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REVENUE CODE OF LIBERIA ACT OF 2000



PHASE ONE

REFORM TAX CODE OF LIBERIA

APPROVED DECEMBER 15, 2000

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

AUGUST 2002

**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)**

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 LEGISLATIVE 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)**

Verbatim, as Edited October 2000 in a paper back volume from cover to cover.

Section 2

Short Title. This Act may be briefly cited and referred to as “**REVENUE CODE OF LIBERIA (2000)**”.

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 Legislature.

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The Electrical Services Act in Title 35 is hereby repealed.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 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 accept through the Legislative approval process. The revised text of the complete Code along with the Regulations issued thereunder shall be submitted for printing.

5. Financial Procedures

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

- Section 1. Matters Regulated By The Revenue Code Of Liberia
- Section 2. Legal Basis For Taxation
- Section 3. Tax Legislation Of The Republic Of Liberia
- Section 4. Taxes In Effect In The Republic Of Liberia
- Section 5. Persons Regulated By Tax Legislation
- Section 6. Amounts Stated In Dollars
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- Section 11. Interest Rate
- Section 12. Tax As A Debt Due To Government Of Liberia
- Section 13. Bad Tax Debts
- Section 14. Interest On Overpayments And Underpayments
- Section 15. Anti-Avoidance Rule
- Sections 17-49. **Reserved**

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

- (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.

- (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.

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;
- (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.

Section 5. Persons Regulated By Tax Legislation

The following persons are subject to the Tax Code:

- (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 offices, agencies, and employees of the Internal Revenue Service;
- (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 and authority are determined by this Code.

Section 6. Amounts Stated In Dollars

Dollar amounts stated in this Code are in Liberian dollars, and taxation books of account are to be kept in Liberian dollars and are to be assessed in Liberian dollars, but may be paid in either Liberian or U.S. dollars. If payment is made in U.S. dollars, the amount due in Liberian dollars is to be translated into U.S. 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 by the Liberian Monetary Authority as defined in the law authorizing the Central Bank. The Government of Liberia may, by regulation, require that certain user fees, license fees, customs duty, and other fees, which are designed to cover the cost of providing the service, be paid in US dollars.

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 Persons

- (a) The Government of the Republic of Liberia, Government agencies, and charitable or not for profit 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) Foreign governments, foreign diplomatic representatives, foreign consular officials, international organizations and officials of international organizations that are exempt from taxation under international agreements are exempt from tax to the extent required by those agreements and also enjoy those exemptions provided to them by this Code.

Section 10. General Definitions

- (a) **Board Of Tax Appeals.** The term “Board of Tax Appeals” means the 7-member deliberative body convened to review taxpayer’s appeals from determinations of the Minister for Revenue. The composition of the Board of Tax Appeals and its obligations under the Code are set out in Section 60.
- (b) **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 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.

- (c) **Minister.** The term “Minister” means the Minister of Finance, or any person the Minister of Finance may delegate to perform duties this Code assigns to the Minister of Finance or the Ministry of Finance,
- (d) **Deputy Minister.** The term “ Deputy Minister ” means the Deputy Minister of Finance for Revenue and head of the Revenue Department, or any person to whom the Minister of Finance delegates authority to perform any duty of the Deputy Minister for Revenue under this Code.
- (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) **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.
- (g) **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.
- (h) **Government.** The term “government” means the Government of the Republic of Liberia.
- (i) **Ministry.** The term “Ministry” means the Ministry of Finance, with the authority to establish offices for the payment of tax and the filing of tax returns, and to collect taxes and to audit and monitor taxpayer compliance with this Code.
- (j) **Legal Person.** The term “legal person” means any person other than a natural person. 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.
- (k) **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.
- (l) **Month.** Unless otherwise provided, the term “month” means a calendar month.
- (m) **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.
- (n) **Partner.** The term “partner” means any member-owner or member-participant in a partnership.
- (o) **Person.** The term “person” has the meaning 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.
- (p) **Natural Person.** The term “natural person” means any human being.

- (q) **Regulations.** The term “regulations” means the rules promulgated by the Minister, with the concurrence of the Minister, for the purpose of interpreting this Code and to specify the procedures or standards for compliance with it.
- (r) **Tax.** The term “tax” means any tax, tariff, duty, impost, or license or registration fee imposed by this Code.
- (s) **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.
- (t) **Tax Return.** The term “tax return” means any return required to be filed under this Code.
- (u) **Trust.** The term “trust” means any express testamentary or inter vivo 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.

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.

Sections 16-49 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
Sections 75-199.	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.

Section 51. Penalty For Late Filing Or Failure To File

- (a) **Late Filing.** A tax return is subject to a late filing penalty if it is received at the taxpayer's designated place of filing but is received after the due date.
- (1) The penalty for late filing of a tax return (other than a tax return that is required to be filed monthly) is one percent of the tax required to be shown on the return, and the penalty increases by one percent per month or part of a month that the return is late.
 - (2) The penalty for late filing of a tax return that is required to be filed monthly is \$200 or five percent of the tax required to be shown on the return, whichever is greater, for each day that the return is late.
- (b) **Failure To File.** If a taxpayer fails to timely file a tax return (other than a tax return that is required to be filed monthly), and the failure continues for more than three months after the filing deadline, the taxpayer is considered to have failed to file as of the first day after the three-month period and is subject to the failure-to-file penalty. If a taxpayer fails to timely file a tax return that is required to be filed monthly, and the failure continues for more than one calendar month, the taxpayer is considered to have failed to file as of the first day after the expiration of one calendar month after the filing due date

- and is subject to the failure-to-file penalty. Calculation of the penalty begins as of the day the taxpayer is considered to have failed to file.
- (1) The penalty for failure to file a tax return (other than a tax return that is required to be filed monthly) is 10 percent of the tax required to be shown on the return, increased by 5 percent per month (or part of a month) that the failure continues, not to exceed 100 percent of the tax required to accompany the return.
 - (2) The penalty for failure to file a tax return that is required to be filed monthly is:
 - (A) \$5,000 or 20 percent of the tax required to be shown on the return (whichever is greater),
 - (B) increased by 10 percent per month that the failure continues, except that the amount determined under this Subparagraph is limited to the amount determined under Subparagraph (A).
 - (3) If the taxpayer is convicted of willful failure to file, the penalty is doubled and the taxpayer may also be subjected to a term of imprisonment of up to five years.
- (c) **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 consumption entry form is evidence of the amount and type of tax paid).
- (d) **Application Of Penalties.** If the conditions for the imposition of both the late-filing penalty and the failure-to-file penalty apply, both penalties are imposed. The penalty for willful failure to file can be imposed only if the taxpayer is duly convicted in a criminal court proceeding as authorized under the Criminal Justice Law of Liberia.
- (e) **Coordination With Late-Payment Penalty And Failure-To-Pay Penalty.** For coordination of the penalties imposed under this Section with those imposed under Section 52, see Section 52(e).

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

- (a) **Late Payment.** A taxpayer has an obligation to make timely payment of tax due for a tax period.
- (1) **Definition Of Late Payment.** A taxpayer who has an obligation to pay tax has made late payment if some or part of the tax due for a tax period is paid but is not timely paid.
 - (2) **Definition Of Timely Payment.** Tax is timely paid if it is received in the taxpayer's designated place for payment in accordance with Section 50.
- (b) **Penalty For Late Payment.** A tax payment is subject to the late-payment penalty if it is late within the meaning of subsection (a). The minimum penalty for late payment is 2 percent of the unpaid tax, and the penalty increases by 2 percent per month or part of a month that the return is late, but not in excess of 50 percent of the unpaid tax. Interest is due on a late payment at the rate determined under Section 14.

