

REVENUE WATCH

Revenue Watch is a monthly publication of the Communication, Media & Public Affairs Section of the Liberia Revenue Authority

TAX DUE DATES

PERSONAL INCOME TAX
Withholdings on wages and salaries; Due on or before the 10th day of the following month. Covers: Employers

CONTRACT SERVICES
Withholding on Services Rendered - Due on or before the 10th day of the following month. Covers: Contractors

GOODS AND SERVICES TAX (7%-15%) - Due on or before the 21st day of the following month. Covers: Restaurants, Hotels, Car Renters, Telecommunications communication companies and Manufacturers

EXCISE TAX: Due on or before the 21st day of the following month. Covers: Producers and sellers of alcoholic and non-alcoholic beverages.

PRESUMPTIVE TAX (4%) Due on or before 15 days after each quarter (i.e., 1st quarter payment is due April 15th) Covers: Small business whose gross annual sales are \$L\$ 200,000 - L\$3,000,000

CORPORATE INCOME TAX (2%). Covers: All medium and large taxpayers with gross sales above L\$3,000,000

Advance Payment on CORPORATE INCOME TAX (2%) Covers: All medium and large taxpayers with gross sales above L\$3,000,000

REAL ESTATE TAX Due between January 1st and July 1st. Covers: All land and property owners

INCOME TAX RETURN (Filing and Payment) Due on or before March 31st of each calendar year

• **CORPORATE INCOME TAX**
• **PERSONAL INCOME TAX**

Covers: All businesses and persons earning income from Liberia



LRA Installs Two Modern Baggage Scanning Machines At RIA



Customs Officers of the Liberia Revenue Authority (LRA) assigned at the Roberts International Airport (RIA) are now trained to fully operate two electronic baggage scanners donated to the LRA by the United Nations Development Program (UNDP).

The equipment will facilitate clearance of arriving passengers at the country's only international airport. The five-day training exercise held in August was also sponsored by the UNDP.

The modern electronic scanning machines are expected to be ready for use by travelers entering the country in September.

Speaking during the commencement of the

training which took place at the RIA in Margibi County, LRA's Commissioner for General Services Andrew W. Satiah described the initiative as a "great step forward" for the LRA in enhancing customs operations.

The Commissioner also expressed the LRA's gratitude to the UNDP for the numerous support given the LRA since its inception in 2014.

He urged the trainees to focus on the training to enable them to properly operate and manage the LRA electronic scanning machines.

For her part, UNDP's Project Manager Rose Karimi Muchiri said the training is being done in line with international standards.

Making Global Impact

CG Tamba Sits On UN Committee of Tax Experts

For the next four years, LRA Commissioner Elfrieda Stewart Tamba will be among 24 others tax expert around the world to advise the United Nations on emerging tax matters.

UN Secretary General António Guterres in August appointed CG Tamba to the United Nations Committee of Experts on International Cooperation in Tax Matters. Commissioner General Tamba will work along with 24 other members on the committee for a tenure of four years. The Committee of Experts on International Cooperation in Tax Matters comprises 25 members nominated by their Governments but acting in their personal capacity. CG Tamba and her fellow members were selected from a pool of 60 nominations received by the UN.

The Committee of Experts on International Cooperation in Tax Matters is a subsidiary body of the Economic and Social Council responsible to:

1. Keep under review and update as necessary the United Nations Model Double Taxation Convention between Developed and Developing Countries and the Manual for the Negotiation of Bilateral

Tax Treaties between Developed and Developing Countries;

2. Provide a framework for dialogue with a view to enhancing and promoting international tax cooperation among national tax authorities;

3. Consider how new and emerging issues could affect international cooperation in tax matters and develop assessments, commentaries and appropriate recommendations;

4. Make recommendations on capacity-building and the provision of technical assistance to developing countries and countries with economies in transition;

5. Give special attention to developing countries and countries with economies in transition in dealing with all the above issues.

Appointed members are selected from a fields of tax policy and tax administration representing different tax systems. Liberia's advocacy on tax matters at the international levels, through the hard work



of CG Tamba and team continues to yield high recognition. The LRA family sees the appointment of their Commissioner General as a significant achievement that could help the revenue collection and modernization of the LRA.

CG Tamba has meanwhile expressed thanks to Secretary General Guterres for her appointment to the international service, noting that she will diligently work along with her colleagues to meet the goals for which they have been called to serve.



LRA Trains 23 New Customs Officers

The Liberia Revenue Authority (LRA) is training 23 new Customs Officers as a mean of undercutting its human resource deficit and enhance revenue collection.

