon which the same may be compromised, the Minister is hereby authorized to compromise such claim, if such action shall be recommended by the Minister of Justice.

Section 1622. Remission Or Mitigation Of Fines, Penalties And Forfeiture Before Sale Of Seized Property

Whenever any person interested in any vessel, aircraft, vehicle, animal, goods or baggage seized under the provisions of this Code, or who has incurred, or is alleged to have incurred, any fine or penalty thereunder, files with the Minister before the sale of such vessel, aircraft, vehicle, animal, goods or baggage, a petition for the remission or mitigation of such fine, penalty, or forfeiture, the Minister, if he finds that such fine, penalty or forfeiture was incurred without willful negligence or without any intention on the part of the petitioner to defraud the revenue or to violate the law, or finds the existence of such mitigating circumstances as to justify the remission or mitigation of such fine, penalty or forfeiture, may remit the same upon such terms and conditions as he deems reasonable and just, or order discontinuance of any prosecution relating thereto. In order to enable him to ascertain the facts, the Minister may request the Minister of Justice to have testimony taken upon such petition; provided, that nothing in this Section shall be construed to deprive any person of any award of compensation under Section 1623 made before the filing of such petition.

Section 1623. Award Of Compensation To Informers

Any person, not an officer of the Republic of Liberia, who detects and seizes any vessel, aircraft, vehicle, animal, goods or baggage subject to seizure and forfeiture under the customs laws, and who reports the same to the Minister, or who furnishes the Minister or the Minister of Justice original information concerning any fraud upon the customs revenue, or a violation of the customs laws perpetrated or contemplated, which detection and seizure or information leads to a recovery of any duties withheld, or of any fine, penalty, or forfeiture incurred, may be awarded and paid by the Minister a compensation of 25 per centum of the net amount recovered, but not to exceed \$100,000.00 in any case, which shall be paid out of any appropriations available for the collection of the revenue from customs. If any vessel, aircraft,

vehicle, animal, goods or baggage is forfeited to the Republic of Liberia, and is thereafter, in lieu of sale, destroyed under the customs laws or delivered to any Governmental agency for official use, compensation of 25 per centum of the appraised value thereof may be awarded and paid by the Minister under the provisions of this section, but to exceed \$100,000.00 in any case.

Section 1624. Limitation Of Actions To Recover Penalties And Forfeitures

No suit or action to recover any pecuniary penalty or forfeiture of property accruing under the customs laws shall be instituted unless such suit or action is commenced within five years after the time when the alleged offense was discovered; provided, that the time of the absence from the Republic of Liberia of the person subject to such penalty of forfeiture, or of any concealment or absence of the property, shall not be reckoned within this period of limitation.

Section 1625. Minister May Require Production Of Foreign Landing Certificates

The Minister may by regulation require the production of landing certificates in respect of goods exported from Liberia, or in respect of residue cargo, in cases which he deems it necessary for the protection of the revenue.

Section 1626. Examination Of Importers And Others By Officers

The Minister, Deputy Minister, Collector or other proper officer may cite to appear before them, or any of them to examine upon oath, which said officers or any of them are hereby authorized to administer, any owner, importer, consignee, exporter agent, or other person upon any matter or thing which they or any of them may deem material respecting any imported or exported goods then under consideration or previously imported or exported in ascertaining the classification or the value thereof or the rate or amount of, duty; and they, or any of them, may require the production of any letters, accounts, contracts, invoices or other documents relating to said merchandise, and may require such testimony to be reduced to writing, and when so taken it shall be filed and preserved, and such evidence, if fraud is suspected, shall be transmitted to the Minister of Justice for full investigation.

Section 1627. Importers And Exporters To Permit Inspection Of Books; Penalties For Refusal

If any person importing goods into or exporting them from Liberia or dealing in imported or exported goods fails, at the request of the Minister, the Minister of Justice, or Deputy Minister, or a collector, to permit a duly accredited officer of the Republic of Liberia to inspect his books, papers, records, accounts, documents, or correspondence, pertaining to the value of classification of such goods, then while such failure continues the Minister, under regulations prescribed by him, shall direct as follows:

(a) he shall prohibit the importation or exportation of goods into or from Liberia by or for the account of such person, and

(b) he shall instruct the collectors to withhold clearance of goods imported or intended to be exported by or for the account of such person. If such failure continues for a period of one year from the date of such instructions the collector shall cause the goods, unless in the case of imported goods that have previously been exported, to be sold at public auction as in the case of forfeited goods.

Section 1628. Bonds And Other Security Requirements

(a) **Minister May Provide For Security Bond Where Not Required By Law.** In any case in which bond or other security is not specifically required by law, the Minister may by regulation or specific instruction require, or authorize the collectors to require, such bonds or other security as he, or they, may deem necessary for the protection of the Revenue or to assure compliance with any provision a law, regulation, or instruction which the Minister or the customs service may be authorized to enforce.

(b) **Permitted Provisions Where Bond Required.** Whenever a bond is required or authorized by a law, regulation, or instruction which the Minister or the customs service is authorized to enforce, the Minister may impose the following:

- (1) Except as otherwise specifically provided by law, prescribe the conditions and form of such bond, and fix the amount of penalty thereof, whether for the payment of liquidated damages or of a penal sum; provided, that when a consolidated bond authorized by Subparagraph (b) of this paragraph is taken, the Minister may fix the penalty of such bond without regard to any other provision of law, regulation or instruction.
- (2) Provide for the approval of the sureties on such bond, without regard to any general provision of law.
- (3) Authorize the execution of a term bond the conditions of which shall extend to cover similar cases of importations or exportations over such period of time, not to exceed one year, or such longer period as he may fix when in his opinion special circumstances existing in a particular instance require such longer period.
- (4) Authorize, to the extent that he may deem necessary, the taking of a consolidated bond (single entry or term), in lieu of separate bonds to assure compliance with two or more provisions of law, regulations, or instructions which the Minister or the customs service is authorized to enforce. A consolidated bond taken pursuant to the authority contained in this Subsection shall have the same force and effect in respect of every provision of law, regulation or instruction for the purposes for which it is required as though separate bonds had been taken to assure compliance with each such provision.

(c) **Lawful Conditions In Bond Valid Though Not Specified.** No condition in any bond taken to assure compliance with any law, regulation or instruction which the Minister or the customs service is authorized to enforce shall be held invalid on the ground that such condition is not specified in the law, regulation or instruction authorizing or requiring the taking of such bond.

(d) **Minister Authorized To Cancel Bond Or Charge Against A Bond On Conditions.** The Minister may authorize the cancellation of any bond provided for in this section, or of any charge that may have been made against such bond, in the event of a breach of any condition of the bond, upon the payment of such lesser amount or penalty or upon such other terms and conditions as he may deem sufficient.

(e) **Minister May Accept Money Deposits Or Indemnities In Lieu Of Bonds.** The Minister is authorized to permit the deposit of money or letters of indemnity from reputable financial institutions in such amount and upon such conditions as he may by regulation prescribe, in lieu of sureties on any bond required or authorized by a law, regulation, or instruction which the Minister or the customs service is authorized to enforce.

Sections 1629-1699. Reserved

Chapter 17. CUSTOMS DUTIES

Section 1700. Scope of Chapter
Section 1701. Duties Imposed On Import And Export
Section 1702. Import Duties
Section 1703. **Reserved**
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Section 1705. Valuation Of Imported Goods
Section 1706. Valuation Of Exported Goods
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Section 1708. Exemption From Import Duties
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Section 1714. Drawback; General Provision
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Section 1716. Drawback Declaration By Exporter; Drawback Goods Destroyed Or Damaged
After Shipment
Section 1717. Power Of Minister To Make Regulations
Section 1718-1799. **Reserved**

Section 1700. Scope of Chapter⁶⁸

(a) This Chapter incorporates (with amendments) what was formerly the External Tariff Law and the Customs Revenue Code of Liberia. It imposes Customs duties, which for convenience are set out in Schedule I Customs Tariff, which is organized accordance with the Harmonized System.

(b) *Definitions.*

- (1) “Harmonized System” means the Harmonized Commodity Description and Coding System established by and appended to the Harmonized System Convention, as amended.
- (2) “Harmonized System Convention” means the International Convention on the Harmonized Commodity Description and Coding System, done at Brussels on June 14, 1983.

Section 1701. Duties Imposed On Import and Export⁶⁹

(a) *Duties.*

- (1) There shall be levied, collected, and paid on all goods imported into Liberia import duties at the rates set forth in this Chapter’s Schedule 1, External Tariff Schedule.
- (2) No duties are imposed on exports from Liberia, or on goods imported solely for the purpose of transshipment out of Liberia.

⁶⁸ Section 1700 is a new section added to the Revenue Code of Liberia (2000) by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁶⁹ Section 1701 is an amendment to the previous Section 1701 of the Revenue Code of Liberia (2000), done by the enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

- (3) Regulations may specify the levy, security, and other measures appropriate to ensure that import duties will be paid if an import that entered as intended for transshipment out of Liberia is not subsequently exported.

(b) **Prohibition.** It shall be unlawful for a government agency other than the Ministry of Finance to impose a customs levy on an import or export, including goods imported for transshipment out of Liberia, other than the levies imposed by this Code and specified in Schedule 1, External Tariff Schedule

- (1) It is unlawful for a government agency to restrict the free movement of imports or exports in any manner, including by regulations, sale of forms (other than Customs entry forms) to the public, or the requirement of any permit or payment as a condition for movement of imports or exports.
- (2) A person who intentionally acts in a manner that impedes the free movement of trade is subject to criminal sanctions, as provided in this Code.
- (3) The Deputy Minister is required to monitor the movement of goods, and is empowered, in consultation with the Ministry of Commerce and Industry, to take appropriate measures to ensure the free movement of imports and exports.

Section 1702. Import Duties⁷⁰

(a) **Levy and Payment.** Customs import duties shall be levied on and paid by the importer in respect of goods listed in this Chapter's Schedule 1, External Tariff Schedule at the rates specified therein.

(b) **Exception.** In the case of an import qualifying under Section 1708 for exemption from import duty, no duty is payable. An exempt import is nonetheless subject to the Customs User Fee described in Section 1802.

Section 1703. Reserved⁷¹

Section 1704. Rates⁷²

The rates at which Customs duties are imposed are specified in Schedule 1, External Tariff Schedule.