- (c) **Penalty For Failure To Pay Tax.** If a taxpayer fails to make timely payment, and the failure continues for more than three months after the payment deadline, the taxpayer is considered to have failed to pay tax and is subject to the failure-to-pay penalty. The minimum penalty for failure to pay is 10 percent of the unpaid tax, increased by 10 percent per month (or part of a month) during which the tax remains unpaid, not to exceed 200 percent of the unpaid tax. Calculation of the penalty begins as of the day the taxpayer is deemed to have failed to pay. If the taxpayer is convicted of willful failure to pay, the penalty is doubled and the taxpayer may also be subjected to a term of imprisonment of up to 10 years.
- (d) **Payment Of Tax Required To Be Collected On Import.** On the import of goods for which a Customs consumption 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 consumption entry form 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 under the Customs law for failure to pay Customs duties.
- (e) **Application Of Penalties.** A taxpayer may be subject to the penalties for late payment or failure to pay tax even though the taxpayer has met the timely filing requirements of Section 50, if the taxpayer has not timely paid tax within the meaning of this Section. A taxpayer may be subject to the late-filing penalty or failure-to-file penalty of Section 51 even though the taxpayer has met the timely payment requirements of this Section, if the taxpayer has not timely filed within the meaning of Section 50. If the conditions for the imposition of both the late-payment penalty and the failure-to-pay penalty apply, both penalties are imposed. The penalty for willful failure to pay can be imposed only if the taxpayer is duly convicted in a court proceeding as authorized under the Criminal Justice Law of Liberia.

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 payment, whichever is less.
 - (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—
- (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;
 - (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.
- (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. Records

- (a) **Records To Be Kept.** 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, including, if appropriate in that person's business, or other appropriate records of transactions of business carried on:
- (1) A copy of all sales and services tax invoices, credit notes, and debit notes issued by the person, or other appropriate records of transactions or business carried on;
 - (2) Customs documentation relating to imports and exports by the person; and
 - (3) Accounting and other records prescribed in Regulations.
- (b) **Retention Period.** The books and records required to be maintained under subsection shall be retained for 5 years after the end of the tax period to which they relate.
- (c) **Electronic Records.** Subject to the approval of the Minister, records may be kept in electronic form.
- (d) **Inspection.** The taxpayer's records shall be open to inspection by the Ministry as necessary to support the taxpayer's account of tax due, within reasonable bounds of consideration for the convenience of the taxpayer except in the case of a jeopardy assessment under Section 74.
- (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.

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 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 Appeals

- (a) **Board Of Tax Appeals.** The Board of Tax Appeals, a 7-member deliberative body, hears taxpayer appeals from determinations by the Minister and emergency protests of the Minister's actions. The Board is independent of the Ministry and is administered under the authority of the Ministry. Its administrative offices are to be lodged in a place, and its hearings are to be held in a location designated by the Ministry. It has the authority to approve, modify, or reverse a determination of the Minister. The Minister or the taxpayer may appeal an unfavorable decision to the Liberia Tax Court, provided that the appeal is lodged within 30 days and is in conformity with the rules of that court.
- (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 Senate for a term of five years, for no more than two consecutive terms. Members must meet the following minimum qualifications:
 - (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 3 Board members out of 7 must be lawyers.
- (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.** Board members are to be compensated for time spent attending to Board duties. Compensation shall be at a rate equivalent to the rate of pay for trial court judges.

Section 61. Procedure For Taxpayer Protest and Appeal

- (a) **Regular Hearing.** A regular hearing shall be granted by the Board of Tax Appeals at the Board's convenience, but in all cases within six months of the date of the taxpayer's request for hearing.
 - (1) The taxpayer must submit a written request for a regular hearing to appeal a determination of the Minister, stating briefly in the request the basis for appeal from the Minister's determination.
 - (2) The taxpayer must, within 30 days of the date of the request for hearing, 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 1042(d) and no more than 3 days have elapsed; 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 reversed or prevented, the taxpayer has a right to an emergency hearing within 5 days of the taxpayer's protest and request for hearing in the case of a seizure of property under Section 65, within 2 days in the case of a closing of the taxpayer's place of business under Section 1042(d), and within 3 days in any other case unless the taxpayer agrees to a longer period, which in any event shall not exceed 10 days.
 - (1) An emergency hearing shall 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;
 - (C) With respect to a closure of business under Section 1042(d), the taxpayer attaches a certified copy of evidence establishing that the taxpayer has registered to pay the sales tax, has filed any 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 register for less than three years; or

- (D) Evidence 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.
- (2) For purposes of paragraph (1), copies of returns, invoices, and registration documentation; taxpayer identification number; affidavits of witnesses with knowledge of the relevant facts; and other documentary evidence establishing that the Minister's seizure or closure is based on a factual error shall be 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 of subsection (b), 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, in which case the Minister is required immediately to permit the taxpayer to recover the property or to re-open the business premises, or is required immediately to rescind the action or refrain from the action protested, and there shall not be an emergency hearing. If the Minister's actions are insufficiently prompt to allow the taxpayer access to the property or premises within 2 days of the taxpayer's written protest, the emergency hearing shall proceed unless the taxpayer agrees that there is no longer cause for a hearing. 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) 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—
 - (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 Owing 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. Determination

- (a) **General Rule.** The Minister is required to follow the procedures of this Section before enforcing a determination described in subsection (b).
- (b) **Determination.** The following decisions of the Minister are 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; and
 - (4) Any other decisions the Minister designates as determinations in regulations.
- (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 Paid

- (a) If the amount of tax paid exceeds the amount of tax assessed, the tax authorities:
 - (1) shall apply the excess against the taxpayer's liability for other taxes;

- (2) shall with the agreement of the taxpayer, apply the balance over the amount applied under paragraph (1) against the taxpayer's liabilities with respect to future payments;
 - (3) unless otherwise provided in this Code, jointly with the financial authorities shall refund the balance to the taxpayer within 45 days of written application by the taxpayer.
- (b) If the excess tax paid by the taxpayer is applied against the taxpayer's liability for other taxes, the tax authorities must notify the taxpayer.

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.

Sections 77-199. Reserved

PART II. THE PERSONAL AND BUSINESS INCOME TAX

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**

Section 200. Tax Imposed

(a) **Resident Natural Persons.** There is hereby imposed on the taxable income of every natural person resident in Liberia for a tax year an annual personal income tax determined in accordance with the following rate schedule:

If the Taxable Income is					
1.		Up to but not over	12,000	2%	
2.	12,001	Up to but not over	50,000	240 + 5%	Of excess over 12,000
3.	50,001	Up to but not over	100,000	2,140 + 10%	Of excess over 50,000
4.	100,001	Up to but not over	200,000	7,140 + 15%	Of excess over 100,000
5.	200,001	Up to but not over	400,000	22,140 + 20%	Of excess over 200,000
6.	400,001	Up to but not over	800,000	62,140 + 25%	Of excess over 400,000
7.	800,001	Up to but not over	1,200,000	162,140 + 30%	Of excess over 800,000
8.	Over 1,200,000			282,140 + 35%	Of excess over 1,200,000

