



DEPARTMENT OF CUSTOMS

FACT SHEET

All imported goods arriving in Liberia are required by law to be cleared through the Department of Customs of the Liberia Revenue Authority.

Who is the Department of Customs?

The Department of Customs, formally the Bureau of Customs & Excise in the erstwhile Ministry of Finance, is one of the core departments of the Liberia Revenue Authority established by an Act of Legislature on September 19, 2013 for the collection of taxes for the Government of Liberia. The Department of Customs is responsible for security scrutiny of goods and passengers, collection of duties and other border taxes on imported goods and the clearance of said goods through the borders of Liberia.

Why do I need to undergo a Customs clearance when I import goods?

All imported goods entering the Customs territory of Liberia are required by law, Section 14150 of the Revenue Code of 2000 as amended, to make entry to the Department of Customs. The CD undertakes security

screening and collects border taxes on behalf of the Government of Liberia.

Imported goods are subject to risk criteria and may be subject to the payment of import duty, excise duty, Goods and Sales Tax (GST), the ECOWAS Tax Levy (ETL) and other levies as applicable by other laws and regulations.

What is Customs clearance?

Customs import clearance refers to the procedure where the importer of the goods is required to lodge an automated or manual declaration covering the particulars of their imported goods, the payment of any revenue charges due and subsequent formal release of those goods by Customs.

Goods may be entered for consumption, entered for warehousing, or they may be transported in-bond to another port

of entry for the purposes of transit or transshipment.

Only the owner, purchaser, or a licensed Customs broker may make declaration for importation for the goods. When the goods are consigned "to order," the transport document, properly endorsed by the consignor, may serve as evidence of the right to make entry.

What is the importer's liability when a Customs broker clears the goods?

Where an importer uses the service of a Customs Broker, any declarations or actions undertaken by the broker in this process are deemed also to have been made by the importer. Actions by the broker in the clearance process are regarded as being attributable to the importer, whether or not the broker is within or outside of Liberia.

Rules and guidelines governing the operations of Customs Brokers and importers relationship are specified in Administrative Regulation No. V.1500-01-27-17 which may be found at www.lra.gov.lr

The importer may also be liable for any or all penalties or additional duties that are incurred by the broker in this clearance process.

Prior to making a Customs declaration what are the other documentary requirements?

You shall obtain your bill of lading or airway bill.

If pre-shipment inspection was required prior to the shipment of the imported goods to Liberia, you shall also obtain the Clean Report of Findings (CRF) from the pre-shipment inspection company. For more information of the pre-shipment requirements, refer to the BIVAC Liberia-specific guidelines at www.bureauveritas or www.lra.gov.lr

Be mindful that if pre-shipment was required and you did not comply, you are liable to a destination penalty as described in Administrative Regulation No. 12. 14263 – 2/MOF/R/BCE/14 October 2013 which may found at www.lra.gov.lr

What is the procedure for clearing imported consignments?

For automated ports:

The Importer shall request and obtain access to ASYCUDA World (the automated used by Customs), or use an approved licensed broker with access to ASYCUDA.

An electronic declaration shall be lodged over the existing ASYCUDA electronic platform or a manual declaration shall be made and lodged at a customs station that is not automated.

In the case of automated Customs ports, the Simplified Administrative Document (SAD) is electronically completed while the SAD is manually

completed for Customs offices not automated.

It is important that importers understand the definitions for the terminology used on the import declaration in order to correctly complete the declaration.

Explanations of the SAD data fields and terminology are available in the ASYCUDA World Declaration Quick Reference Guide for Import & Export Declarations and the step by step procedures for goods clearance can be found at www.lra.gov.lr.

The import declaration must be supported by documents such as the:

1. Bill of lading or airway bill
2. Detailed Commercial Invoice/s
3. Packing list
4. Tax Clearance

This list is not exhaustive and you may be required to furnish permits or certificates for specific products i.e., title certificates for used motor vehicles, sanitary and phytosanitary certificates, certificate of origin for goods originating from a preferential trade area, etc. It is mandatory that every importer has a TAX IDENTIFICATION number (TIN) which is used to make a Customs declaration.

What is the Customs value of goods?

Liberia is currently implementing the BDV method of customs valuation in keeping with section 1705 of the Revenue Code Act of 2000 as amended. The valuation of imported goods in Liberia is based on the "normal price" which may not necessarily be the actual price paid for the goods or the transaction value of the goods. Liberia will be transitioning to the WTO GATT transactional value method once the draft Customs Code is passed into law by the National Legislature.