Section 1705. Valuation Of Imported Goods

(a) **Value Based on Normal Price.**

⁷⁰ Section 1702 reflects an amendment made to the previous Section 1702 of the Revenue Code of Liberia (2000) by the revision of the Section and the addition of sub-sections (a) and (b), done by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁷¹ Section 1703, which previously was carried under export duties, was deleted and placed as a reserve under the amendments effected by the Consolidated Tax Amendments Act of 2011, approved September 2009, published November 1, 2011.

⁷² Section 1705 reflects amendments made to the previous Section 1703 of the Revenue Code of Liberia (2000), done by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 14, 2011.

- (1) The value of any imported goods shall be taken to be the normal price that is to say, the price which they would fetch at the time referred to in Subparagraph (2)(D) of this Section on a sale in the open market between a buyer and a seller independent of each other.
- (2) The normal price of any imported goods shall be determined on the following assumptions:
 - (A) that the goods are delivered to the buyer at the port or place of importation into Liberia;
 - (B) that the seller bears all costs, charges and expenses incidental to the sale and to the delivery of the goods at the port or place of importation, which are, hence, included in the normal price;
 - (C) that the buyer bears any duties or taxes applicable in Liberia which are, hence, not included in the normal price; and
 - (D) that the sale is a sale of the quantity to be valued.

(b) *Definitions.*

- (1) A sale in the open market between a buyer and a seller independent of each other presupposes:
 - (A) that the price is the sole consideration;
 - (B) that the price is not influenced by any commercial, financial or other relationship, whether by contract or otherwise between the seller or any person associated in business with him and the buyer or any person associated with him other than the relationship created by the sale itself;
 - (C) that no part of the proceeds of any subsequent resale, other disposal or use of the goods will accrue, either directly or indirectly, to the seller or any person associated in business with him.
- (2) Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them.

(c) *Effect Of Patents And Trade Marks.* When the goods to be valued:

- (1) are manufactured in accordance with any patented invention or are goods to which any protected design has been applied; or
- (2) are imported under a foreign trade mark; or
- (3) are imported for sale, other disposal or use under a foreign trade mark;
- (4) the normal price shall be determined on the assumption that it included the value of the right to use the patent, design or trade mark in respect of the goods.

(d) Time of Valuation. For the purposes of Subsection (a) (1) of this Section the material time for valuation shall be:

- (1) for goods entered for direct consumption the date entry on the proper form is delivered to the Customs Authority;
- (2) for goods entered for warehousing, the date on which the entry for warehousing is delivered to the Customs Authority;
- (3) for goods not required to be entered, the date of importation;
- (4) for any goods which have been exempted from duty under any enactment and are subsequently diverted in accordance with law to use other than an exempt use, the date entry for such is delivered to the Customs Authority; and (5) in any other case, the date on which the goods arrive within the territorial limits of the Republic of Liberia and where the date cannot be established such approximate date as shall be determined by the Customs Authority.

Section 1706. Valuation Of Exported Goods

Where no specific value is fixed by law for the purpose of levying duties of customs on exported goods, an ad-valorem duty shall be assessed by taking the market value of such goods at the place of exportation at the time of export. The market value shall be taken to be the price at which the exported goods are freely sold to a purchaser abroad, or, in the absence of such sales, offered for sale in the ordinary course of trade at the place of export. The market value shall include the cost of containers and coverings of whatever nature and all owner costs, charges and expenses incurred at the place of export before the actual shipment of such goods.

Section 1707. Classification Of Imported Goods Under Schedule I

General Rule

The titles of sections, chapters and sub-chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative section or chapter notes and, provided such headings or notes do not otherwise require, according to the following provisions:

(a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as imported, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or failing to be classified as complete or finished by virtue of this rule) imported unassembled or disassembled.

(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance.

The classification of goods consisting of more than one material or substance shall be according to the principles of Rule (c).

(c) When for any reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows:

- (1) The heading which provides the most specific description shall be preferred to headings providing a more general description.
- (2) Mixtures and composite goods which consist of different materials or are made up of different components and which cannot be classified by reference to (c)(1) shall be classified as if they consisted of the material or component which gives the goods their essential character, insofar as this criterion is applicable.
- (3) When goods cannot be classified by reference to (c)(1) or (c)(2) they shall be classified under the heading which appears latest among those which equally merit consideration.

(d) Goods not falling within any heading of the nomenclature shall be classified under the heading appropriate to the goods to which they are most akin.

(e) Except as provided in a note to a section or chapter of the schedule any term used in a sub-heading shall be construed in the same way as, and limited in extent by, the major heading of the Section or Chapter to which the sub-heading belongs.

Section 1708. Exemption From Import Duties⁷³

(a) **General Rule.** Any goods otherwise chargeable with customs import duties in accordance with Schedule I of this Chapter (the External Tariff Law) are exempt from duty if an exemption is specified in this Code and listed in Schedule II of this Chapter. The Minister's certification that the goods qualify for exemption is required for listing in Schedule II.

(b) **Special Rule for Mining and Petroleum Projects.** During the period from the inception of exploration until the date commercial production begins, a Chapter 7 mining project or petroleum project is allowed an import duty exemption of the following goods:

- (1) Plant or equipment (including four-wheel-drive motor vehicles but not sedans or luxury vehicles as defined by regulation) and capital spare parts for these goods;
- (2) Intermediate inputs (including but not limited to explosives, drilling mud, grinding balls, tires for trucks used in operations, and similar items specified in regulations); and
- (3) Raw materials, except that no exemption is permitted from the 10 percent duty on gasoline and gas oil.

(c) **Special Rule for Renewable Resource Projects.** During the period from the effective date of a Chapter 6 renewable resource contract until commercial production begins, a renewable resource project is allowed an import duty exemption on the import of capital equipment and inputs specified in regulations. No exemption is permitted from the 10 percent duty on gasoline and gas oil.

⁷³ Section 1708 reflects amendments made to the previous Section 1708 of the Revenue Code of Liberia (2000) by expansion of the provisions of the section and the addition of new sub-sections, done under the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(d) *Medical and Educational Imports.* A project described in (b) or (c) is allowed an import duty exemption on all medical and educational equipment and supplies purchased for use directly in or in connection with the project and intended to be placed in service within one year of purchase.

(e) *Special Rule for Legislators.* A member of the Legislature is allowed an exemption from import duties and fees (but not the ECOWAS Trade Levy) on two vehicles (in the class of passenger automobiles or up-to-2-ton pickup truck or SUV) per calendar year. The foregoing exemption shall extend to and cover the personal effects of a Legislator.

Section 1709. Power Of Minister To Determine Questions

If any question arises as to whether any particular goods are or are not included in a heading or sub-heading appearing in the Schedule of this Act, such question shall be decided by the Minister.

Section 1710. Units Of Quantity For Customs And Statistical Purposes

Goods shall be declared for customs and statistical purposes according to the unit of quantity shown in the Schedule, which, except as otherwise indicated, shall be the same as those of the United States of America. Where it is necessary to make conversions from other systems of measurements, the equivalents to be used shall be those approved by the Minister.

Section 1711. Power To make Changes To Schedules

The Government may in accordance with its Constitutional requirements:

- (a) impose whether with or without qualifications, conditions, limitations or exemptions, import and export duties of customs;
- (b) amend, suspend or terminate existing import and export duties of customs;
- (c) amend the headings of goods, statistical numbers and units of quantity of any of the Schedules to this Act:

Provided that the Government shall have regard to the Convention on the Nomenclature for the Classification of Goods in Customs Tariffs and the Standard International Trade Classification in making any amendment to the Schedule of duties of customs on imported goods.

Section 1712. Notification Of Changes In Schedules

Any order amending a Schedule to this Act shall be -

- (a) published in the Official Gazette; or
- (b) exhibited at customs houses in a place to which the public has free access; or
- (c) published in a newspaper in general circulation; or
- (d) published in a handbill.

Section 1713. Administrative Exemptions From Payment Of Duty Authorized

(a) Amounts Less Than \$200.00 The Minister in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, under such regulations as he shall prescribe, is hereby authorized to disregard a difference of less than \$200.00 between total estimated duties, taxes or other charges deposited by the importer on making entry of goods and the final computation of such duties, taxes and other customs charges due thereon.

(b) Accompanied Baggage

- (1) Tariff number 100.05 Reasonably used household and personal effects in reasonable quantities when accepted by such by the Customs Authority and imported by or for the account of any citizen of Liberia arriving from abroad.
- (2) Item number 100.07 when carried on the person or in his accompanied baggage and provided they are intended solely for his personal use or gifts and not for sale or as stock in trade
 - 200 cigarettes or 250 grammes of tobacco or 100 cigarillos or 50 cigars; and
 - 1 liter of spirit; and
 - 2 liters of wine; and
 - ¼ liter of toilet water; and
 - 50 grams perfumed and
 - other goods, new or used, not to exceed 2 suit cases

Provided that the allowance granted in respect of items above, shall not apply in the case of a person under 17 years of age and, further, that the Minister may restrict any allowance in respect of a person who makes frequent journeys into and out of Liberia.

(c) Any other personal effects (other than goods of the assigned value of \$100,000.00 specified in Subparagraph (3) below) shall not be subject to customs duty whether or not carried with him or in his baggage:

- (1) they are intended solely for his own or his dependents' personal use; and
- (2) they have been owned and used abroad by the person who imports them for -
 - (A) Not less than three months in the case of clothing, footwear and household textiles or any value and any other thing or set of things of a value not exceeding \$500; or
 - (B) Not less than one year in any other case; and
- (3) they are not intended for sale or as stock in trade, such as: Automobiles, trailers, aircraft, motorcycles, boats, and similar means of transportation, and the usual equipment accompanying the foregoing imported in connection with the arrival of such person and to be used in the Republic of Liberia only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of conveyance Free for such temporary period as the Minister shall prescribe.

(d) ***Minister's Authority To Further Limit Exemptions.*** The Minister is further authorized to diminish any dollar amount specified in Subsection (1) and (2) of this Section and to prescribe exceptions to any exemption provided for in the said subsections whenever he finds that such action is consistent with the

purpose of the said subsections or is necessary for any reason to protect the revenue or to prevent unlawful importation.

Section 1714. Drawback: General Provision

(a) Subject to the other provisions of this section, drawback shall be allowed on:

- (1) goods incorporating imported components; and
- (2) goods produced or manufactured from imported materials or goods in the manufacture of which such imported materials have been used, when import duty has been paid on such components and materials and not drawn back and when such goods are either exported or deposited in a warehouse or free zone for exportation or for shipment as stores.