If a natural person files an income tax return under Section 900, or a turnover tax return under Section 904, 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) **Other Resident Persons.** There is hereby imposed on the annual taxable income of every other person resident in Liberia for a tax year an annual income tax of 35 percent of taxable income, except that life insurance companies, or mixed-type insurance companies with 30 percent or more of their business from life insurance, are taxed under subsection (c).
- (c) **Turnover Tax As Presumptive Income Tax.**
- (1) Subject to the rules provided in Chapter 9, persons operating a trade or business who have gross income of less than \$5,000,000 for a tax year shall pay a 4 percent turnover tax as a presumptive tax in lieu of the income tax, and are not required to file an income tax return. A special presumptive tax schedule, set out in subsection (d), applies to persons qualifying as petty traders under that subsection.
 - (2) Subject to the rules provided in Chapter 9, persons operating a trade or business who have gross income of \$5,000,000 or more for a tax year are required to file an income tax return and to pay a flat income tax of 35% on taxable income or a minimum tax equal to 2 percent of turnover, whichever is higher. The 2 percent presumptive turnover tax is creditable against income tax due in that year.
 - (3) Life insurance companies or mixed-type insurance companies with 30 percent or more of their business from life insurance are subject to a presumptive tax on gross income at the rate of 4 percent on annual gross income in lieu of the income tax.
- (d) **Petty Trader Tax in Lieu Of income Or Turnover Tax.** A natural person with gross income of less than \$200,000 for a tax year does not have an obligation to pay income tax or turnover tax, but in lieu of income or turnover tax is subject to the petty trader tax at the following rates:
- (1) \$400 for traders who use a portable business structure (including a basket, bag, or crate) or fixed open structure without a roof;
 - (2) \$1,000 for traders who use a fixed open structure with a roof; or
 - (3) \$2,000 for traders who use a fixed structure with roof and walls (including an office or workstation located within a personal residence).
 - (4) \$200 for traders in paragraphs (1) - (3) who reside and do business exclusively outside of Montserrado County.
- (e) **Advance Payment Of income And Turnover Tax.** The income tax and the turnover tax are collected through advance payments (as provided in Section 904) and through income tax withholding (as provided in Section 905).
- (f) **Nonresidents.** Nonresident natural and legal persons are taxable on their Liberia-source income as provided in Chapter 8, Income Taxation of Nonresidents.

- (g) ***Tax-Exempt Persons.*** No tax shall be imposed under this Part on the Government, a Government agency designated as an approved recipient of charitable donations, or a private charitable or not for profit organization that qualifies as a registered charity. Foreign governments, foreign diplomatic representative, foreign consular officials, international organizations and officials of international organizations that are exempt from taxation under international agreements are exempt from taxation under this Part to the extent provided in the applicable international agreement.
- (1) A private charitable or not for profit organization will qualify for registration as a registered charity if it is a noncommercial organization that is established for the purposes of carrying out charitable or not for profit activity. An organization does not qualify as a registered charity, or if registered is subject to loss of its approved and registered status, if it:
- (A) 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 revenues or property of the organization benefit or may benefit any person, except as a result of the conduct of its charitable activity or as reasonable payment for property or services.
- (2) If a registered charity engages in a business activity or other activity inconsistent with its charitable purposes, it is subject to tax with respect to those activities and, under regulations to be provided by the Minister, may lose its approved and registered status.
- (h) ***Regulations.*** The Minister is to issue regulations specifying the procedures to be followed for collection of income tax imposed under this section and under the withholding provisions of Section 905, including regulations that for administrative feasibility reasons (including a judgment that costs of collection would be in excess of amounts collected) except from collection any tax otherwise payable by natural persons with income not in excess of the Step 1 amount, but only if the Minister first determines that such persons do in fact pay Liberian tax directly or indirectly through the Petty Trader Tax in lieu of the income tax as provided in subsections (c) and (d) or the Goods and Services Tax of Chapter 10.

Section 201. Taxable Income

- (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 means the aggregate of economic benefits of whatever kind that the taxpayer derives 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) interest, rents, royalties, and 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) gains on the disposition of property (whether real or personal, tangible or intangible) used in a business or held for investment, but not gains from the sale of property held for personal use unless the amount derived from the sale is \$1,600,000 or more.
- (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 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 Carryforward.** 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 carryforward is allowed to years following the fifth succeeding tax year.

Section 204. Depreciation And Amortization

- (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.
- (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.** Qualifying manufacturing and service businesses are entitled to deduct an aggregate of up to 30 percent of the purchase price of equipment and machinery in the year a qualifying asset is placed in service. The deduction shall be made in the first year only.
- (1) Manufacturing, Agriculture processing, and service businesses are entitled to deduct 20 percent of the purchase price of equipment and machinery in the year the qualifying asset is placed service.
 - (2) Manufacturing, Agriculture processing, and service businesses other than tourist facilities that are located outside of Montserrado county, outside any Government owned Industrial Free Zone, and outside any Industrial Park are entitled to an additional investment incentive deduction of 10 percent of the purchase price of equipment and machinery in the year the qualifying asset is placed in service.
 - (3) Businesses providing tourist facilities, and any transnational corporations that use Liberia as their regional headquarters are also entitled to an additional investment incentive of 10 percent of the purchase price of the equipment and machinery in the year the qualifying asset is placed in service. The incentive deduction may be composed of allowances as provided in paragraphs 1-3, up to an aggregate allowance of 30 percent of the purchase price.

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) **Incentive threshold.** The Government shall not grant to selected enterprises partial or full exemption from payment of Tax on:
- (1) Income and Profit
 - (2) Customs duty
 - (3) All other levies and including those concessions authorized under the Investment Incentive Code

Except through concession agreements for investment projects of US\$10,000,000 and more. The qualifying investment project shall be lodged with the National Investment Commission for evaluation and submission to the President of Liberia for approval and to the Legislature for rectification.

- (f) **Extension Of Incentive Contract.** Any non-concession agreement or incentives existing on the effective date and scheduled to be in force for a period of 10 years or less shall be governed by Section 5, Transitional Rules for Implementation of this Act.
- (g) **Apportionment Of Purchase Price.** Where a building or other depreciable property is bought or sold together with land, the tax cost is to be apportioned reasonably between the property to arrive at a separate value of the depreciable property.

- (h) **Mixed-Use property.** Where 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.
- (i) **Manufacture.** The term “manufacture” means the subjection of any physical matter to any process which materially changes it or its packaging in substance, character, or appearance, and includes the assembly of parts.

Section 205. Other Deductions

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.

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

Section 206. Limitations On Deductions

- (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).

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 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
 - (ii) 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 Rate

- (a) **General Foreign Exchange Transaction.** Except as otherwise provided by this Code, when it is necessary to translate foreign currency into Liberian or U.S. dollars, or U.S. dollars into Liberian dollars, the exchange rate shall be the rate published by the Central Bank.
- (b) **Computation Of Taxable Income.** For the purpose of computing taxable income, gains and losses on foreign exchange will only be recognized as and when they are actually realized, i.e., when payment is effected. Where a taxpayer uses a different accounting treatment of such gains and losses for his financial, as opposed to his income tax accounts, a reconciliation between the two sets of figures must accompany his tax return.

Section 213. Foreign Tax Credit

- (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) **Carryforward.** 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:

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

- (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:

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

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).

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 Carryforward 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 Carryforward 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 carryforward 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 carryforwards 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:

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

- (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

**This Chapter Will Be Covered In Phase II Of The Tax Reform Program.
Sections 600-699. Reserved**

Chapter 7. Income Taxation Of Natural Resource Extraction

**This Chapter Will Be Covered In Phase II Of the Tax Reform Program.
Sections 700-799. 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 Person

- (a) **Resident Legal Person.** A legal person is a resident legal person if it —
- (1) is incorporated or formed under the laws of Liberia;
 - (2) has its management and control in Liberia;
 - (3) undertakes the majority of its operations in Liberia;
 - (4) is a corporation or trust that undertakes some business activity in Liberia and has a majority of shareholders, or beneficiaries (by vote or value) resident in Liberia; or
 - (5) is a partnership or trust and a partner or trustee is a resident.
- (b) **Permanent Establishment.** A permanent establishment (as defined in Section 803) of a nonresident person in Liberia is treated as a resident legal person with respect to the business carried out by that permanent establishment in Liberia.

Section 802. Nonresident Person

A nonresident person is a person who is not a resident during the tax year.