The Customs value or the tax base on which import duty is calculated is the CIF (cost, insurance, freight) value.

What information does Customs require to calculate the Customs value?

1. Name of the seller of the goods.
2. Name of the buyer of the goods.
3. Complete description of the goods.
4. The selling price to the purchaser of the goods.
5. The cost of transportation and insurance including loading, unloading and handling charges.
6. Other charges and expenses associated with the transportation of the imported

goods until the goods have left the country of export.

7. The cost of packaging the goods, which may include labor and other packaging expenses.
8. The amount of any royalties' payable.
9. Particulars of other factors that may vary the selling price of goods such as discounts, rebate, compensation or other.
10. The amount of any selling commission and brokerage payable in respect of the goods.
11. The value of certain goods and services supplied by the buyer, free of charge or at reduced cost, for use in connection with the production and sale for export of the imported goods.
12. The value of any part of the proceeds of any subsequent resale that accrues directly or indirectly to the seller.

In what currency is the Customs value of imported goods quoted?

The Customs value or the tax base of imported goods is quoted in United States Dollars.

How does the exchange rate influence the value of my goods?

Where the invoiced amount is not in US dollars, it will be converted to US dollars at the rate in force on the

day the declaration is created in ASYCUDA.

What rate of duty applies to my goods?

The rate of duty applicable is determined by the classification of the goods in the Liberia Tariff that is based on the Harmonized Commodity Description and Coding System (HCDCS). If there has been a recent change in duty, the rate to be applied to the declaration is the one that was in force at the time the goods declaration was made to Customs.

When goods are dutiable, ad valorem, specific, or compound rates may be assessed. An ad valorem rate, which is the type of rate most often applied, is a percentage of the CIF value of the merchandise, such as five percent ad valorem. A specific rate is a specified amount per unit of weight or other quantity, such as 70 cents per liter. A compound rate is a combination of both an ad valorem rate and a specific rate, such as 70 cents per liter plus 10 percent ad valorem.

Who is liable to pay duty to Customs?

Duty that is payable on goods imported into Liberia is a debt to the State and is owed to the Government of Liberia by the importer of the goods.

Where importers arrange for clearance of the consignments using the service of a licensed broker, the broker normally pays the duty to the Department of Customs on behalf of the importer. If you entrust your money to a broker for the payment of Customs duties and taxes and these monies are not forwarded to the Customs for any reason, the importer is still liable to the Customs for the debt and no consignment shall be released for home use (final consumption) without the full payment of duties and taxes.

What is duty free?

Duty free allows goods to be imported free or partially free of duty and other levies; for more information on duty free, refer to the duty free brochure at www.lra.gov.lr.

Are product samples subject to Customs duty?

Generally, samples of products are subject to the same rates of Customs duty as commercially imported goods, and based on the Customs value of the goods.

What are the requirements for maintaining records of importation?

The Revenue Code Act of 2000 as amended provides that an importer must permit a duly accredited officer of the Republic of Liberia to inspect his books, papers, records, accounts, documents of correspondence pertaining to the

value and classification of said goods. Such records must be kept by the importer for the period of seven years in keeping with Section 55 of the Revenue Code of 2000 as amended.

Who makes decisions about the classification of imported goods?

The Department of Customs of the Liberia Revenue Authority offers free binding rulings service for the following:

1. The tariff classification of goods
2. The excise classification of goods
3. The origin of goods which qualify for duty concession.

For more information on binding tariff information, please refer to www.lra.gov.lr

Temporary import of Goods

Duties and taxes, for goods imported under temporary import procedure, are temporarily suspended provided that the importer deposits with Customs a guarantee at a value of 150% of assessed duties and taxes. The goods imported under temporary status must be re-exported within 90 days, otherwise full duties and taxes that were assessed at the time of importation must be paid to Customs or the full amount of the guarantee executed by Customs in lieu of the duties and

taxes. For more information on Temporary importation, see Customs procedures at www.lra.gov.lr.

Payment method

The current means of payment of Customs duties and taxes is cash payment using managers check issued by the importer's bank and deposited in the Government's official account, the General Revenue Account, with the Central Bank of Liberia.

Revenue receipts must be issued for any payment made to Customs. Any payment without official Government receipt is deemed fraudulent and should be reported immediately to Customs. Deferred payment of Customs duties and taxes for goods imported for home consumption is not permissible