(b) In the case of goods referred to in Subparagraph (1) of Paragraph (a) above:

- (1) drawback shall, except as otherwise provided, be equal to the duty paid on the imported components incorporated in the goods;
- (2) drawback shall not be allowed unless the goods are exported or deposited in a warehouse or free zone by the importer of the goods or anyone who has taken delivery of the goods direct from the importer, or anyone who has taken delivery of the goods incorporating such imported articles direct from either one of the aforementioned persons; and
- (3) drawback shall not be allowed if the imported components have been used, other than for normal testing.

(c) In the case of goods referred in Sub-paragraph (2) of Paragraph (a) above:

- (1) drawback shall, except as otherwise provided, be equal to the duty paid on the imported materials used in the manufacture of the goods: Provided that that there is no receipt of an application for an amount of drawback the Minister may approve an amount which (1) appears to be appropriate, and (2) on average does not result in the duty drawn back amounting to more than the duty paid, and (3) relates to the number or quantity of the goods exported or deposited;
- (2) drawback shall not be allowed, if, since duty was paid, the materials or any goods produced or manufactured therefrom have been used otherwise than in the course of production or manufacture or for normal testing; and
- (3) drawback shall not be allowed unless the goods are exported or deposited in a warehouse or free zone either by the manufacturer thereof, who must have either imported the dutiable materials on which drawback is claimed or obtained them direct from the importer, or by a person who has obtained the goods direct from the manufacturer.

(d) Notwithstanding anything herein before contained, drawback shall not be allowed if the amount of the drawback claimed exceeds the value of the goods.

(e) Allowance of drawback shall be subject to compliance with such conditions as the Minister shall prescribe.

(f) The Minister may require any person who has been concerned at any stage with the goods or any materials or components on which drawback has been claimed to furnish such information as may in his opinion be necessary to enable him to determine whether duty had been paid and not drawn back and to calculate the amount payable; and such person may also be required to produce to the Minister books of accounts or other documents of whatever nature relating to the goods, the materials or components.

Section 1715. Claims For Drawback

(a) the intention to claim drawback shall be made and, where appropriate, a rate shall be established before any goods are exported or deposited in a warehouse or free zone.

(b) Every claim for payment of drawback shall be made within a period of twelve calendar months from the date of exportation or from the date of deposit in a bonded warehouse or free zone.

(c) Every claim for payment of drawback shall be honored by the Minister on presentation of the proper debenture certified as correct by the Commissioner of Customs.

Section 1716. Drawback Declaration By Exporter; Drawback Goods Destroyed Or Damaged After Shipment

(a) The owner of any goods on which drawback is claimed shall make a declaration in the prescribed form to the Minister that the conditions under which drawback is allowed have been fulfilled.

(b) Where it is proved to the satisfaction of the Minister that any goods after having been duly placed on board a vessel, aircraft, or vehicle for exportation have been destroyed by accident on board such vessel, aircraft, or vehicle any drawback payable on the goods shall be payable in the same manner as if the goods had been actually exported.

(c) Where it is proved to the satisfaction of the Minister that any goods after having duly been placed on board a vessel, aircraft, or vehicle, for exportation have been materially damaged by accident on board such vessel, aircraft, or vehicle any drawback payable in respect of the goods shall, if they are landed in Liberia with the consent of the Commissioner of Customs and are either abandoned to the Government or destroyed under customs supervision, be payable as if the goods had been actually exported.

Section 1717. Power Of Minister To Make Regulations

The Minister may make regulations for the purpose of carrying into effect the provisions of this Act.

Sections 1718-1799. Reserved

Chapter 18. CUSTOMS LICENSE FEES, HARBOR DUES AND CUSTOMS SERVICE FEES

Section 1800. Annual License Fees For Bonded Carriers, Customs Brokers And Warehouse Proprietors

Section 1801. Harbor Dues

Section 1802. Customs Service Fees

Sections 1803-1899. **Reserved**

Section 1800. Annual License Fees For Bonded Carriers, Customs Brokers And Warehouse Proprietors

(a) License and Fees. Every person who engages in the business of bonded carrier, customs broker or warehouse proprietor shall obtain an annual license for which he shall pay the fee prescribed in the regulations made by the Minister.

(b) Application Procedure and Other Provisions of Law Governing Licenses. License and registration and license and application this Title, in so far as applicable, shall apply to this section.

Section 1801. Harbor Dues

(a) Foreign Trade Vessels. Except for vessels described in Paragraph (b) and vessels engaged primarily in the carriage of passengers for hire and which call at ports within Liberia on regular schedules, there shall be imposed each calendar year upon each entry of all other vessels in any port in Liberia from any port or place, harbor dues per net ton.

The Minister shall in consultation with the Port Management fix the harbor dues by regulation.

(b) Domestic Trade Vessels. Each calendar year, on vessels which either have a Liberian homeport or are engaged exclusively in trade between ports within Liberia, there shall be imposed harbor dues at the rate of \$10 per net ton. The harbor dues imposed under this Paragraph shall be paid to the Minister in advance in equal semiannual installments on January 1 and July 1 of each year.

(c) Lighthouse and Navigational Aid Tax. Except for vessels porting into Liberian ports because of causes arising out of hazards of the sea and vessels belonging to a foreign government which are not carrying cargo or passengers for freight or fare, in addition to the harbor dues imposed under Paragraph (a) and (b), each calendar year there shall be imposed on every vessel of 100 net tons and over calling at any port within the Republic, a lighthouse and navigational aid tax of one cent per net ton upon each such entry. Such tax, however, shall not be imposed upon a vessel subject thereto for more than ten times within a calendar year regardless of the number of voyages or the number of Liberian ports at which it calls during the calendar year.

(d) Net Tonnage Calculation: For the purposes of this Section, the Minister shall not be bound by the over mount of the vessel's net tonnage as set forth in its certificate or registration but may in each case make an independent determination.

Section 1802. Customs Service Fees⁷⁴

(a) *Minister's Authority to Set Fee.* The Minister has the authority and obligation to fix just and reasonable fees to be charged by the Bureau of Customs or on its behalf for issuing documents and performing other services in connection with the operation of the Customs service, including pre-shipment inspection, that are not set forth herein or in any other statute or regulation, and must do so by regulation and by widely circulated notice.

⁷⁴ Section 1802 reflects amendments made to the previous Section 1802 of the Revenue Code of Liberia (2000) by the rewording and additions to the previous section, done by the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(b) **Fee Limit on Imports.** The Customs user fee for imports must not exceed 1.5 percent of the CIF Liberian Port value of imported goods or US \$10,000 per item, whichever is less.

- (1) Except as specified in (2), the fee applies to all imports at all borders regardless of whether the goods are exempt from import duty because it is intended to cover the cost of the inspection service for non-exempt persons and the duty-free service for exempt persons.
- (2) Petroleum products are exempt from the import Customs user fee.
- (3) If an import is entered solely for the purpose of transshipment out of Liberia, it is not subject to the fee in this subsection (b) but is subject to the fee described in subsection (c).

(c) **Fee Limit on Exports.** No Customs user fee shall be levied on any export except for unprocessed exportables, semi-processed exportables, and goods in transshipment. The fee for goods in transshipment or unprocessed exportables must not exceed 2.5 percent of the FOB value. The fee for semi-processed exportables must not exceed 1.25 percent of the FOB value. The fee applies regardless of whether the goods are exempt from export duty.

(d) **Scanning Fee.** The Minister is empowered to charge a fee directly related to the scanning of cargo containers. The fee must be proportionate to the length of the container, and may not exceed US \$7 per foot.

Sections 1803-1899. Reserved

PART VI. CUSTOMES REVENUE OFFENSES. Reserved.⁷⁵

Chapter 19. Reserved.

Sections 1900-1999. Reserved.⁷⁶

PART VII. REAL PROPERTY TAX

Chapter 20. REAL PROPERTY TAX

(Substantial Revision Will Be Made To This Chapter Under Phase II Of The Tax Reform Program)

Section 2000. Real Property Tax; Basis And Rate

Section 2001. Assessed Value: Methods For Determining

Section 2002. Payment Date; Interest And Penalty On Late Payment

Section 2003. Assessment Records To Be Kept By Minister; Open For Public Inspection

Section 2004. Real Property Owners To File Schedules Of Property

Section 2005. Registrars Of Deeds And Land Commissioners To Submit Reports Of
Conveyances

Section 2006. Assessors; Notice Of Determinations, Criteria To Be Used By Them

Section 2007. Taxes To Become Liens On Real Property On Due Dates

⁷⁵ Part VI, previously carried in the Revenue Code of Liberia (2000), was deleted and placed under "Reserved" by amendments made under the newly enacted Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁷⁶ Sections 1900-1905, previously carried in the Revenue Code of Liberia (2000) were deleted and placed under "Reserved" by amendments made to the Code by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

Section 2008. Recovery Of Delinquent Real Property Taxes

Section 2009. Exemptions

Section 2010. Payment Of Delinquent Taxes As Condition Precedent To Conveyance Of Interests In Real Property.

Section 2011-1999. **Reserved**

Section 2000. Real Property Tax; Basis And Rate⁷⁷

(a) **Basis.** There shall be levied annually a tax on real property in accordance with the conditions hereinafter prescribed. The tax shall be imposed upon each parcel of land not exempt from taxation, as specified hereunder, and shall consist of (1) a tax on each parcel of unimproved land, which shall include under-improved land as hereafter defined, at rates prescribed herein depending upon its geographical classification and (2) a tax on each parcel of improved land at a stated percentage of its assessed value determined in accordance with the provisions of Section 2001, the rate to be imposed depending upon the use classification of the building and other improvements thereon.

(b) **Rates on Unimproved Land.** The following rates, varying according to its description and geographical location, are hereby imposed on unimproved land:

(1) Unimproved land contained in the following described units of land located within the corporate limits of a city, town, municipal or commonwealth district is subject to an annual tax as herein indicated:

(A) The rate of tax payable on a city or town lot as defined herein—shall be two percent of the assessed value thereof.

(B) The rate of tax payable on a parcel of land as defined herein which has not been divided into city or town lots and is used as farmland shall be four percent of the assessed value thereof provided that the minimum tax levied under this provision shall be five dollars on each parcel.

(C) Rate of tax payable on a parcel of land as defined herein which has not been divided into city or town lots and is being used for any purpose other than farmland shall be three percent on each acre or fraction thereof.

