

**Summary**  
**NO LEMON Protest case**  
**Protests and Objections Unit**  
**June 3, 2016**

In February 2015, Large Tax Division prepared an assessment bill of US\$78,694.62 and served it on No Lemon. It is engaged in the sale, maintenance and repairs of vehicle spare parts. During the audit of No Lemon, the auditors determined that AMS had billed it for services rendered. AMS, which is based in Dubai, is the parent company of No Lemon. In return thereof, the Auditors found that in 2012, No Lemon reduced its intercompany payable by transferring US\$1,040,000.00 (one million forty thousand 00/100 United States Dollars) to AMS through ECO Bank, but failed to remit into Government account a withholding of US\$38,628.02 contrary to Section 806(a).

The bill was challenged and after months of discussions with the Liberia Revenue Authority (LRA), Mr. Farhat Carew acting on behalf of No Lemon, formally protested to the Office of the Chief Counsel of the LRA for its intervention on September 28, 2015. It objected that the auditors should not have included US\$38,628.02 in the bill as that amount represents withholding tax from an amount which is still outstanding.

In its ruling, the Hearing Panel<sup>1</sup> concluded that that No Lemon's protest be denied and that LRA executes the necessary measures to ensure full collection of the US\$38,628.02 which represents the amount that should have been withheld for payments made to AMS, a nonresident company based in Dubai.

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<sup>1</sup> Hearing Panel of the Protests and Objections Unit of the Liberia Revenue Authority is composed of three members: Manager of the unit, Special Counsel/Consultant, and Protest Officer. The hearing was held with representatives from both the Large Tax Department and *No Lemon* being present.