The training program currently taking place at the Main Campus of the University of Liberia is being held through the Department of Customs.

The training is covering topics in Tax and Customs Legislations, Risk Management, Domestic Tax Perspective including Rural Tax Management and Customs Compliance and Enforcement.

Speaking at the opening of the training the Commissioner of Customs Saa Saamoi

said the recruitment of the new officers is meant to enhance the modernization of the LRA customs activities.

Commissioner Saamoi challenged those expected to be recruited after the training to take advantage of the opportunity to serve their Country.

He encouraged the incoming customs officer to be transparent in carrying out their duties in line with the mandate of the LRA.

"Do not engage in any act that will undermined the collection of lawful revenue and enforcing customs processes and procedures," the Customs

Commissioner said, adding, "Any attempt by anyone to go against the standards of transparency, that officer risks immediate dismal and prosecution."

Commissioner Saamoi said the LRA will not hesitate in dismissing and prosecuting customs officers engaged in acts of compromises that will hinder the collection of lawful revenues.

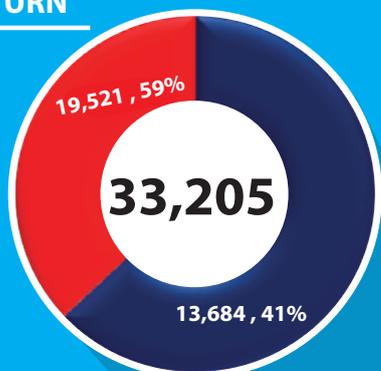
At the conclusion of the training exercise, candidates will be tested and those making successful pass will be accepted for employment within the Department of Customs at the LRA. The training which commenced on the August 22 is expected

R E V E N U E

P E R F O R M A N C E

MONTHLY UPDATE

AUGUST REVENUE OUTTURN

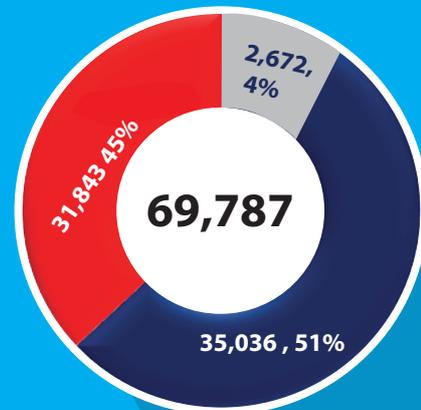


■ Domestic Tax Department ■ Customs Department

The gross revenue collections for the month of August 2017 were US\$ 12,259M and LRD 2,393Bn. The consolidated value at the average exchange rate of 114.2LRD/1USD was US\$33.205M. This amount represented a deficit of US\$ 694K or 2% against a target of US\$ 33.899M. When compared to same period of last Fiscal year, a growth of 6.6% was

registered. Domestic Tax Department accounted for US\$ 8.310M and LRD 613.962M, consolidated value US\$ 13.684M, representing 42% of the total collection. Customs department accounted for US\$ 3.948M and LRD 1.779Bn, consolidated value US\$ 19.521M, representing 58% of the total collection.

YTD-DOMESTIC REVENUE PERFORMANCE



■ Domestic Tax Department ■ Customs Department ■ External Resources

The year to date gross revenue collections (July- August 2017) were US\$ 41.004M and LRD 4.912Bn. The consolidated value at the average transaction exchange rate of 113.4LRD /1USD was US\$84.325M. However of the total collection US\$ 11.344 and LRD 359.304m were obligations for last fiscal year 16/17 but actualized in this fiscal year. The current collections year to date were US\$ 29.659M and LRD 4.552Bn. The consolidated value is US\$ 69.787M, against target there is US\$1.599M or -2.2% deficit registered. When compared to the same period of last fiscal period, a growth of 5.4% was registered. Domestic

Tax Department accounted for US\$ 19.3M and LRD 1.415Bn. When consolidated at the average transaction exchange rate, US\$ 31.843M was realized, representing 45% of the total collection. Customs department accounted for US\$ 7.64M and LRD 3.14Bn. When consolidated at the average transaction exchange rate, US\$ 35.3M was realized, representing 51% of the total collection. External resources realized for the period was US\$ 2.672M or 4% of the total collections to date. This amount included grants of US\$ 2.67M received from USAID Fixed Assets Reimbursement Agreement.

Strengthening International Partnership

LRA, RRA Sign Knowledge Sharing MOU

The Liberia Revenue Authority (LRA) and the Rwanda Revenue Authority (RRA) have signed a Memorandum of Understanding (MOU) that will facilitate cooperation in sharing knowledge for improving tax administration.