(2) Unimproved land contained in the following described units of land located outside the corporate limits of a city, town, municipal or commonwealth district is subject to annual tax as herein indicated:

(A) Parcels of land as defined herein and used as farmland—a tax of \$5.00 on each acre or fraction thereof provided that the minimum tax levied under this provision shall be \$200 on each parcel.

(B) Parcels of land as defined herein and used for any purpose other than farmland—a tax of \$5.00 on each acre or fraction thereof provided that the minimum tax levied under this provision shall be \$200 on each parcel.

⁷⁷ Section 2000 reflects amendments made to the previous Section 2000 of the Revenue Code of Liberia (2000) by the enactment of the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

(c) **Rates on Improved Land.** The following percentage rates, varying according to the use classification, hereinafter designated, of its buildings and other improvements, are hereby imposed on the assessed value of each parcel of improved land, no matter where situated.

- (1) *Business or commercial use.* When such buildings and other improvements are being used for business or commercial purposes, in whole or in part, a tax of one and one half percent of assessed value.
- (2) *Industrial use.* When such buildings and other improvements are being used for industrial purposes, in whole or in part, a tax of one and one half percent of assessed value.
- (3) *Residential use.* When such buildings and other improvements are being used exclusively for residential purposes, a tax of one twelfth of one percent of assessed value.
- (4) *Farm use in urban areas.* When such buildings and other improvements have been constructed on parcels of land used as farmland located within the corporate limits of any city, town, municipal or commonwealth district or village and are being used exclusively for farm purposes, a tax of one third of one percent of assessed value.
- (5) *Farm use outside of urban areas.* When such buildings and other improvements have been constructed on parcels of land used as farmland located outside of the corporate limits of any city, town, municipal, commonwealth district or village and are being used exclusively for farm purposes, a tax of one fourth of one percent of assessed value.
- (6) *Buildings and other improvements situated on public land.* When buildings or other improvements are situated on public land owned by the Government of the Republic of Liberia and are under lease to private persons (or are in the possession and control of private persons under license or otherwise), they shall nevertheless be taxed under the provisions of this section. The charge, however, shall only be against the buildings and other improvements and in such instances, and solely for the purposes of this subdivision, the private persons shall be deemed to be the owners of the real property involved. The rate of tax shall be one seventh of one percent of assessed value if the building is used for residential purposes, and one percent of assessed value if it is used for commercial purposes.

(d) **Definitions.** For the purposes of this Section the following words have the meanings respectively ascribed to them:

- (1) The term “assessed value” means the taxable value of land subject to taxation on the basis of such valuation, whether improved or unimproved, ascertained in accordance with the provisions of Section 2001.
- (2) The term “business or commercial use” in relation to buildings or improvements means buildings or improvements used mainly for the purpose of private profit or gain in the buying and selling of goods, the engaging in trade and commerce including retail trading, the provision and setting up of office accommodations for commercial and professional purposes, the letting of houses or apartments and includes motor vehicles service stations, motor vehicle sales rooms and garages together with any workshops associated therewith: provided that in assessing the value of any such buildings or improvements, such value not include the value of any plant, machinery, tools, or other appliances which are not fixed to the buildings or improvements or which are only so fixed that they may be removed therefrom without structural damage thereto.

- (3) The term “city lot” or “town lot” means a parcel of land of such dimensions as has been or may be so designated by competent authority or so described and delimited on any official map or plot of the city, town, municipal district or commonwealth district within the corporate limits of which such lot is situated; provided, however that any fraction of such a lot which is separately owned shall for tax purposes be considered as a whole lot.
- (4) The term “farmland” means an area of land of lot not less than five acres in area which is used primarily for agriculture, horticulture, the growing of tree crops, grazing, poultry- or pig-raising, or other farming purposes.
- (5) The term “hut” means any structure built of indigenous natural materials (for example, earth, sticks, bamboo, round poles, leaves) with a foundation made of earth, walls made of earth and sticks, and a roof made of leaves or other indigenous natural materials.
- (6) The term “improved land” means land upon which improvements (as defined in this section) have been effected.
- (7) The term “improvements” means those physical additions and alterations to land, buildings, and all works carried out for the benefit of land that have the effect of increasing its value.
- (8) The term “industrial use” means buildings or improvements occupied and used for the purpose of private profit or gain as a factory workshop, brewery or canning plant, or which are engaged in the manufacture and processing of goods for sale, provided that in assessing the value of any such premises such value shall not include the value of any plant, machinery, tools, or other appliances which are not fixed to the buildings or improvements or which are only so fixed that they may be removed therefrom without structural damage thereto.
- (9) The term “market value” is the capital sum which land, buildings or improvements might be expected to realize as at the date of assessment if offered for sale on such reasonable terms and conditions as a bona fide seller would require.
- (10) The term “parcel of land” means a unit of land which is separately owned, the area limits of which are contained within an unbroken continuous boundary.
- (11) The term “residential use” means buildings or improvements wholly or principally used, constructed, or adapted for human habitation owned by a natural-person taxpayer and wholly used and occupied by that taxpayer as a primary place of residence, and does not include any such buildings or improvements that are let out either wholly or in part for the taxpayer’s private profit or gain.
- (12) The term “under-improved land” means land where the value of the physical additions and alterations thereto or buildings thereon and all works carried out for the benefit of the land are of lower value than the value of the land itself.
- (13) The term “unimproved land” means land on which no improvements (as defined in this section) have been effected and includes under-improved land (as defined in this section).
- (14) The term “value of improvements” in relation to land means the added value that the improvements give to the land including the cost of the improvements.

Section 2001. Assessed Value; Methods For Determining

(a) In General. All land subject to assessment and taxation on the basis of assessed value under the provisions of this Chapter shall be so assessed in accordance with the methods hereinafter set forth.

(b) Market Value after Inspection; 5-year Term. As soon as feasible after the provisions of this Chapter become effective, except for parcels of land governed by the provisions of Paragraph (c), each parcel of land so subject to assessment and taxation shall be inspected and its assessed value determined on the basis of its market value as at the date of inspection. Such assessed value shall be carried on the real property assessment record books kept by the Minister for a period of 5 years from the date such valuation becomes operative in accordance with the following rules:

- (1) Determination on or before June 15th. When the assessed value of a parcel of land is determined hereunder and notice thereof is given to the taxpayer on or before June 15th in any calendar year, the operative date shall be January 1st of the then current calendar year.
- (2) Determination after June 15th. When the assessed value of a parcel of land is determined hereunder and notice thereof is given to the taxpayer after June 15th in any calendar year, the operative date shall be January 1st of the succeeding calendar year.
- (3) Exception When Newly Completed Structures are Involved. Parcels of land governed by the provisions of Paragraph (f) are excepted from the rules set forth in Paragraphs (a) and (b).

(c) ***Previously Determined Market Values.*** 5-year Term. If prior to the date when the provisions of this Chapter become effective a parcel of land so subject to assessment and taxation has been assessed on the basis of its market value pursuant to the real property tax statutes then in force and such assessed value placed upon the real property assessment record kept by the Minister, such assessed value shall continue to be carried on the assessment record and be operative hereunder for a period of five years from January 1st of the year in which the provisions of this Chapter become effective.

(d) ***Prior Assessed Values Based On Cost Of Construction.*** Effective Until Reassessed Hereunder. If prior to the date when the provisions of this Chapter become effective, a parcel of land so subject to assessment and taxation has not been assessed on the basis of its market value, but pursuant to the real property tax statutes then in force has been assessed on the basis of the cost of construction of the buildings and improvements thereon, and such assessed value placed upon the real property assessment record kept by the Minister, then, until such parcel of land is inspected and its assessed value determined pursuant to the provisions of Paragraph (b), the assessed value based on cost of construction shall continue to be carried on such assessment record and form the basis for taxation of such parcel of land hereunder.

(e) ***Land Not Previously Assessed; Prior Taxes To Be Assessed.*** If prior to the date when the provisions of this Chapter become effective, a parcel of land so subject to assessment and taxation has not been previously assessed and placed upon the real property assessment record, when its assessed value has been determined pursuant to the provisions of Paragraph (b), in addition to the real property tax liability imposed in accordance therewith and based upon the assessed value so determined, such parcel of land shall be assessed for all unpaid real property taxes due against such land in accordance with the real property statutes in force, for a period of five years immediately prior to the operative date of the assessed value determined in accordance with Paragraph (b).

(f) ***Newly Completed Structure.*** When newly constructed improvements on a parcel of land are completed, either fully according to the plans therefor, or particularly to the extent that the new

construction is being used or can be used for the purpose or purposes for which it was constructed or otherwise, a determination shall be made of the assessed value of the parcel on the basis of its market value as at the date of inspection. In the event the assessed value becomes operative on or after February 1st in any calendar year, the appropriate real property tax shall be levied on the parcel involved for the remainder of the calendar year at the rate of one-twelfth of the annual tax based on such assessed value for each month or fraction of a month of the then current calendar year remaining, and the assessed value shall be carried on the real property assessment books for a period of 5 years from January 1st of the succeeding calendar year. In the event such construction is completed as herein before set forth and the assessed value becomes operative on or before January 31st in any calendar year, then the real property tax to be levied on such parcel for such calendar year shall be the whole of the annual tax based on such assessed value and the assessed value shall be carried on the real property assessment books for a period of five years from January 1st of the then current calendar year.

(g) Reassessment of 5 Year Term Assessed Values. Prior to the termination of any 5 year term during which the assessed value of a parcel of land, based upon market value, is carried on the real property assessment record books, a re-inspection of such parcel shall be made and a re-assessment of its assessed value shall be determined upon the basis of its then market value. The assessed value so determined upon such re-assessment shall be carried on the real property assessment record books for an additional 5 year term when notice thereof is given to the taxpayer on or before June 15th of the succeeding calendar year. If no re-assessment of the assessed value of the parcel of land is so determined, then the prior assessed value shall continue as the basis for the levying of the annual real property tax thereon, except that a taxpayer, on or before June 15th of any year subsequent to the termination of any 5 year term, may serve and file an administrative appeal in the manner prescribed by Section 60, requesting a review of the assessed value of the parcel. A re-assessment of the assessed value of a parcel of land based on its then market value may be made by the Minister at any time subsequent to the termination of any 5 year term. The duration of the 5 year term during which assessed value so determined becomes operative shall be governed by the provisions of Subparagraphs (1) and (2) of Paragraph (b).