Section 803. Permanent Establishment

- (a) **Definition.** The permanent establishment of a nonresident person in the Republic of Liberia, unless otherwise stated by this Section, is the establishment through which it carries out business activity, in full or in part, for a period of no less than 90 days during the tax year, including activity carried out through an agent.
- (b) **Examples.** The following are treated as a permanent establishment:
- (1) a branch office of a nonresident legal person,
 - (2) construction sites, assembly or batching facilities, and the exercise of supervisory activities connected with such facilities;
 - (3) sites, drilling equipment or ships used for prospecting for natural resources, as well as the exercise of supervisory activities connected with such facilities;
 - (4) a place used by a nonresident natural person for business activity.

Section 804. Imposition Of Tax

A withholding tax, in lieu of the income tax, is imposed on nonresidents. The tax is to be collected by withholding on payments to nonresidents, as set out in Section 806. Any person who is a nonresident and who (aside from residency status) meets the threshold for filing income tax returns stated in Section 900 or 901 may elect to file an income tax return. If a nonresident files an income tax return, that person is required to pay the income tax determined on the return, as adjusted by the Minister. For any nonresident who does not file an income tax return, the withholding tax is a final tax.

Section 805. Source Of Income

- (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 any employment exercised in Liberia whether or not the gains or profits from such employment are received in Liberia;
 - (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 by a company 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) **Income from A Non-Liberian Source.** Any income that is not from a source in Liberia is foreign-source income.

Section 806. Tax Withholding On Payments To Nonresidents

- (a) **Interest, Dividends, Royalties, License Fees, And Similar Payments.** Resident payers of non-exempt interest, dividends, royalties, license fees, and other similar payments, who make payments to nonresident persons, are required to withhold tax at the rate of 15 percent, except that natural persons are required to withhold under this subsection only on payments made in the course of business. Withheld amounts are to be deducted from every payment made and are to be paid over to the Government on a monthly basis, with payments due within 10 days of the last day of each month.
- (b) **Gambling Winnings.** Resident payers who, in the course of business, make payments to nonresidents of gambling winnings from gambling within Liberia are required to

- withhold tax at a rate of 30 percent. Withheld amounts are to be deducted from every payment made and paid over to the Government on a monthly basis, with payments due within 10 days of the last day of each month.
- (c) ***Payers Of Rent.*** Resident legal persons who pay rents that total \$500,000.00, or more per year, resident natural persons who in the course of business pay rents that total \$500,000.00, or more per year, and resident natural or legal persons who pay rents that total \$5,000,000.00, or more per year (whether the rents are for business premises or personal-use premises, or both), are required to withhold tax at the rate of 15 percent on every payment of rent to a nonresident person.
- (d) ***Other Payments.*** Except as otherwise provided in this Section, if a resident legal person makes a payment to a nonresident, or a resident natural person makes a payment in the course of business to a nonresident person, and the payment is \$20,000 or more, or if the total amount of payments made to a nonresident person is (or at the time of payment is expected to be) \$200,000 or more for the payer's tax year, then the payor is to withhold tax at a rate of 20 percent, and the payment is of sort that would be includible in gross income under Section 201 if the recipient were a resident. Withheld amounts are to be deducted from every payment made to a payee and to be paid over to the Government on a monthly basis, with payments due within 10 days of the last day of each month.
- (e) ***Withholding Statement.*** A resident payer of Liberia-source income required to withhold tax under this Section is a withholding agent for purposes of this Code. Any payment of withheld tax shall include a statement setting out the name, address and the amount of tax withheld for each. Payment is to be made to the Ministry office designated in Section 50 for the payor who submits the payment and the accompanying withholding statement.

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 Natural Persons

- (a) **Employees And Other Natural Persons With Income Subject To Withholding.** A natural person who derives 90 percent or more of gross income from income subject to Liberian income tax withholding, whose gross income is less than \$5,000,000.00 and who during the tax year owns real estate having a fair market value of less than \$5,000,000.00 is not required to file an income tax return, but is required to file a declaration (made under penalties of perjury) stating that 90 percent or more of that person's gross income is subject to Liberian income tax withholding, that the person's gross income for the tax year is less than \$5,000,000.00 and that real estate owned by the person has a fair market value of less than \$5,000,000.00.
- (b) **Other Natural Persons.**
- (1) **Income Tax Return.** A natural person who derives gross income of \$5,000,000.00 or more in a tax year, or who at any time during a tax year owns real estate having a fair market value of \$5,000,000.00 or more, is required to file an income tax return for that tax year.
- (2) **Turnover Tax Return.** A natural person who is not within subsection (a) or paragraph (1) of subsection (b), but who has gross income of \$200,000.00 or more during a tax year, is required to pay the turnover tax and file a turnover tax return.
- (c) **Petty Traders.** A natural person who derives less than 90 percent of gross income from income subject to withholding, who is not obligated by subsection (b) to file an income tax or turnover tax return in a tax year, and who is engaged in business or trade of any kind is considered a petty trader and is required to pay a trading-license fee for that year in lieu of income tax, in accordance with the schedule set out in Section 200. Natural persons subject to the license fee under this subsection are required to wear their current license while engaged in trade, or in the alternative to display it prominently in their place of business.

Section 901. Income And Turnover Tax Filing Requirements For Legal Persons

- (a) **Trusts And Estates.** A trust or estate that has gross income of \$5,000,000.00 or more for a tax year is required to file an income tax return. If a trust or estate is obligated 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 (Section 53) of each beneficiary, as well as a statement of each beneficiary's attributable income.

- (b) **Partnerships.** A partnership with gross income of \$5,000,000.00 or more for a tax year is required to file an income tax return for that year. If a partnership is obligated 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 (Section 53) of each partner, as well as partner's share of the partnership income.
- (c) **Corporations.** A corporation with gross income of \$5,000,000.00 or more for a tax year is required to file an income tax return for that year. If a Corporation is obligated 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 (Section 53) of the Corporation.
- (d) **Recipients Of Tax Concessions.** A legal person who benefits from tax concessions or investment incentives not set out under this Code and who as a result of those concessions or incentives is not subject to the income tax is required to file an income tax information return.
- (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 Or Turnover Tax

- (a) All persons who are required to file an income tax return or to pay the 4% turnover tax in lieu of the income tax or the 2% turnover tax are to make advance payments of the turnover tax due for the current year.
- (1) If a person's gross income for the current tax year is less than the threshold for paying income tax stated in Section 901, the advance payments are creditable against liability for the 4 percent turnover tax due in lieu of the income tax.
 - (2) If the person's gross income for the current tax year meets or exceeds the threshold for paying income tax stated in Section 901, the advance payments are creditable against income tax due.
 - (3) Tax withheld on the payee's behalf on a payment made by a person who has a tax withholding obligation under Section 904 is creditable against the payee's advance payments, provided that the payee supplies the payor with a Tax Identification Number, as defined in Section 53, at the time of or before the payment subject to withholding.
 - (4) The amount of advance payments that exceeds a person's tax liability for the tax year (whether that liability is for income tax or turnover tax) is creditable or refundable to the person as provided under Section 66.
 - (5) In determining the amount of advance payments required for a tax year, the following rules apply.
 - (A) If a person was subject to the income tax for the preceding tax year, that person's advance payments of the current year's tax must be at least—
 - (i) 100 percent of the person's income tax due for the preceding tax year, or
 - (ii) 90 percent of the person's income tax or 100 percent of the person's turnover tax for the current tax year, whichever is applicable.
 - (B) If a person was not subject to the income tax for the preceding tax year, but was subject to the 4 percent turnover tax in lieu of the income tax, that person's advance payments must be at least—
 - (i) 100 percent of the person's turnover tax due for the preceding year or
 - (ii) 90 percent of the person's income tax due for the current tax year or 100 percent of the person's turnover tax due for the current tax year, whichever is applicable.
 - (C) If a person was not subject to either income tax or turnover tax in the prior tax year, that person's advance payments must be at least 90 percent of the person's income tax liability for the current tax year or 100 percent of the person's turnover tax liability for the current year, whichever is applicable.