LRA Commissioner General Elfrieda Stewart Tamba and RRA Commissioner General Richard Tusabe signed the MOU on Thursday, August 24, 2017 in the Rwandan capital Kigali.

The MOU was signed when CG Tamba led a knowledge-sharing mission to the RRA to learn from their counterparts who were established about 20 years ago and is now a point of reference for certain good achievements. The LRA was established 3 years ago.

The MOU will guide the two revenue

authorities in various areas of cooperation, notably in technical capacity building in areas where the RRA has comparative advantages.

Making remarks during the occasion, CG Tamba said the LRA wants to knowledge share with the RRA to further strengthen its capacity and to learn from the RRA on the implementation of its reforms, successes and challenges.

Also speaking at the occasion, RRA Commissioner General Richard Tusabe said Rwanda and Liberia will be able to establish mechanisms through which they can share information on business that operates or come to both countries for successful but legitimate business on investments done not only in the region



but on the entire continent.

Tusabe said it will also be vital in the fight against tax fraud in international business operation.

“Partnering with Liberia will enable us share experiences because we have similar challenges that we can sit, discuss and join hands to find sustainable solutions to increase tax revenues in the future,” he said. Tusabe said that tax performance has been on the increase and such tax performance is mostly influenced by prevailing economic indicators, largely real GDP performance.

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Uncovering The Smuggling Tricks

LRA Seizes More Undeclared Cars

The month of August, like previous months, did not pass without the act of smuggling being uncovered by diligent Customs inspectors and anti-smuggling agents of the Liberia Revenue Authority (LRA).

During the period, the LRA confiscated four vehicles and a motorbike trafficked into the country in two 40ft pre-shipment inspection (PSI) containers belonging to two separate consignees. The containers were shipped from Pennsylvania, Philadelphia, United States of America.

The four vehicles, a motor bike along with other goods, were discovered on containers marked "MRKU2010634" and "MSKU 86465423" with tampered seal.

The container marked "MRKU2010634" was imported by Mohammed Komme (Tax Identification Number 50063500), and was shipped from the United States by Nana Ali.

On this container, Customs officials at the Freeport of Monrovia discovered two undeclared vehicles (Toyota Tacoma – 2000 and Chevrolet Equinox – 2004) and a 1981 Suzuki motorbike.

On the second container marked "MSKU 86465423", which consignee was Ibrahim Brown, a Hyundai Genesis, 2012

and a Toyota Highlander, 2001 were discovered undeclared and confiscated. The vehicle identification number (VIN) submitted by the importer differed from the ones discovered on the container.

The two containers were being cleared by Vedar & Sons Clearing and Forwarding Inc. of Paynesville city, with Mr. Edison Brown as Customs Broker.

An LRA investigation discovered that Ibrahim Brown and Edison Brown are brothers to Sheik K. Brown. Sheik K. Brown is co-defendant in the ongoing case of the 7 stolen vehicles of October 2016.

The Containers were recently inspected at the Freeport of Monrovia's Destination Inspection (DI) Site, after an LRA Customs Examiner Moses Ndoleh observed that the BIVAC Seal on one of the Containers had been broken and rejoined with glue. While conducting the routine seal inspection upon the arrival of the container at the Exit Gate, Customs Officer Ndoleh, who was recently assigned at the NPA Exit Gate solely to inspect BIVAC seal, observed that the BIVAC seal had been tampered with.

The Container was immediately redirected to the DI Site which is within the confines of the Freeport for 100%

inspection.

This is the latest in a series of schemes discovered at the Freeport in the Customs Clearance Process through various revenue protection measures such as heightened due diligence, decisive disciplinary actions and whistleblowing initiatives undertaken by the LRA.

Commissioner General Tamba said there are many loopholes in the revenue system of the Country and it requires enormous and concerted efforts to mitigate them to ensure that more lawful revenues are collected for the wellbeing of Mama Liberia.

The CG says all perpetrators, including the exporter, will be pursued.

CG Tamba also called on persons exporting to Liberia from the United States and who are in the habit of tampering with the BIVAC seal to please desist from tampering with the BIVAC seal and the stuffing of the containers with items after BIVAC has inspected the shipment.

She indicated that the data shows that exports from the United States to Liberia by certain nationalities and from certain States carry a higher revenue risk.

EDITORIAL TEAM

The REVENUE WATCH is a monthly publication of the Communication, Media and Public Affairs Section of the Liberia Revenue Authority

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