Section 2002. Payment Date; Interest And Penalty On Late Payment

The real property tax prescribed by this Chapter covers the period from January 1 to and including December 31 of each year and shall become due on July 1st of the year in which it is levied. It may be paid without the imposition of interest or penalty at any time prior thereto from January 1. Interest at market, in accordance with Section 11 shall be charged thereon if the tax is not paid on or before July 1st of the year in which it is levied and if it is not paid on or before July 31st of the year in which it is levied, the Minister, in addition, shall assess and add to the amount due, or to any underpayment thereof, an administrative penalty of 5 percent per month for each month or part of a month elapsing after July 31st that it remains unpaid, but not to exceed 25 percent in the aggregate.

Section 2003. Assessment Records To Be Kept by Minister; Open For Public Inspection

There shall be kept by the Minister in the several offices of the Ministry nearest to the real property subject to assessment and taxation under this Chapter, together with duplicates thereof at the principal office of the Ministry, books of record in which notations shall be made relating to such real property under the surname of the owners thereof alphabetically arranged in relation to each other and consisting among other things, of the following data:

Location, area, lot number designation, if any use classification, the date of its inspection for the purpose of determining its market value, its asses value and the annual tax

levied thereon.

The aforesaid books of record are to be called "The Real Property Assessment Record" and shall be open to inspection by the public during official business hours.

Section 2004. Real Property Owners To File Schedules Of Property

Every person who has acquired title to real property subject to assessment and taxation under the Chapter, within thirty days after the effective date of this Section or within thirty days after acquisition, as the case may be, shall file in the office of the Ministry nearest to where such real property is located a correct and specific schedule of all such real property acquired by him. Such schedule shall contain a complete description of the real property, including its location, area lot number, designation, if any use classification and the actual consideration paid on its acquisition.

Section 2005. Registrars Of Deeds And Land Commissioners To Submit Reports Of Conveyances

Registrars of Deeds shall submit to the Minister on the first day of each month a report of all transfer or ownership of real property that have been recorded or registered in their offices during the preceding month. Directors of Public Lands shall also submit reports to the Minister on the first day of each month of all land grants issued by them during the preceding month.

Section 2006. Assessors; Notice of Determinations, Criteria To Be Used By Them

(a) *Minister To Appoint Assessors And Give Notice Of Their Determinations.* Except as otherwise provided, all land, whether improved or unimproved, subject to assessment and taxation on the basis of its assessed value, shall be assessed or reassessed as the case may be, by officials appointed and authorized by the Minister to act as real estate assessors.

Upon the rendering of their determinations the Minister shall give notice in writing to the owners of the properties involved of the assessed taxable values thereof as so determined and of the annual tax assessed thereon, or if this is impracticable, he shall publish such information at least twice in a newspaper having general circulation in the area in which the properties involved are located. In the event notice is given by the way of publication, it shall be deemed to have been received by the owners so notified 10 days after the last publication.

(b) *Criteria.* The assessors shall be governed by the provisions of Section 2001 in assessing taxable property.

Section 2007. Taxes To Become Liens On Real Property On Due Dates

Taxes on real property on the dates when they become due, and interest, penalties and other such charges thereon when assessed, which may hereafter be laid or may have heretofore been laid on any real property in the Republic shall be and continue to be, until paid, liens thereon and shall be preferred in payment to all other charges on the real property involved. Delinquencies shall be reported to the Minister of Justice for collection through the Tax Court.

Section 2008. Recovery Of Delinquent Real Property Taxes

Upon receipt of a report of delinquency in the payment of real property taxes, the Minister of Justice may bring suit in the Tax Court in the county in which the property is situated to recover the delinquent real property tax and all penalties and interest thereon and to foreclose the lien thereon. The case shall be tried in a summary manner. If the Minister of Justice establishes that the alleged delinquency exists, judgment of foreclosure of the tax lien shall be rendered and execution ordered against the real property involved returnable before the judge of the said court.

Thereupon, the ministerial officer of the court shall be directed first, to give due notice to all persons concerned and then, to sell the real property involved at public auction to the highest bidder and convey title to the purchaser. The proceeds arising from the sale shall be applied in the following manner: first, to the payment of taxes, penalties and interest due; second, to the costs of the court; and last, the balance if any, after the payment according to their priorities, of the other liens against the real property, if any shall be paid to the owner of the real property involved. Nothing in this Section, however, shall be construed to prevent the said owner from bidding in at the public auction provided for herein.

Section 2009. Exemptions

The following categories of real property shall be exempt from real property taxes:

(a) All public lands, buildings and other improvements, including subsequent additions thereto, owned by the Government of the Republic of Liberia except to the extent set forth in subsection (f) of Section 2001.

(b) Property owned by churches, religious societies, and foreign and domestic missions, educational institutions, charitable organizations, and fraternal organizations; provided that the property is used for religious, educational, charitable, or fraternal purposes and not for profit; and provided further that the property is not rented or leased except to another organization whose property is exempt from real property taxes under this subsection (and then only if the rental income is used exclusively for the aforesaid purposes). If the property is otherwise rented or leased, it shall be subject to the tax prescribed by this Chapter and the tax is to be paid by the owner.

(c) All properties used exclusively for religious, charitable or educational purposes.

(d) All properties held by the University of Liberia.

(e) All properties of foreign governments on lands leased from or deeded by the Republic of Liberia. In the case of land or property owned by a private person and rented or leased to a foreign governments, the property is not exempt from the tax prescribed by this Chapter, for which the owner of the property is liable, and with regard to which a withholding agent has a withholding obligation.

(f) All property which is exempt from real property tax under the terms of statutes, treaties or agreements passed or entered into by the Government of the Republic of Liberia, provided that the property is held and used in accordance with any conditions contained in such statutes, treaties or agreements.

(g) Real property leased from the Government and, on the enactment date of this Code, tax-exempt by agreement is exempt from property tax under this Part only for the duration of the lease period remaining on the enactment date (including renewal options).

(h) Real property used under a renewable resource contract for operations of a renewable resource project subject to Part II, Chapter 6.

(i) Real property within a mineral exploration license area, a mining license area, or a petroleum area and used for a mining project or petroleum project subject to Part II, Chapter 7.

(j) A parcel of improved land upon which the only improvement is a hut or huts.

Section 2010. Payment Of Delinquent Taxes As Condition Precedent To Conveyance Of Interests In Real Property

(a) Production of Official Tax Receipt Required. The production of an official tax receipt evidencing that all delinquent real property taxes have been paid in full for the premises involved shall be a condition precedent to the probate and registration of any deed, lease agreement or other instrument affecting or relating to the passage of title or other interest in real property, whether by sale of lease, and title or any other interest in real property shall not be deemed vested in the purchaser or lessee until all delinquent taxes have been paid; provided that the foregoing shall not apply to the sale of public land.

(b) Probate and Registrar Officials Restrained from Proceeding Until Official Tax Receipt Produced. The Judge of the Probate Court, the Registrar of Deeds and any other person or agency responsible for effectuating the passage of title or any other interest in and to real property or responsible for giving due notice of such passage interest in and to real property, shall withhold action on any deed, until an official tax receipt is produced showing that all delinquent real property taxes have been paid in full for the premises involved.

Sections 2011-2099. Reserved

PART VIII. FINANCE AND FISCAL

Chapter 21. GOVERNMENT AGENCY FEES

Section 2100. Definition

Section 2101. Fees Imposed

Section.2102. Ministry Of Foreign Affairs

Section.2103. Ministry Of Justice

Section 2104. Ministry Of Commerce:

Section 2105. Ministry Of Health And Social Welfare

Section 2106. Ministry Of Lands, Mines And Energy

Section 2107. Ministry Of Agriculture

Section 2108. Forestry Development Authority

Section 2109. Ministry Of Labor

Section 2110. Ministry Of Transport

Section 2111. Ministry Of Finance Regulation

Section 2112. Bureau of Maritime Affairs Special Account

Section 2113. Other Ministries, Bureaux, Agencies, Municipals, Including Monrovia City Corporation,
And All Other Institutions Of The Government Providing Services For A Fee

Section 2114. Notaries

Sections 2115-2199 **Reserved**

Section 2100. Definition

(a) Miscellaneous fees, when used in the context of these provisions, shall mean Governmental miscellaneous fees, unless otherwise provided for in the Tax Code.

(b) Governmental miscellaneous fee shall mean: a charge payable for service, privilege or right under government control

Section 2101. Fees Imposed

Every person who, or Legal person which consumes services or uses a privilege or right under the control of government shall obtain from the appropriate Government agency, institution, or Ministry a permission, permit or instrument for which he or it shall pay or cause to be paid into the consolidated fund and available for appropriation by the Legislature for the general purposes of the Government.

Section. 2102. Ministry Of Foreign Affairs

Fixed Fees. The fees for the following services/instruments of the Ministry of Foreign Affairs shall be as by regulation prescribed by the Minister of Foreign Affairs in consultation with the Minister of Finance and shall be assessed by the Ministry of Foreign Affairs and paid regularly to the Minister for deposit into the account of the Government:

- (a) Articles of Incorporation (for profit)
- (b) Article of Incorporation (not-for-profit)
- (c) Amendment of Article of Incorporation
- (d) Passport fee
- (e) Visa to travel to Liberia
- (f) Lost deed replacement
- (g) Registration of deed

Section. 2103. Ministry Of Justice

(a) *Bureau Of Immigration And Naturalization*

(1) Fixed Fees. The fees for the following immigration services shall be as by regulation prescribed by the Commissioner of Immigration and Naturalization in consultation with the Minister of Justice and the Minister and shall be assessed by the Commissioner of Immigration and Naturalization and paid regularly to the Minister for deposit into the account of the Government:

- (A) Permit of residence
- (B) Permission to work
- (C) Permission to re-enter
- (D) Booklet fees

(b) *National Fire Service*

(1) Fixed Fees. The fees for the following services rendered by the National Fire Service shall be as by regulation prescribed by the Director of Fire Service in consultation with the Minister of Justice and the Minister and shall be assessed by the Director of Fire Service and paid regularly to the Minister for deposit into the account of the Government:

Fire Safety Inspection Fee

(c) ***National Police Force***

(1) ***Fixed Fees.*** The fees for the following police services shall be as prescribed by regulation issued by the Minister of Justice, in consultation with the Minister and assessed by the National Police Force and shall be paid regularly to the Minister for deposit into the account of Government:

Vehicle Safety Inspection Fees

Section 2104. Ministry Of Commerce And Industry

Fixed Fees. The fees for the following Services shall be as by regulation prescribed by the Minister of Commerce and Industry in consultation with the Minister and shall be assessed by the Minister of Commerce and Industry and paid regularly to the Minister for deposit into the account of Government:

(a) Administrative Fees (New Business)

- (1) Sole proprietorship registration
- (2) Partnership registration
- (3) Corporation registration

(b) Commerce - Other Fees:

- (1) Standards Certificate
- (2) Rice Stabilization fee
- (3) Trademark Registration
- (4) Trademark Renewal

Section 2105. Ministry Of Health And Social Welfare

Fixed Fees. The fees for the following health services shall be as regulation prescribed by the Minister of Health and Social Welfare, in consultation with the Minister and shall be assessed by the Ministry of Health and Social Welfare and shall be paid regularly to the Minister for deposit into the account of the Government:

- (a) Medical Fee
- (b) Yellow Fever Card
- (c) Orphanage Center

- (d) Birth Certificate
- (e) Health Certificate
- (f) Death Certificate

Section 2106. Ministry Of Lands, Mines And Energy

Fixed fees. The fees for the following lands, mines and energy services shall be as by regulation prescribed by the Minister of Lands, Mines and Energy in consultation with the Minister, and shall be assessed by the Ministry of Lands, Mines and Energy and paid regularly to the Minister for deposit into the account of Government:

- (a) Registration of Deed
- (b) Mineral Dealership
- (c) Diamond Broker
- (d) Gold Processor
- (e) Diamond Mining
- (f) Gold Mining
- (g) Diamond Prospecting
- (h) Gold Prospecting
- (i) Royalty of 2-3percent on each shipment (all minerals)

Section 2107. Ministry Of Agriculture

Fixed Fees. The fees for the following agricultural activities as prescribed by regulation to be issued by the Minister of Agriculture in consultation with the Minister and paid regularly to the Minister for deposit into the account of Government:

- (a) Hunting license
- (b) Fishing/ Canoe license

Section 2108. Forestry Development Authority

Fixed Fees. The fees for the following forestry activities as prescribed by regulation to be issued by the Forestry Development Authority in consultation with the Minister, and shall be assessed by the Forestry Development Authority and paid regularly to the Minister for deposit into the account of Government:

- (a) Stumpage fee

- (b) Land rental fee
- (c) Forest product fee

Section 2109. Ministry Of Labor

Fixed Fees. The fees for the following labor services shall be as by regulation prescribed or issued by the Ministry of Labor in consultation with the Minister and shall be assessed by the Ministry of Labor and shall be paid regularly to the Minister for deposit into the account of Government:

- (a) Work permit
- (b) Booklet fees

Section 2110. Ministry Of Transport

Annual Fees. The fees for the following services/activities of the Ministry of Transport shall be as by regulation prescribed by the Minister of Transport, in consultation with the Minister, and shall be assessed by the Ministry of Transport and be paid regularly to the Minister for deposit into the account of Government.

(a) Air Carrier Operating Certificate

- (1) Private non-commercial operation
- (2) Commercial domestic operation
- (3) Commercial international Scheduled Air Transport Services
- (4) For aircraft intended to be based abroad
- (5) De-registration of aircraft from the Liberian Registry
- (6) Issuance/Renewal of Maintenance facilities Certificate
- (7) Issuance of Ferry Permit

(b) Registration fees for aircraft

- (1) Up to but not exceeding 1,500 lbs
- (2) Over 1,500 lbs. to 3,000 lbs
- (3) Over 3,000 lbs. to 6,000 lbs
- (4) Over 6,000 lbs. to 12,000 lbs
- (5) Over 12,000 lbs., every additional 1000 lbs.

(c) Operating License for aircraft

- (1) Up to but not exceeding 1,500 lbs
- (2) Over 1,500 lbs. to 3,000 lbs
- (3) Over 3,000 lbs. to 6,000 lbs
- (4) Over 6,000 lbs. to 12,000 lbs
- (5) Over 12,000 lbs., every additional 1000 lbs. shall be

(d) Air Crew Certificates

- (1) Airline Transport Pilot (ALTP)
- (2) Commercial Pilot (CPL)
- (3) Private Pilot (PPL)
- (4) Flight Engineer
- (5) Flight Navigator
- (6) Radio Operator
- (7) Flight Attendance
- (8) Air Traffic Controllers

(e) Ground Crew Certificates

- (1) Aircraft Maintenance Engineer
- (2) Aircraft Mechanics
- (3) Aircraft Avionic
- (4) Aircraft Electrician

(f) Royalty

- (1) Aircraft using Liberia designated routes
- (2) Chartered Services

(g) Travel Agency

- (1) Travel agency eligibility certificate

Section 2111. Ministry Of Finance Regulation

Annual Fees. The fees for the following services and activities shall, by regulation prescribed by the Minister, determine the license and registration amount to be paid to the Minister for deposit into the account of the Government.

Annual Licensing and registration and other Fee of:

- (a) Liquor Distillers, Dealers and Retailers
- (b) Brewers of Alcohol and Non alcoholic beverages
- (c) Occupational and Professional business licensing
 - (1) Law
 - (2) Accounting and Auditing
 - (3) Architecture
 - (4) Dentistry, Medicine, and Surgery
 - (5) Engineering
 - (6) Pharmacy
 - (7) Survey
 - (8) Dealer in precious metals
 - (9) Mining of precious metals
 - (10) Commercial Fishing
 - (11) Cinema
 - (12) Restaurants and Hotels
 - (13) Merchants
 - (14) Boats, motors, vehicle (of all types, whether employed on farms, plantations, agricultural and forestry concessions, or for transportation or carriage on the streets and roads), and Aircraft
 - (15) Truck with or without attachment, tractors and other equipment as motor or non motor cycles
 - (16) Others including earth moving equipment with or without attachment for digging, drilling, and etc. that are mobile, motorized, and on wheels.
- (d) Petty Traders
- (e) Issuance of Identification Card
- (f) Others

Section 2112. Bureau of Maritime Affairs Special Account

(a) Notwithstanding the provisions of Part VIII Finance and Fiscal, Chapter 21, Government Agency Fees, of the Revenue Code of Liberia, ten percent (10%) of the gross revenue generated by the Liberian Maritime and Corporate programs shall be set aside by The International Trust Company as contractual agent of the Government of Liberia under the provisions of the 1975, Government of Liberia – International Trust Company of Liberia Agreement and its subsequent amendments or by any successor to The international Trust Company regarding the maritime fund, and the said amounts shall be paid directly into a special account or accounts at a prime and reputable bank or banks to be designated by the Commissioner of Maritime Affairs.

(b) Administration of Account: The Special account or accounts shall be directly administered by the Commissioner of Maritime Affairs and the funds deposited therein are to be used in support of the annual budget of the Bureau of maritime Affairs.

Section 2113. Other Ministries, Bureaux, Agencies, Municipals, Including

Monrovia City Corporation, And All Other Institutions Of The Government Providing Services For A Fee

Annual Fees: The Fees and levies for services and activities shall, by published regulations prescribed from time to time by the Minister in consultation with other Ministers including the Ministers of Post and Telecommunication and Internal Affairs, and the Major of Monrovia City Corporation, be assessed by the Agency initiating the fees and levies and paid regularly to the Minister for deposit into the account of Government to ensure efficiency, accountability and compliance. The regulations shall be signed by the Minister or Major initiating the fees and levies, and the Minister.

Section 2114. Notaries

(a) **General rule.** An official revenue stamp in the amount of US \$5 is required to validate a notary's attestation.

(b) **Source.** An official revenue stamp is available only through the Ministry. A credentialed notary is authorized to obtain a supply of US \$5 revenue stamps from the Ministry.

(c) **Validity.** A notary's attestation is not valid unless an official revenue stamp is affixed next to the attestation.

Sections 2115-2199. Reserved

Chapter 22. BUDGET AND ACCOUNTING

General

Section 2200. Title Of Chapter

Section 2201. Applications Of Chapter

Section 2202. Definitions

Section 2203. Fiscal Year

Section 2204. Powers And Duties Of Minister With Respect To Accounting And Pre-Auditing.

Section 2205. Annual Financial Reports Of Government Agencies To Be Submitted By Minister.

Section 2206. The Budget Document.
Section 2207. Submission Of Budget Estimate By Government Agencies.
Section 2208. Government Agencies To Furnish Budget Control Information To Director.
Section 2209. Presentation Of Budget To Legislature.
Section 2210. Supplemental Appropriations.
Section 2211. Appropriations For Contingencies And Confidential Matters.
Section 2212. Transfers Of Appropriations Prohibited Unless Expressly Authorized.
Section 2213. Allocation Of Appropriation Balance Upon Transfer Of Functions To Another Agency.
Section 2214. Reserve Fund For Emergency Expenses.
Section 2215. Allotment Procedure.
Section 2216. Budget Accounting Methods And Reports.
Section 2217. Disposition Of Unobligated Appropriation Balances.
Section 2218. Expenditures And Obligations Beyond Scope Of Budget Appropriations Void.
Sections 2219-2299. **Reserved**

General

Section 2200. Title Of Chapter

This chapter may be cited as the “Budget and Accounting Act of 1975”

Section 2201. Applications Of Chapter

The provisions of this Chapter shall apply to all agencies of Government except when by law any of them may be exempt from certain of its provisions.

Section 2202. Definitions

Except when the context of a specific provision of law otherwise requires the following terms when used in this Chapter shall, for the purposes of this chapter, have the meanings respectively ascribed to them in this Section:

- (a) “Agency of the Government” or “Government agency” shall include every ministry, independent establishment, division, bureau, board, commission institution, authority organization, enterprise, wholly owned government corporation, officer, employee and all other instrumentalities of the Government including counties, commonwealths, cities, towns, villages, and other local authorities or political subdivisions of the Republic;
- (b) “Allotment” means the portion of an appropriation authorized and set aside for allocation by a Government agency to cover expenditures and obligations to be incurred by it for its operating activities during a specific period in accordance with the terms of the appropriation;
- (c) “Appropriation” means an authorization by act of the Legislature to incur obligations and to make payments out of the Treasury for specified purposes in amounts limited by the provisions of the act;
- (d) “Encumbrance” means an amount set aside from an allocation of an allotment when a commitment is incurred in order to assure the availability of a sufficient balance when the respective disbursement is made;

(e) “Multiple-year appropriation” applies to appropriations which extend for a period longer than a fiscal year and remain available for expenditure for the specific purposes set forth in the appropriation for the number of fiscal years cited in the act authorizing the appropriation;

(f) “Obligation” includes obligations which must be paid or may be paid in currency, or in kind, or in services, irrespective of the fact that it is incurred through borrowing, guarantee, a purchasing, employment of credit or in any other way.