- (b) **Quarterly Payments.** Advance payments are to be made quarterly, and each payment is to be in an amount equal to at least 25 percent of the total advance payment due for the year.
- (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 10th day following the end of each quarter of the taxpayer's tax year. For a calendar-year taxpayer, the payments are due on April 10, July 10, October 10, and January 10. Failure to make timely payment is subject to the rules of Section 13 and Section 51.
- (e) **Penalties.** 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 under Section 13 and to the Section 52 penalties for late payment and failure to pay. References in Section 52 to the payment due date are to be understood for this purpose as referring to the payment due date under this Section.

Section 905. Withholding On Payments To Residents

- (a) **Payers Of Wages Or Salary To Employees.** Resident persons who make payments to resident natural persons pursuant to a contract of employment are required to withhold income tax on payments to employees according to the schedule established in Section 200. Withheld amounts are to be deducted from every payment due to an employee and to be paid over to the Government on a monthly basis, with payments due within 10 days of the last day of each month.
- (b) **Payers Of Interest, Dividends, Royalties, License Fees, And Similar Payments.** Resident payers of non-exempt interest, dividends, royalties, license fees, and other similar payments, who make payments to resident persons, are required to withhold tax at the rate of 10 percent, except that natural persons are required to withhold under this subsection only on payments made in the course of business. Withheld amounts are to be deducted from every payment made and are to be paid over to the Government on a monthly basis, with payments due within 10 days of the last day of each month. No withholding is required on payments of dividends made to a resident corporation, but the payor is required to file a withholding form setting out the amount of the dividend payments and reporting that the amount of tax withheld was zero.
- (c) **Payers Of Rent.** Resident legal persons who pay rents that total \$500,000.00, or more per year, resident natural persons who in the course of business pay rents that total \$500,000.00, or more per year, and resident natural or legal persons who pay rents that total \$5,000,000.00, or more per year (whether the rents are for business premises or personal-use premises, or both), are required to withhold tax at the rate of 10 percent on every payment of rent to a resident person.
- (d) **Payers Of Gambling Winnings.** Resident persons who in the course of business make a payment of gambling winnings to a resident person are required to withhold tax at the rate of 30 percent. Withheld amounts are to be deducted from each payment made and are to be paid over to the Government on a monthly basis, with payments due within 10 days of the last day of each month.
- (e) **Other Payments.** If a person who is—
 - (1) a resident person who is an income tax filer;

- (2) a government agency, or
- (3) a nongovernmental organization operating in Liberia

makes a payment to a resident person for services rendered and the amount of the payment is \$100,000.00 or more, or if the total amount of payments to be made to the person within any one-year period is (or at the time of the payment is expected to be) \$5,000,000.00 or more, then the payor is to withhold tax at the rate of 10 percent and the payment is includible in the recipient's gross income under Section 201. Withheld amounts are to be deducted from every payment made to a payee and are to be paid over to the government monthly, within 10 days of the last day of each month.

- (f) **Withholding Statement.** A person required to withhold tax under this Section is a withholding agent for purposes of this Code. Any payment of withheld tax shall include a statement setting out the name, address, taxpayer identification number of the persons with respect to whom tax was withheld, and the amount of tax withheld for each. Payment is to be made to the Ministry office designated in Section 50 for the payor who submits the payment and the accompanying withholding statement.
- (g) **Treatment Of Recipients.** Recipients of payments subject to income tax withholding who have an income tax filing obligation under Section 900 or 901, who voluntarily file under Section 901, or who make advance payments of income or turnover tax under Section 904, may claim a credit for the amount of tax withheld against income or turnover tax otherwise due. The credit is to be claimed against the advance or final payment of income or turnover tax and is to be stated on income or turnover tax return. For persons not required to file an income tax or turnover tax return, the withheld amounts are a final tax.
- (h) **Penalties.** Any person who has a withholding obligation and who fails to withhold and pay over the amount of tax required to be withheld and paid is subject to Section 13 and to the Section 52 penalties for late payment and failure to pay. References in Section 52 to the payment due date are to be understood for this purpose as referring to the payment due date under this Section.

Section 906. Assessment

Assessment of income tax shall be made in accordance with Section 74.

Section 907. Refunds

- (a) **General Rule.** A taxpayer who has overpaid the amount of tax due may claim a refund or credit of tax paid if the tax is one with respect to which the taxpayer is required to file a return.
- (b) **Time For Making A Refund Claim.** The taxpayer may make a refund claim at any time before the end of three years after the payment due date, or two years after payment is made, whichever is later.

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 Imposed

(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) **Amount Of Tax.**

- (1) **Taxable Supplies.** The amount of the goods tax payable on a taxable supply is 7 percent of the amount of the taxable supply, unless the taxable supply is an export of goods, in which case the rate is zero (0) percent.
- (2) **Taxable Imports.** The amount of the goods tax payable on a taxable import is 7 percent of the taxable amount of the import.

(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 Supply

- (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
 - (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.** Exempt supplies are the following: —

- (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 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
 - (7) 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 Section, 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 the subjection of any physical matter to any process which materially changes it or its packaging in substance, character, or appearance, 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 any plant or equipment (including spare parts therefor, but not including motor vehicles) for use exclusively and directly in manufacturing.
- (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 Amount

- (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 (if any) levied on the 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

- (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 Manufacturers

- (a) **Persons Required To Register.**
- (1) Subject to this Subchapter, every person who carries on any business of manufacture has an obligation to register –
- (A) at the end of any period of twelve months where during the period the person made taxable supplies the total taxable amount of which equaled or exceeded \$5,000,000.00; or
- (B) at the beginning of any period of twelve months where 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 \$5,000,000.00
- (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) 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. Services Tax Invoices
- Section 1028. Services Tax Returns
- Sections 1029-1039 **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 Imposed

- (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) **Amount Of Tax.** The amount of the services tax is 7 per cent of the taxable amount of the supply.
- (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 Services

- (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) board, lodging, and incidental services supplied in carrying on the business of a hotel or similar facility, or of meals or beverages in carrying on the business of a restaurant;

- (5) gambling services in a casino, lottery ticket sales or betting at a track or off-track betting establishment;
 - (6) sale of tickets by international transport services (air, sea, and land);
 - (7) services of a travel agency or travel arranger, including the issuing of tickets; and
 - (8) sporting services or game arranger, including the issuing of tickets.
- (b) **Supply Of Services.**
- (1) The term “supply of services” means the performance of services for another person.
 - (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 Providers

- (a) **Persons Required To Register.**
 - (1) Subject to this Subchapter, every person who carries on any business of providing taxable services is required to register –
 - (A) at the end of any period of twelve months where during the period the person made supplies of taxable services the total taxable amount of which equaled or exceeded \$5,000,000.00 or
 - (B) at the beginning of any period of twelve months where there are reasonable grounds to expect that the total taxable amount of supplies of taxable services to be made by the person during that period will equal or exceed \$5,000,000.00.
 - (2) In determining whether a person is required to be registered under paragraph (1), the Minister may include in the person’s taxable supplies of services the taxable supplies of services 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 services any taxable supplies of goods provided by the person. A person registered by reason of this Section is considered registered for purposes of Section 1006.
 - (4) Every person required to be registered by paragraph (1) shall apply to the Minister for registration within 21 days of becoming so required.
- (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.
- (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.

Section 1027. Port Service Tax

- (a) **General Rule.** A tax of US\$25.00 or its equivalent in Liberian dollar is imposed on air, land (by commercial automobile), and sea passengers leaving Liberia.
- (b) **Collection Of Tax.** The tax imposed by this Section is payable to the Minister 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 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 Penalties

- (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) **Temporary Closure Of Business.** Where a registered manufacturer or registered services provider commits two or more offenses under this Section, the Minister may lock and seal the person's place of business relating to the making of taxable supplies or supplies of taxable services, as the case may be, and to keep it closed for not more than 7 days for the purposes of examination of taxpayer records, audit, and provision of advice to the taxpayer concerning compliance with tax obligations, subject to the procedure for taxpayer objection under Section 61(b).

