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EXTRAORDINARY

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA ANNOUNCES A REGULATION PROMULGATED BY THE LIBERIA REVENUE AUTHORITY IN PURSUANT TO SECTIONS 1006 & 1026, OF THE LIBERIA REVENUE CODE OF 2000 AS AMENDED HEREINUNDER:

REGULATIONS CONCERNING REGISTRATION, ISSUANCE OF INVOICES, DEBIT AND CREDIT NOTES, RETURNS FILING AND GST PAYMENT PROCEDURES

BY ORDER OF THE PRESIDENT

MARJON V. KAMARA
MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
AUGUST 10, 2017

DRAFT

REPUBLIC OF LIBERIA

REVENUE ADMINISTRATION REGULATION PURSUANT TO PART III OF THE LIBERIA REVENUE CODE

REGULATION NO. III. 1006 & 1026-07-05-17

SUJECT: GOOD & SERVICES TAX COMPLIANCE-REGISTRATION, INVOICING, RETURNS FILING AND GST PAYMENT PROCEDURES

DATE: JULY _____, 2017

1.0 PREAMBLE

WHEREAS, Part VII Transitional Provisions of the Liberia Revenue Authority (LRA) Act of 2013, Section 38(1), Repeals and consequential amendments transferred the administrative and operational powers and duties the Code assigns to the Minister, and the Deputy Minister unto the **Commissioner General**.

WHEREAS, Section 21(1)(a) & (b) of the Liberia Revenue Authority Act of 2013 states that, "The **Commissioner-General** shall be responsible for the administration and supervision of the Code, the direction and the day-to-day administrative management of the Authority, for the supervision of the execution of officers, managerial staff, and other employees of the Authority as well as other matters of the Authority."

The **Commissioner-General** shall also:

a. Ensure the effective and fair interpretation, application and implementation of the Code.
b. Ensure the proper and diligent implementation of this Act.

NOW THEREFORE, in accordance with law, the LRA herewith sets forth the following Administrative Rules and Compliance Procedures for all Manufacturers and Service Providers consistent with Sections 1007 of the Code.

2.0 LEGAL BASIS

(a) This Regulation is pursuant to Section 1007 of the Liberia Revenue Code of 2000 as amended, which states "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;

Unless the **Commissioner General** 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;

(b) Where Section 1009 applies, the Registered Manufacturer making the supply shall provide the recipient with a Debit Note in relation to the supply.

Unless the **Commissioner General** 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;

(c) Where Section 1009 applies, the Registered Manufacturer making the supply shall provide the recipient with a Credit Note in relation to the supply.

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 Credit Note is issued;
(4) a brief description of the circumstances giving rise to the issuing of the Credit Note, including information sufficient to identify the taxable supply to which the Credit 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".

3.0 PURPOSE

The purpose of this Administrative Regulation is to provide Administrative Rules and Compliance Procedures for Registration, issuance of Goods Tax Invoice(s), Debit and Credit Notes, Services Tax

Invoice(s), and for the payment of Goods and Services Tax by all Registered Manufacturers and Service Providers.

4.0 REGISTRATION OF MANUFACTURER / SERVICES PROVIDER

Every person who carries on a manufacturing business or in business involving the performance of taxable services are required to register at the end of any 12-month period during which the person's taxable supplies equaled or exceeded $3,000,000; or at the beginning of any 12-month period where there are reasonable grounds to believe that the total taxable amount to be made by the person during that period will equal or exceed $3,000,000.

Every person who has an obligation to register under the paragraph stated herein above shall apply to the **Commissioner General** for registration within 21 days from the date becoming required to register.

A. Notification of Changes.

Every Registered Manufacturer/Services Provider shall notify the **Commissioner General** 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.

B. Cancellation of Registration.

1. A Registered Manufacturer/Services Provider shall apply in writing to the **Commissioner General** for cancellation of the person's registration if the person ceases to be required to register under Section 4.0 of this Administrative Regulation.

2. Upon receipt of the application, and where the **Commissioner General** is satisfied that a Registered Manufacturer / Services Provider ceases to be required to register, the **Commissioner General** 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 register.

3. **Exception to Cancellation of Registered Manufacturer's registration.** Sections 1006(e)(5) states, "The **Commissioner General** shall not cancel the registration of a Registered Manufacturer/Services Provider where the **Commissioner General** has reasonable grounds to believe that, at any time in the next 12 months, the person will make taxable supplies in excess of $3,000,000."

4. **Exception to Cancellation of Registered Services Provider's Registration.** Sections 1026(d)(4) states, "The **Commissioner General** shall not cancel the registration of a Registered Services Provider where the **Commissioner General** has reasonable grounds to believe that, at any time in the next 12 months, the person will make taxable supplies of taxable services in excess of $3,000,000."

5.0 ISSUANCE OF INVOICE(S), DEBIT AND CREDIT NOTES BY REGISTERED MANUFACTURERS

Subject to 1007 of the Liberia Revenue Code of 2000 as amended, unless the **Commissioner-General** provides otherwise, Registered Manufacturers making the supply shall supply recipient with **Goods Tax**

Invoice(s), Credit Note(s) or Debit Note(s) at the time of payment or partial payment; on the delivery date; or on the shipment date. Where Section 1009 of the Code applies, the Registered Manufacturer making the supply shall provide the recipient with a Credit or Debit Note(s) in relation to the supply.

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 (TIN) of the Registered Manufacturer making the supply;
3. The Individualized Serial Number and the Date on which the Goods Tax Invoice is issued;
4. Description of the goods supplied (including Quantity or Volume) and the Date on which the goods were received;
5. The consideration for the supply and amount of the Goods Tax charged.