Section 2203. Fiscal Year

The year for which the fiscal operations of the Government are to be recorded, accounted and reported shall begin on the first day of July and end on the 30th day of June of each year.

Section 2204. Powers And Duties Of Minister With Respect To Accounting And Pre-Auditing

The Minister shall have the following powers and duties in connection with the accounting services to be rendered by his office:

(a) To maintain a centralized accounting system for the Government, keeping the general books of account on a double entry accrual basis accounting system and maintaining such accounting records as will reflect, in detail or in summary, all Government resources, properties, assets, liabilities, supplies, reserves, surpluses, revenues and receipts, securities, funds, appropriations, allotments and encumbrances, expenditures and disbursements;

(b) To prescribe for all Government agencies, the forms systems and procedure for administrative appropriations and fund accounting based upon an accrual accounting system, financial statements, estimates, receipts, vouchers, bills, purchase orders, encumbrance documents and demands with suitable instructions governing the installation and use thereof;

(c) To pre-audit demands against the Government arising from activities carried on by Government agencies, to approve each as a legal, current and proper claim, to designate the account to be charged therefor and certify the issuance of a voucher for the payment thereof;

(d) To verify all evidences of the collection and deposit of Government receipts and to designate the account to be credited therewith.

Section 2205. Annual Financial Reports Of Government Agencies To Be Submitted By Minister

The Minister shall make a timely and complete annual report of the financial status and affairs of all Government agencies which shall be submitted to the President of Liberia and the Legislature and to that end every Government agency shall furnish to the Minister, under such regulations as he shall prescribe, such information as the Minister may from time to time require and he or any employee of the Ministry of Finance when duly authorized shall, for the purpose of securing such information, have access to and the right to examine, any books, documents, papers or records of any such Government agency.

Section 2206. The Budget Document

The Director of the Budget under the authority and direction of the President shall formulate a budget plan for all functions and activities of the Government and shall prepare an annual budget document with respect thereto. The budget document shall be presented in such form and detail as shall be determined by the President and shall include the following;

- (a) A budget analysis which analyzes revenues and expenditure developments and trends and sets forth the major recommendations regarding the fiscal policy of the Government for the coming fiscal year, describing the important features and objectives of the budget plan;
- (b) A general budget summary setting forth the aggregate figures of the budget so as to show the relation between the total proposed appropriations and estimated expenditures and the total anticipated receipts;
- (c) Detailed data on actual receipts, appropriations and expenditures during the last completed fiscal year; on the actual receipts appropriations, and expenditure for the current fiscal year and those estimated for the balance of the current fiscal year, and on the estimated receipts, appropriations and expenditures for the ensuing fiscal year and on any anticipated balances at the end of the current fiscal year;
- (d) Financial and business-type statements of Government agencies exempt from submitting budget estimates;
- (e) The capital improvement and public investment program of the Government and an explanation of its relation to the proposed expenditure plan;
- (f) All essential facts regarding existing and prospective indebtedness of the Government;
- (g) Such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the Government.

Section 2207. Submission Of Budget Estimate By Government Agencies

Budget estimates of proposed expenditures and anticipated receipts and revenues and requests for appropriations shall be submitted to the Director of the Budget by the head of each Government agency in accordance with instructions and schedules prescribed by the Director of the Budget under the authority and direction of the President. Capitol and development project budget requests must be consistent with the development plans adopted by the Ministry of Planning and Economic Affairs. Modification of submitted budget estimates or proposed expenditures and anticipated receipts and revenues requests for appropriations or appropriations may be proposed by the Director of the Budget under the authority and direction of the President. In case agreement to such modification cannot be reached with the head of the affected Government agency, the President shall review both the original and modified estimates and requests and determine which of them to present to the Legislature.

Section 2208. Government Agencies To Furnish Budget Control Information To Director

Every Government agency shall furnish to the Director of the Budget, under such regulations as the President shall prescribe, such information as the Director may from time to time require for budgetary control purposes and for organization and methods analyses.

Section 2209. Presentation Of Budget To Legislature

The President shall present to the Legislature a proposed budget of receipts and appropriation expenditures for the ensuing fiscal year. This budget, as approved by the Legislature, shall be the basis for appropriating monies necessary for the operations of the Government. If the estimates of receipts for the ensuing fiscal year based on laws existing at the time the budget is transmitted, plus the estimated surplus in the Consolidated Accounts at the close of the current fiscal year are less than the estimate of total appropriation expenditures for the ensuing fiscal year, the President shall, when transmitting the proposed budget to the Legislature, make recommendations for new taxes, loans or other appropriate action to meet the estimated deficit. If the aggregate of such estimated receipts and such estimated amounts in the Treasury is greater than such estimated total appropriation expenditures for the ensuing fiscal year, he shall make such recommendations as in his opinion the public interest requires.

Section 2210. Supplemental Appropriations

The President may from time to time require the Director of the Budget to prepare for transmission by the President to the Legislature, proposals and explanations for such supplemental or deficiency appropriations as in the President's judgment as necessary because of laws enacted after the transmittal of the budget or are otherwise in the national interest.

Section 2211. Appropriations For Contingencies And Confidential Matters

In the budget or in supplemental appropriations, provision may be made for the appropriation of monies for contingencies and matters of a confidential nature. Appropriations for contingencies need not be detailed but should describe in general terms the nature of the contingency for which they are intended. Appropriations for matters of a confidential nature need not be described except by reference to the fact that they are for confidential purposes but the expenditure of monies for such purposes shall be subject to the supervision and approval of the President. In accounting for expenditure on matters of a confidential nature due regard shall be given to requirements of national security.

Section 2212. Transfers Of Appropriations Prohibited Unless Expressly Authorized

(a) All monies appropriated for the various functions, projects and activities contained in the annual budget and in supplementary appropriation acts shall be available solely for the specific purposes for which appropriated. However, budgetary transfers may be approved whenever they are considered essential.

(a) Whenever budgetary transfers are considered, the following procedure will be observed. All budgetary transfers will be prepared by the Director of the Budget. Requests for such transfers will be made in writing to the Director of the Budget by the head of the Ministry or autonomous bureau concerned. The Director of the Budget will obtain a pre-

(b) Audit of the request from the Minister or his designated. The Director of the Budget will then submit the audited request to the President for approval.

Section 2213. Allocation Of Appropriation Balance Upon Transfer Of Functions To Another Agency

When, under authority of law, a function or an activity is transferred from one Government agency to another, the utilization of balances of the appropriations available and necessary to finance the function or activity so transferred shall be prescribed by the Director of the Budget under the authority and direction of the President.

Section 2214. Reserve Fund For Emergency Expenses

(a) *President To Establish.* The President is authorized to establish a reserve fund for defraying Government expenses of an emergency nature or of any event of extraordinary nature which is not foreseen and provided for in the annual budget or in supplemental appropriations.

(b) *Funds To Be Used To Establish Reserve.* The reserve fund authorized in Paragraph (a) shall be created out of the following funds only:

- (1) Funds subject to disbursement for ordinary Government purposes which exceed estimated revenues for any fiscal year and which exceed also the ordinary requirements of Government; and
- (2) Funds derived from any revenue source of the Government which is not obligated by existing law or agreement.

(c) *Deposits And Withdrawals.* All deposits in the reserve fund shall be made from depository accounts of the Government in accordance with existing laws and regulations. All withdrawals from such funds shall be made only under warrant of the President upon the same conditions and requirements as the withdrawals of funds from official general deposit accounts of the Government. All such withdrawals shall be subject to the approval of the Legislature at the next regular session thereof.

(d) *Limitation On Use Of Withdrawn Funds.* The President may withdraw funds from the reserve created by this section for the following purposes: to combat an epidemic or an emergency or event of an extraordinary nature which occurs during a period when the Legislature is not in session and for which there is no legislative approval.

Section 2215. Allotment Procedure

(a) Expenditures will be controlled strictly by allotments of budgetary appropriation for each Ministry or autonomous bureau of Government and for each budgetary item. Under no circumstances shall allotments issued exceed the appropriations in any budgetary account.

(b) Allotments shall be made in writing and be issued quarterly in advance by the Director of the Budget on the advice of an Allotment Committee composed of the Minister, the Director of the Budget and the Auditor General and on the basis of cash projections prepared by the Ministry of Finance.

(c) The Director of the Budget will circulate a list of conditions which must be fulfilled prior to the issuance of allotments. However, requests for allotments for development expenditure will be made by the Ministry of Planning and Economic Affairs after consultation with the Ministry or autonomous bureau concerned.

(d) Allotments shall be reviewed from time to time by the Allotment Committee and the Director of the Budget shall immediately notify the Ministry or agency concerned in writing of the action taken regarding allotments and re-allotments.

Section 2216. Budget Accounting Methods And Reports

Upon enactment of the budget and supplemental or deficiency appropriations, appropriations thereunder and the amounts provided in each category under the official appropriation symbols and titles prescribed by the Director of the Budget shall be recorded on the books of account of the Government. The said books of account shall reflect appropriations, allotments made therefrom and allotted balances of appropriations. The said books of account shall further reflect allotment accounts, amount charged thereto represented by encumbrances and expenditures and the unencumbered and unexpended balances of allotments. The Ministry of Finance shall publish regular reports of appropriations, allotment, and charges thereto and balances thereof.

Section 2217. Disposition Of Unobligated Appropriation Balances

(a) Unless an appropriation is specifically designated as a multiple year appropriation, the unobligated balances of each appropriation authorized in any annual or supplemental appropriations acts shall revert to inappropriate surplus at the end of the fiscal year for which such appropriation is authorized and shall not thereafter be available for obligation or expenditure except by subsequent legislative enactment. The balances of appropriations obligated but not disbursed prior to the end of the fiscal year shall be carried over and added to appropriations for the next succeeding fiscal year and shall not be available for any other purpose.

(b) At the close of each quarter unobligated balances in all personnel services allotments shall lapse and shall be transferred to unallocated reserve. The President is authorized to direct such transfers from unallocated reserve as may be necessary to give priority to more essential items of Government.

Section 2218. Expenditures And Obligations Beyond Scope Of Budget Appropriations Void

Except as provided for in Section 81.15 of the new Executive Law, no official or employee of Government shall authorize or create any obligation or make any expenditure beyond the specific purpose set forth in any appropriation, allotment, re-allotment or in excess of the amounts therein.