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.

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 – 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. Amount 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 Products

Excise tax, at a rate of 30 percent of value (Ad Valorem – (CIF)), shall be levied on any asbestos product imported to or produced in Liberia, or Earth and Stone imported into Liberia.

Sections 1101 - 1119. Reserved

Section 1120. Alcoholic Beverages

Excise tax, at a rate of not less than 11 nor more than 25 percent, as determined by regulation, 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 Products

Excise tax at a rate of not less than 11 nor more than 25 percent, as determined by regulation, 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 Aids, And Non Alcoholic Beverages

- (a) **Tax Imposed.** Excise tax, at the rate of not less than 5 or more than 10 percent, as determined by Regulation, shall be levied on any cosmetics or cosmetic aids imported or produced in Liberia, including perfumes, toilet preparations, hair products, and nail-care products; and non alcoholic beverages.
- (b) **Exempt Goods.** Notwithstanding the tax imposed by subsection (a), the following goods are exempt from excise:
 - (1) soap;
 - (2) toothpaste;
 - (3) toilet tissue; and
 - (4) disinfectants.

Section 1141. Luxury Goods

- (a) **General Rule.** Excise tax, at the rate of 20 percent, shall be charged on all luxury goods imported to or manufactured in Liberia, including:
 - (1) luxury automobiles
 - (2) jewelry
 - (3) precious stones, and
 - (4) precious metals.
- (b) **Definition.** For the purpose of this Chapter, the term “luxury automobile” means an automobile that is in the class of private passenger automobiles and that has an engine capacity of 2500 cc or more, or an automobile with a CIF value of \$1,200,000 or more.

Sections 1142-1159 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.
- (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 non-performance 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
- Section 1446. Restriction On The Unloading Of Export Goods Loaded
- Section 1447. Exporter To Give Security
- 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
- Section 1465. Penalties
- Section 1466-1479. **Reserved**

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
- Section 14113. Examination Stations At Customs Airports
- Section 14114. Report Of Arrival By Aircraft Commander
- Section 14115. Goods Remaining On Board
- Section 14116. Procedure Where An Aircraft Is Calling At More Than One Customs Airport
- Section 14117. Restrictions On The Unloading And Removal Of Goods
- Section 14118. Outturn Of Goods Landed
- Section 14119. Presumption That Manifested Goods Have Been Imported
- Section 14120. Entry Of Imported Goods
- Section 14121. Customs Possession Of Goods Where Entry Or Examination Is Delayed
- Section 14122. Departure Procedure And Clearance
- Section 14123. Refusal Or Demand For Return Of Clearance
- Section 14124. Restrictions On Loading Of Goods
- Section 14125. Entry Of Exported Goods

- 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
- Section 14131. Exporter To Give Security
- Section 14132. Clearance Of Passengers
- Section 14133. Aircraft Stores
- Section 14134. Restrictions On Entering The Examination Station
- Section 14135. Customs Laws Governing Vessels Apply To Aircraft
- Section 14136. Compliance With International Conventions
- Section 14137. Exemption For Military Aircraft
- Sections 14138-14149. **Reserved**

Subchapter I. Entry And Examination Of Imported Goods

- Section 14150. Importer To Make Entry
- Section 14151. Purposes For Which Imported Goods May Be Entered
- Section 14152. Special Delivery Permits
- Section 14153. Importer To Enter The Full Imported Quantity
- Section 14154. Payment Of Duty On Imported Goods
- Section 14155. Rate Of Duty Chargeable
- Section 14156. Assessment Of Commingled Goods
- Section 14157. Liability To Duty Of Packing And Containers For Imported Goods
- Section 14158. Duty Not Payable On Goods Entered For Warehousing
- Section 14159. Relief From Duty Of Goods Entered For Transit, Transshipment Or Temporary Importation
- Section 14160. Invoice Entry Fee
- Section 14161. Evidence Of Entitlement To Make Entry
- Section 14162. Goods Consigned To A Partnership Or Corporation; Who May Make Entry
- Section 14163. Examination Of Imported Goods
- Section 14164. Release Of Imported Goods From Customs Custody
- Section 14165. Liability Of Re-Imported Goods
- Section 14166. Liability Of Goods Processed Abroad
- Section 14167. Goods Not In Accordance With Contract
- Section 14168. Modified Entry Requirements In Particular Cases
- Section 14169-14174. **Reserved**

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
- Section 14177. Transportation Of Goods Within Liberia
- Section 14178. Penalty
- Section 14179-14184. **Reserved**

Subchapter K. Warehouses; Government Warehouse

- Section 14185. Approval Of Warehouses
- Section 14186. Bond To Be Given

- Section 14187. Appointment Of Officers To Supervise Warehouses; Compensation, Payable By Warehouse Proprietor; Provision Of Accommodation
- Section 14188. Import Procedure
- Section 14189. Production Of Warehoused Goods To An Officer
- Section 14190. Inspection, Display And Sampling Of Warehoused Goods
- Section 14191. Manipulation Of Warehoused Goods
- Section 14192. Deficiency In Warehoused Goods
- Section 14193. Time Allowed For Goods To Remain In Warehouse
- Section 14194. Records To Be Kept By Warehouse Proprietor; Annual Inventory To Be Rendered
- Section 14195. Withdrawal Of Goods From Warehouse
- Section 14196. Rates Of Duty Chargeable On Warehoused Goods
- Section 14197. Quantity On Which Duty To Be Paid
- Section 14198. Re-Entry Of Goods Entered For Warehousing
- Section 14199. Re-Warehousing Of Warehoused Goods
- Section 14200. Refund Of Duty Paid On Warehoused Goods
- Section 14201. Provision For Destruction Of Warehoused Goods
- Section 14202. Restriction Of Abatements And Refunds
- Section 14203. Procedure On Warehouse Ceasing To Be Approved
- Section 14204. Designation Of Government Warehouses
- Section 14205. Provisions As To Deposit In Government Warehouse
- Section 14206. Officers Not To Own Or Lease Warehouses
- Section 14207. General Offences Relating To Warehouses And Warehoused Goods
- Section 14208-14214. **Reserved**

Subchapter L. Postal Traffic

- Section 14215. Application Of Customs Laws To Goods Imported Or Exported By Post
- Sections 14216-14224. **Reserved**

Subchapter M. General Provisions

- Section 14225. Disposal Of Goods Imported Duty Free
- Section 14226. Refund Of Duty Overpaid
- Section 14227. Duty Free Stores For Vessels And Aircraft
- Section 14228. Temporary Importation: General
- Section 14229. Temporary Importation Of Personal Effects
- Section 14230. Procedure For Administrative Imposition Of A Higher Rate Of Duty
- Section 14231. Conversion To Foreign Currency
- Section 14232. Procedure Where Amount Of Duty And Other Charges Cannot Immediately Be Ascertained
- Section 14233. Verification Of Assessment By Officers
- Section 14234. Repayment Of Remission Of Duty On Goods Lost, Destroyed Or Damaged
- Section 14235. Forfeiture Of Goods For Breach Of Conditions
- Section 14236. Time Of Importation And Exportation
- Section 14237. Appointment Of Agents
- Section 14238. Liens On Imported Goods
- Section 14239. Immunity From Liability
- Section 14240. Cost Of Examination Of Goods
- Section 14241. Clearance Of Passengers Entering Or Leaving Liberia
- Section 14242. Status Of Goods Released From Customs Custody
- Section 14243. Goods Conditionally Exempt From Duty