B. **Credit Note** shall contain the following particulars:

1. The word **"Credit Note"** in a prominent place;
2. The Name, Address, and Taxpayer Identification Number (TIN) of the Registered Manufacturer making the supply;
3. The Individualized Serial Number and the Date on which the **Credit Note** is issued;
4. A brief description of the circumstances giving rise to the issuing of **Credit Note**, including information sufficient to identify the taxable supply to which the **Credit 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.

C. **Debit Note** shall contain the following particulars:

1. The word **"Debit Note"** in a prominent place;
2. The Name, Address, and Taxpayer Identification Number (TIN) 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 **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.

6.0 ISSUING SERVICES TAX INVOICES BY REGISTERED SERVICES PROVIDERS

Pursuant to Section 1028 of the Liberia Revenue Code of 2000 as amended, 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) of the Code applies, 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.

A. Unless the **Commissioner-General** 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 Taxpayer Identification 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.

7.0 TAXPAYER IDENTIFICATION NUMBER (TIN) REQUIRED

Consistent with Section 53(a) of the Code states "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..."

All Registered Manufacturers and Services Providers are required to obtain "**Taxpayer Identification Number (TIN)**" which MUST at all times be included on the following documents, and MUST be located **specifically in the upper left hand corner.**

1. Invoices/Receipts;
2. Debit / Credit Notes;
3. Purchase / Sales Books;
4. Any correspondence/communication/letter to the LRA including all of its Business Offices;
5. Any Customs and Excise documents;
6. Any commercial loan document from a bank/financial institution including the loan application form;

8.0 PAYMENT OF GOODS & SERVICES TAX (GST)

The Goods and Services Tax payable by a Registered Manufacturer / Services Provider in respect of taxable supplies and or services made during a tax period is due within 21 days of the following month that the Goods or Services Tax Return for that period is due.

A. Person(s) Liable for Goods & Services Tax

The Registered Manufacturer or Services Provider making the supply of taxable goods/services shall account for Goods/Services Tax to the **Commissioner General.**

B. Goods & Services Tax Recoverable from Recipient

The Goods / Services Tax payable by a Registered Manufacturer / Services Provider under this Regulation is recoverable by the Manufacturer / Services Provider from the recipient of the goods

/ supply, except a recipient that is exempt by international conventions and agreement to which Liberia is a Party.

9.0 GOODS AND SERVICES TAX (GST) RETURNS REQUIRED

Every Registered Manufacturer / Registered Services Provider shall file a Goods Tax Returns or Services Tax Returns for each tax period within 21 days after the end of the tax period, whether or not any Goods or Services Tax is due for the period, except that no additional return shall be made for Goods and Services Tax (GST) listed on a consumption entry form for purposes of the Customs External Tariff (CET) and for which the goods tax was paid at the time of entry.

10.0 RECORD

In accordance with Section 55 of the Liberia Revenue Code of 2000 as amended, a Registered Manufacturer / Services Provider with a tax obligation, whether for payment of tax or withholding of tax, are required to maintain in Liberia, in the English language, **books** and **records** adequate to substantiate the tax due. The Registered Manufacturer / Services Provider's method of accounting must be consistent with international accounting standards and any applicable regulations, and he/she is required to produce adequate **books** and **records** upon request.

11.0 PENALTY

A. Civil Penalty

1. All persons (Legal / Natural) who fall in the abovementioned category, but fail to abide by the procedures mentioned in this Regulation shall be subject to penalties in line with section 52(a)(1) of the Liberia Revenue Code of 2000 as amended, which states, **"A taxpayer is required to pay the correct tax liability on or before the payment due date. If a taxpayer does not pay by that date (determined with regard to any granted extension of time to make payment) the amount shown as tax liability on the taxpayer's return, a penalty is imposed. If the delay in payment is for not more than a month, the penalty is 5 percent of the amount of tax shown. For each additional month (or partial month) if the delay continues, an additional 5 percent penalty is imposed on the balance, which is sum of- (A) the tax shown, plus (B) previously imposed Section 52(a) penalty".**

2. Also, if a Registered Manufacturer / Services Provider deliberately and willfully obtains more than one **TIN**, upon conviction, he/she shall be liable to a fine of **L$200,000.00** or not more than **L$5,000,000.00** or to imprisonment for up to **one (1) year**.

3. Consistent with Section 55 of the Liberia Revenue Code, a Registered Manufacturer / Services Provider who refuses to cooperate with the **Commissioner General's** request for records, request to inspect the business premises, or request to examine records at the business premises, is subject to a civil tax penalty of **L$50,000.00 per day** of refusal.

B. Criminal Penalty

A Registered Manufacturer/Services Provider who willfully evades or attempts to evade Goods and Services Tax imposed under the Liberia Revenue Code commits a felony. Upon conviction, in addition to any other sanctions that may be provided by law, the person is subject to a fine of not more than L$200,000; imprisonment for not more than 5 years; or both.

12.0 Public Notice

The Government of Liberia, through the Liberia Revenue Authority (LRA), hereby announces procedures for Registration, Issuance of Goods Tax Invoice(s), Debit and Credit Notes, Services Tax Invoice(s) and payment of Goods and Services Tax by all Registered Manufacturers and Services Providers.

Upon the entry into force of this Regulation, all persons whether Legal or Natural making taxable supplies and taxable services in the Manufacturing and Services Sectors are advised to please adhere accordingly to the Administrative Rules, Requirements and Procedures promulgated herein.

This Revenue Administrative Regulation shall take effect as of July _____, 2017.

Signed: _____

Elfrieda Stewart Tamba
Commissioner General