Every expenditure made or obligated, authorized or incurred in violation of the provisions of this Chapter of the provisions contained in the annual general appropriation act, other appropriation act, allotments or re-allotments shall be void.

Sections 2219-2299. Reserved

Chapter 23. FISCAL

Section 2300. Power of President to Negotiate Loans

Section 2301. Power of President to Guarantee Loans to Government Owned Enterprises

Section 2302. Minister to Prescribe Deposit and Withdrawal Procedures

Section 2303. Reporting of Government Receipts

Section 2304. Minister under Direction of the President may Monopolize Sale and Export of Gold and Other Precious Metals and Precious Minerals

Section 2305. President May Modify Duty or fee on Gold and Other Precious Metals and Precious Minerals; Exceptions

Section 2306. President Authorized to Negotiate Concerning Double Taxation

Section 2307-2399. **Reserved**

Section 2300. Power Of President To Negotiate Loans

(a) Limitation of Amount of Loans. The President is hereby authorized and empowered to negotiate, conclude and contract with any individual group, foreign government or any financial institution at home or abroad long or short term loans for the overall development of the country.

(b) Promissory Notes for Loans; Pledge of Revenues. The President is hereby authorized and empowered to direct the Minister to execute promissory notes for any loan contracted for under the provisions of this Section; and he is further authorized and empowered to assign or pledge any portion of the revenues of the Republic in payment of, or as security or collateral for loans contracted under the provisions of this Section.

Section 2301. Power Of President To Guarantee Loans To Government Owned Enterprises

The President is hereby authorized and empowered to guarantee any long or short term loan concluded and contracted with any individual foreign government or any financial institution at home or abroad by any public corporation.

Section 2302. Minister To Prescribe Deposit And Withdrawal Procedures

The Deputy Minister for Revenue shall, in consultation with the Minister, prescribe and administer the procedures governing the collection, receipt and deposit of monies to the Government accounts, but only the Minister shall prescribe the procedures governing withdrawals and disbursements from the Treasury.

Section 2303. Reporting Of Government Receipts

Unless otherwise specifically provided by law, all receipts from any source whatsoever accruing to agencies of the Government by virtue of statutes, orders and regulations or otherwise shall be reported in gross to the Minister for deposit into the general revenue amount of government.

Section 2304. Reserved.⁷⁸

Section 2305. Reserved.⁷⁹

Section 2306. President Authorized To Negotiate Concerning Double Taxation

The President is hereby authorized to negotiate with the governments of friendly nations concerning methods to avoid double taxation on the income of individuals or corporation of such nations from investments in Liberia, and on the income of experts and technicians of such nations who are engaged in the economic development program or other projects by the Liberian Government. The President is also authorized to negotiate any convention or protocol designed on a basis of reciprocity to lessen or

⁷⁸ Section 2304 of the Revenue Code of Liberia (2000), previously carried under the caption “Minister Under Direction Of The President May Monopolize Sale And Export Of Gold And Other Precious Metals And Precious Minerals”, and containing sub-sections (a), (b), (c) and (d), was deleted and placed under “Reserved” by amendment effected by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

⁷⁹ Section 2304 of the Revenue Code of Liberia (2000), previously carried under the caption “President May Modify Duty or Fee On Gold And Other Precious Metals And Precious Minerals; Exceptions” was deleted and placed under “Reserved” by amendment effected by the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

otherwise regularize the tax liabilities of foreign corporations or individuals operating within the Republic.

Sections 2307-2399. Reserved

Chapter 24. - GOVERNMENT CHECKS

Section 2400. Checks Valid For Period Of Six Months

Section 2401. How Payment Effected If Check Is Invalid

Section 2402. Invalidated Checks To Be Audited Monthly

Section 2403. Reserve For Invalidated Checks

Section 2404. Duplicate For Lost, Stolen, Destroyed, Mutilated Or Defaced Checks

Section 2405. Date Of Cashing Check Defined

Section 2406 Effective Date of Act

Section 2407-2499. **Reserved**

Section 2400. Checks Valid For Period Of Six Months

Checks issued by the Republic of Liberia shall be valid for a period of six months from the date of issue. The Minister is authorized to have printed or stamped on Government checks a legend stating that each check must be cashed within six months of the date of issue.

Section 2401. How Payment Effected If Check Is Invalid

If a check of the Republic of Liberia becomes invalid in accordance with the provisions of Section 2500, payment of the check may nevertheless be effected as follows: The payee or holder in due course may within eighteen months of the date of issue present the check to the Minister, who, if satisfied that there is no doubtful question of law or fact concerning its payment, shall cancel it and issue a new check in lieu thereof in the same amount in favor of the person presenting the check.

Section 2402. Invalidated Checks To Be Audited Monthly

On the last day of each month the official in charge shall deliver a list of all unpaid checks which have been invalidated under the provisions of Section 2500 to the Minister, who shall declare the said checks cancelled, without prejudice to the right of the payees, their heirs or assign to apply to the Permanent Claims Commission for payment of the account in accordance with the provisions of the laws governing claims or to apply to the Minister for re-issuance in accordance with the provisions of Section 2502 or 2503. The Minister shall inform the Director of the Budget of all such cancellations as promptly as possible.

Section 2403. Reserve For Invalidated Checks

(a) Fifty Percent of Original Amount to Be Held in Reserve. The Minister shall determine as soon as practicable as of June 30 and December 31 of each year the total amount contained in the checks invalidated during the intervening six-month period in accordance with the provisions of Section 2501 and shall set up a reserve account of fifty percent of that amount for the payment of such checks as provided in Sections 2501 and 2504. The remaining fifty percent shall be regarded as inappropriate surplus to be available for the appropriation in the same manner as excess revenue and the Minister shall so inform the Director of the Budget.

(b) Reissued Checks and Payments of Claims Relating to Invalidated Checks to Be Debited to Reserve. Checks reissued more than six months from their original issue date under the provisions of Section 2501 and those issued under Section 2504 and payments of accounts which have been evaluated and validated by the Permanent Claims Commission relative to checks invalidated, shall be debited to the reserve provided for herein.

Section 2404. Duplicate For Lost, Stolen, Destroyed, Mutilated Or Defaced Checks

(a) Issuance of Duplicates Upon Indemnity Bond. Except as hereafter provided in this section, whenever it is clearly proved to the satisfaction of the Minister that any original check of the Republic of Liberia is lost, stolen, or wholly or partly destroyed, or is so mutilated or defaced as to impair its value to its owner or holder, the Minister is authorized, prior to the expiration of eighteen months from the date on which the original check was issued, to issue to the owner or holder against any fund provided for retirement of internal debts, a substitute showing such information as may be necessary to identify the original check, upon receipt and approval by the Minister of an undertaking to indemnify the Republic, in such form and amount and with such surety, sureties or security, if any, as the Minister may require, but no such substitute shall be payable if the original check shall have first been paid.

(b) Exceptions. An undertaking or indemnity shall not be required under Paragraph 1 of this Section in any of the following classes of cases:

- (1) If the Minister is satisfied that the loss, theft, destruction, mutilation or defacement, as the case may be, occurred without fault of the owner or holder and while the check was in the custody of control of the Republic of Liberia or of a person thereunto duly authorized as lawful agent of the Republic;
- (2) If substantially the entire check is presented and surrendered by the owner or holder and the Minister is satisfied as to the identity of the check presented and that any missing portions are not sufficient to form the basis of a valid claim against the Republic of Liberia;
- (3) If the Minister is satisfied that the original check is not negotiable and cannot be made the basis of a valid claim against the Republic of Liberia;
- (4) If the amount of the check is not more than \$5,000;
- (4) If the owner or holder is the Republic of Liberia or an officer or employee thereof in his official capacity, a county, territory, municipal corporation or any other political subdivision of the Republic, a corporation, the whole of whose capital is owned by the Republic, any bank wholly owned and controlled by the Republic, or a foreign government.

Section 2405. Date Of Cashing Check Defined

For the purposes of this chapter, the date of cashing a check of the Republic of Liberia shall be construed to be the date of its cashing by the central office of the official depository of the Republic of Liberia named in the check or any of its official agencies.

Section 2406. This Act [The Liberia Revenue Code of Liberia Act of 2000] shall take effect immediately upon publication in hand-bills. Except as expressly provided to the contrary, the

amendments made by [the Consolidated Tax Amendments Act of 2011] shall be effective for the tax period on or after January 1, 2011.⁸⁰

Sections 2407-2499. Reserved

SCHEDULE 1

1	2	3	4
Harmonized System Category	Brief Description	Current Duty Rate	Amended Duty Rate
21069000	Concentrate	15%	5%
70109110	Glass bottles exceeding 1L	7.5%	5%
70109210	Glass bottles exceeding 0.33L but not exceeding 1L	7.5%	5%
70109310	Glass bottles exceeding 0.15L but not exceeding 0.33L	7.5%	5%
70109410	Glass bottles not exceeding 0.15L	7.5%	5%
39231000	Plastic Crates	15%	5%
40011000	Latex	25%	5%
84384000	Equipment	7.5%	5%
63051000	Jute Bag	20%	5%
3923.10.00	Plastic crates/boxes for packing	15%	5%
3923.21.00	Sac/bags (polymers)	15%	5%
3923.29.00	Sac/bags (plastic)	15%	5%
3923.30.00	Spools & cops	15%	5%
3923.50.00	Stoppers, lids ,caps	15%	5%
4819.20.00	Folding cartons/boxes	15%	5%
4819.30.00	Sacs/bags	15%	5%
4819.40.00	Other sacs/bags	15%	5%
4819.50.00	Other packing container	15%	5%
4819.60.00	Storage boxes	15%	5%
6305.10.00	Jute bag of beast fibric	20%	5%
6305.20.00	Jute bag of cotton	20%	5%
6305.32.00	Containers	20%	5%
6305.33.00	Of polyethylene	20%	5%
6305.90.00	Of other textiles	20%	5%

⁸⁰ The second sentence of the section was added to the Revenue Code of Liberia (2000) by amendment contained in the Consolidated Tax Amendments Act of 2011, approved September 14, 2009, published November 1, 2011.

7310.10.00- 7310.21.00	Tanks, drums, cans, horns	7.5%	5%
8309.90.00	Other	15%	5%

ANY LAW TO THE CONTRARY NOTWITHSTANDING.