- Section 14244. Disposal Of Uncleared Goods
- Section 14245. Permit For Operations Outside Official Hours; Charges To Be Paid; Overtime Payable To Officers
- Section 14246. Provisions Of Accommodation For Customs Officers
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- Sections 14248-14249. **Reserved**

Subchapter N. Freeport Of Monrovia

- Section 14250. Freeport Established
- Section 14251. Definitions
- Section 14252. Application Of Customs Laws
- Section 14253. Provisions For Processing Goods
- Section 14254. Liability To Duties Of Goods Removed To Customs Territory
- Section 14255. Provision For Goods Brought From Customs Territory To Be Treated As Exported
- Section 14256. Designation Of Entrances And Exits For Goods
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- Section 14258. Arrangement For Freeport Management
- Section 14259. Rules And Rate Schedules To Be Published By Port Management
- Section 14260. Access And Inspection Of Freeport Facilities By Customs Officials
- Section 14261. Accommodation And Compensation For Customs Official Assigned To Warehouses
- 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, any one 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 then 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 or, 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 a 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 re-importation 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 and 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 re-warehoused 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 any thing 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

Freeport on payment of drawback of that duty shall be subject to payment of excise duty or repayment of drawback of that duty as the case may be: Provided that where the Minister is not satisfied as to the origin of the goods or any part or ingredient thereof duty shall be charged on such goods or such part or ingredient thereof as if they were foreign goods being imported for the first time.

Section 14255. Provision For Goods Brought From Customs Territory To Be Treated As Exported

The Minister may by regulation and subject to such conditions and restrictions as he sees fit to impose, permit goods brought from customs territory into the Freeport for the purpose of exportation, shipment as stores or destruction to be deemed to have been exported in accordance with the provisions of any enactment relating to the payment of drawback of customs and excise duties on the exportation of goods.

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) The 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.
- (A) More than 10 years old Light vehicles: There shall be no importation of used motor vehicles more than 10 year old (Manufactured in any year prior to 1st January 1994), designed for transport of both passenger and goods for private and commercial use including:
- Sedans
 - Buses
 - Pickups
 - Four Wheel Drive Vehicles (Jeeps)
 - Light trucks
- (B) Exempt vehicles
- Earth moving machinery

- Heavy duty trucks used in Logging, and transportation of heavy equipment, and
 - Industrial vehicles and tankers
- (2) Effective 1st January 2006 no light vehicles 1(A) that is more than five (5) years old shall be imported into Liberia.
- (3) Exempt persons from customs duties
- (A) General Exemption
General exemptions are given in the schedules of the Tariff 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 1st tariff schedule.
- (B) Specific Exemption
Special exemption shall be made in accordance with Section 100.06.

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
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- Section 1627. Importers And Exporters To Permit Inspection Of Books; Penalties For Refusal
- Section 1628. Bond And Other Security Requirements
- Section 1629-1659. **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 than \$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 unloading or transshipment, and shall furnish proof that such unloading or transshipment was made necessary by accident, stress of weather or other necessity and if the collector is satisfied that the unloading 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. Appraisalment 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 appraisalment; 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. EXTERNAL TARIFF LAW

- Section 1700. The Customs Revenue Code Of Liberia 2000
- Section 1701. Schedules Of Duties Imposed On Import And Export Including Goods In Transit For Re-Export As Transshipment
- Section 1702. Import Duties
- Section 1703. Export Duties
- Section 1704. Rates Of Duties Levied
- Section 1705. Valuation Of Imported Goods
- Section 1706. Valuation Of Exported Goods
- Section 1707. Classification Of Imported Goods Under Schedule I
- Section 1708. Exemption From Import Duties
- Section 1709. Power Of Minister To Determine Questions
- Section 1710. Units Of Quantity For Customs And Statistical Purposes
- Section 1711. Power To Make Changes To Schedules
- Section 1712. Notification Of Changes In Schedules
- Section 1713. Administrative Exemptions From Payment Of Duty Authorized
- Section 1714. Drawback; General Provision
- Section 1715. Claims For Drawback
- 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. The Customs Revenue Code Of Liberia 2000

Section 1701. Schedules Of Duties Imposed On Import And Export

- (a) There shall be levied, collected, and paid on all goods imported into Liberia and upon all goods exported including goods re-exported as transshipment from Liberia at the rates of duty set forth in schedules I, III, and IV respectively of the schedules to this Act.
- (b) It shall be unlawful for any Ministry of Government or its Agencies other than the Ministry of Finance to impose any additional customs levy on any import or export including goods to be imported for re-exportation as transshipment other than those detailed in Schedule I, Schedule III, and IV of this Code. No Ministry of Government or its Agencies shall restrict the free movement of imports or exports by Administrative Regulations, sale of any forms other than Customs Entry Forms to the public, or the requirement of any permit whatsoever as a requirement for the movement of imports and exports. Any persons who willfully or unwillfully impede the free movement of trade shall be subject to the Criminal Sections provided in the appropriate Sections of the Executive Law. The Deputy Minister shall monitor the movement of goods, and in consultation with the Ministry of Commerce and Industry, and the Minister of Finance take appropriate measures necessary to ensure the free movement of imports and exports in keeping with the Executive Laws to give effect to this Tax Code.

Section 1702. Import Duties

Customs import duties shall be levied on, and paid by the importer in respect of, the goods listed in Column 3 of Schedule I when imported into Liberia at the rates specified in Column 4 of the Schedules.

Section 1703. Export Duties

Customs export duties shall be levied on, and paid by the exporter in respect of, the goods listed in Column 2 of Schedules III when exported from Liberia at the rates specified in Column 5 of the Schedules or when imported into Liberia for the sole purpose of re-exportation as transshipment in Schedule IV.

Section 1704. Rates Of Duties Levied

Unless otherwise specified the rates of duty levied in accordance with Section 1702 shall be in accordance with External Tariff Schedule One.

Section 1705. Valuation Of Imported Goods

(a) Value Based on Normal Price.

- (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 pre-supposes:
 - (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 Duties

Any goods chargeable with customs import duties in accordance with any heading of Schedule I hereto shall be exempted from the payment of customs import duties within any heading in Schedule II. The Minister shall, from time to time by regulation, prescribe limits on the amount of the exemption from payment of import duties.

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 dependants' 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.	Value
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- (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 any thing 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 Fees

- (a) Fixed Fees. The fees for the following services at customs ports and airports shall be as prescribed in regulations made by the Minister and shall be paid to the collector in charge
 - (1) Special delivery permit for release of goods before entry has been made
 - (2) Certificate of goods landed
 - (3) Certificate of examination
 - (4) Certificate of packages lost in transit
 - (5) Bill of health
- (b) Fees to be Fixed By Minister. The Minister, by regulations to be officially published, shall fix just and reasonable fees to be charged for issuing documents and performing other services in connection with the operations of the customs service which are not set forth herein or in any other statute or regulation. He shall use as a criterion, the recouping by the Government of the costs involved.

Sections 1803-1899. Reserved

PART VI. CUSTOMS REVENUE OFFENSES

Chapter 19. General Provisions

- Section 1900. Tax Evasion
- Section 1901. Knowing Failure to Withhold, Collect, Properly Segregate or Pay Over Certain Taxes.
- Section 1902. Knowing Disregard of Certain Tax Obligations.
- Section 1903. Knowing Failure to Obtain Required License or Registration.
- Section 1904. Penalty for Refusal to Honor Liberian Coins.
- Section 1905. Penalty for Discounting Liberian Coins.
- Section 1906. Power of Minister to Collect Necessary Information; Penal Sanctions for Refusal to Cooperate, Furnishing of False Information and Violation of Confidential Protections.
- Sections 1907-1999. **Reserved**

Section 1900. Tax Evasion

- (a) **Offenses Classified As Felony.** Any person who willfully evades or defeats any tax imposed under any of the provisions of the Tax Code or under any of the provisions, or the payment thereof, shall be guilty of a felony and upon conviction, in addition to any other sanctions provided by law, shall be fined not more than \$200,000.00 or imprisoned not more than 5 years or both.
- (b) **Offense Defined.** A person willfully evades or defeats any tax if:
- (1) with intent to evade or defeat any tax he files or causes the filing of a tax return or declaration which is false as to the material matter;
 - (2) with intent to evade or defeat payment of any tax which is due he conceals or removes assets applicable to the collection thereof;
 - (3) with intent to evade or defeat payment, he 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 Minister of Revenues;
 - (4) With intent to evade any tax, he willfully fails to file a tax return or declaration when due;
 - (5) He otherwise attempts in any manner to evade or defeat any tax.

Section 1901. Knowing Failure To Withhold, Collect, Properly Segregate Or Pay Over Certain Taxes

Any person required under the provisions of the Tax Code or the Customs Code to withhold, collect, segregate, account for or pay over any tax or other revenues of the Republic imposed therein who knowingly fails to withhold, or collect, or properly segregate nor truthfully account for, or pay over such tax or other revenues shall be guilty of a misdemeanor and upon conviction, in addition to any other sanctions provided by law, shall be fined not more than \$50,000.00 or be imprisoned not more than one year, or both.

Section 1902. Knowing Disregard Of Certain Tax Obligations

Any person required under the provisions of the Tax Code or under the provisions of the Customs Code, to pay any tax, including any estimated tax, to pay any duty or other imposed under the Customs Code, or to comply with stamp duty requirements, or who is required under the provisions or by regulations made under authority thereof to make a return, declaration or other statement, keep any records or supply any information, shall be guilty of a misdemeanor and upon conviction, in addition to other sanctions provided by law, shall be fined not more than \$25,000.00 or be imprisoned not more than 30 days, or both.

Section 1903. Knowing Failure To Obtain Required License Or Registration

Any person who knowingly engages in any business, enterprise, trade, service, occupation or profession for which an annual license is required under the provisions of this Title or any other statute, without having obtained such a license is guilty of a misdemeanor and upon conviction, in addition to other sanctions provided by law, shall be fined not more than \$25,000 or be imprisoned not more than 30 days, or both.

Section 1904. Power Of Minister To Collect Necessary Information; Penal Sanctions For Refusal To Cooperate, Furnishing Of False Information And Violation Of Confidential Protections

The Minister, in accordance with Section 83.1 of the Executive Law is hereby authorized to request, demand and collect from any person, natural or legal, residing within the Republic of Liberia, or from the head of any other agency of the Government, all information necessary to enable him effectively carry out his lawful functions. Such information, when furnished hereunder, shall be afforded the confidential protections provided in Section 83.2 of the Executive Law. Any person who refuses or willfully neglects to cooperate, or who willfully furnishes false or inaccurate information or who violates the confidential protections afford information furnished hereunder, shall be subject to the criminal sanctions provided for in the said sections of the Executive Law.

Sections 1905-1999. Reserved

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
- 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 Rate

- (a) Basis: On and after the effective date of this Chapter, 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) Units within city and town limits. 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 seven 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 ten 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 five percent on each acre or a fraction thereof.

- (2) Units outside of city, town, municipal or commonwealth districts. 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.
- (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 or one percent of assessed value of less than ten million United States dollars or its equivalent in Liberian dollars or half percent if the assessed value is over ten million United States dollars.
 - (2) Industrial use. When such buildings and other improvements are being used for industrial purposes, in whole or in part, a tax of one half of one percent of assessed value, of less than ten million United States dollars or its equivalent in Liberian dollar or one third of the assessed value of more than five million United States dollars, or L\$100.00 if it is a hut.
 - (3) Residential use. When such buildings and other improvements are being used exclusively for residential purposes, a tax of one fourth of one percent of assessed value, or L\$100.00 if it is a hut.
 - (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, or L\$100.00 if it is a hut.
 - (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 quarter of one percent of assessed value, or L\$100.00 if it is a hut.
 - (6) Buildings and other improvements situated on public land. When any such building and 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 paragraph. 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 said 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 if building is use for residence, and one percent if used for commercial purpose, or L\$100.00 if it is a hut.

(d) Definitions. For the purposes of this Section the following words have the meanings respectively ascribed to them:

- (1) “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) “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) “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) “farmland” means an area of land of lot less than five acres in area which is used primarily for agricultural, horticultural, for the growing of tree crops, grazing, poultry or pig raising, or other farming purposes.
- (5) “hut” means any structure built of indigenous materials such as earth, sticks, bamboo, or round pole, leaves, and etc. with foundation made of earth, walls made of earth and sticks and ruff made of leaves or any other indigenous material for the occupancy of a family of five (5) or less, or any five persons (related or not).
- (6) “improved land” means land upon which improvements, as defined in this Paragraph, have been effected.
- (7) “improvements” means those physical additions and alterations to land buildings and all works carried out for the benefit of land which have the effect of increasing its value.
- (8) “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) “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) “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) “residential use” means buildings or improvements wholly or principally used, constructed or adapted for human habitation and if wholly used and occupied by the taxpayer as his or their primary place of residence and does not include any such building or improvements which are let out either wholly or in part for the private profit or gain of the taxpayer.
- (12) “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) “Unimproved land” means land on which no improvements, as defined in this paragraph, have been effected and includes under-improved land as defined in this Paragraph.
- (14) “value of improvements” in relation to land means the added value which the improvements give to the land irrespective of 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 becomes 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 Paragraph (f) of Section 2001.
- (b) All properties owned by churches, religious societies, and foreign and domestic missions, educational institutions, charitable organizations, and fraternal organizations; provided such properties are used for religious, educational, charitable, or fraternal purposes and not for profit; and provided further that such 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. When such property is otherwise rented or leased, it shall be subject to the tax prescribed by the 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. However, land and property of private persons rented or leased to foreign governments are subject to the tax prescribed by this Chapter, which shall be paid by the owner of the property or the withholding Agent.
- (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 by Government at the time of the passage of this law which is exempt by agreement from the payment of real property tax, shall continue to be exempt from the payment of such tax only for the duration of the period for which such property is now leased, including the option period.

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. Other Ministries, Bureaux, Agencies, Municipals, Including Monrovia City Corporation, And All Other Institutions Of The Government Providing Services For A Fee
- Sections 2113-2199 **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.

Sections 2113-2199. 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 sub-divisions 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. Capital 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 2307-2499. **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. Minister Under Direction Of The President May Monopolize Sale And Export Of Gold And Other Precious Metals And Precious Minerals

The Minister, under the direction of the President and with his approval is authorized, either directly or through such agency as he may designate, to do the following:

- (a) Monopolize for the benefit of the Republic of Liberia the sale and export of gold and other precious metals and precious minerals taken from Liberian soil;
- (b) Establish prices at which such gold and precious metals and precious minerals shall be sold;
- (c) Enter into any agreement he may deem necessary to carry out the purposes of this section; and
- (d) Issue such rules and regulations relating to the sale and export of gold and other precious metals and precious minerals taken from Liberian soil as he may deem necessary to carry out the purpose of this Section, such rules and regulations to have the full force and effect of law.

Section 2305. President May Modify Duty or Fee On Gold And Other Precious Metals And Precious Minerals; Exceptions

The President is authorized to suspend, abrogate or modify any fee, royalty or export duty applicable to gold and other precious metals and precious minerals taken from Liberian soil; provided, however, that port duties on diamonds shall be modified only by amendment to the export duties tariff schedule delineated in Part III of this Tax Code; and provided further the export duty of no more than fifteen percent ad valorem shall be paid on all unrefined gold and other precious metals and precious minerals exported.

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 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 2406-2499. **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;
 - (5) 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 Shall Take Effect Immediately Upon Publication In Hand-Bills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING.

Sections 2407-2499. Reserved