

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



Smoking Out The Smugglers

LRA Seizes More Trafficked Vehicles

Despite continuous warning and awareness, smuggling remains one of the greatest challenges the Liberia Revenue Authority (LRA) faces from importers.

Almost every quarter, the LRA confiscates vehicles that are imported in sealed containers that had been tampered with by importers.

In most instances, the containers are pre-inspected by BIVAC, but the importers criminally break the seals and put in under declared items including vehicles. However, the LRA, despite limited resources, is continuously bracing itself to smoke out these crafty smugglers who are bent on tax evasion and avoidance.

Through its Anti-Smuggling and Intelligence Unit (ASIU), the LRA in late June seized two vehicles that were smuggled into the country through the Freeport of Monrovia.

The vehicles were smuggled in a BIVAC Pre-shipment Inspection (PSI) sealed container.

The two vehicles, a Used Toyota Mini Bus and a Mitsubishi Pickup, which were on board a Container marked "MRKU4628339" from Australia, were illegally imported as car parts by the Inland Trading Center and cleared by the Sealine Marine Cargo Handling Inc, and intercepted on June 15.

This is the second time a container with smuggled goods from Australia has been intercepted in the country. BIVAC was investigating this serious infraction as this magazine went to bed.

An LRA Anti-Smuggling investigation established that some vital parts of the vehicles including seats, doors and engines were disassembled and secretly concealed in the middle segments of the container.

The investigation indicates that the vehicles were hidden deep among several other consignments and were not declared as items on the shipment listing by the consignee.

The LRA Anti-Smuggling discovered the criminal act following a robust inspection carried out by its

Intercepting Officer and a Customs Examiner, who escorted the container to its destination in Paynesville.

The Mini Bus remained on the Container and was transported back to the Freeport of Monrovia for custody and the Mitsubishi Pickup which was immovable as a result of the disassembled parts, remained under the custody of the consignee and was returned to the Freeport of Monrovia.

The action is in compliance with Section 1608 of the Revenue Code of Liberia, which specifically talks about Untrue Declaration, Recovery of Duty and Penalty.

The LRA is ensuring that the importer of the smuggled vehicles is prosecuted for smuggling and tax evasion.

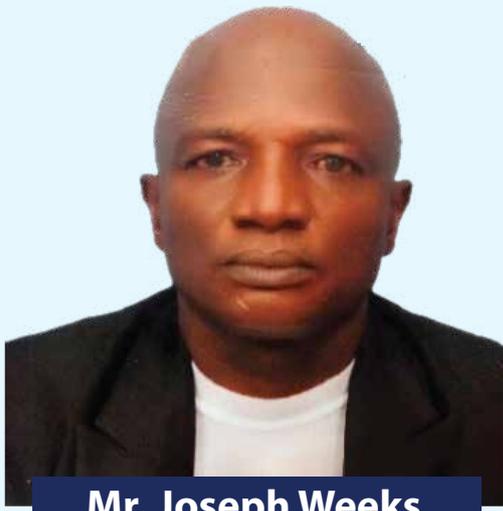
In a related development, in 2015, the LRA intercepted the smuggling of four vehicles, imported by one Lloyd Smith.

The vehicles were brought into the country in September 2015, with customs duties paid, but the US Government, through its embassy near Monrovia, later alerted the LRA that the vehicles were stolen.

In its communications dated October 22, 2015 the US Embassy noted that four vehicles were confirmed stolen from the United States and were part of an ongoing criminal investigation. The case is currently being heard at Criminal Court C at the Temple of Justice.

The LRA has at the same time reiterated its commitment to promoting and protecting fair trade in line with international standards within its customs ports and borders.

The LRA maintains that while it has a duty to collect lawful revenues on behalf of the government and people of Liberia, it is also under legal and lawful duty to promote fair trade consistent with its mandate and in keeping with the International Convention on Mutual Assistance in Customs Matters.



Mr. Joseph Weeks

Jurors at Criminal Court C in June handed down a guilty verdict against two former employees of the Liberia Revenue Authority (LRA), after several months of legal proceedings.

The former employees, Mr. Joseph Weeks and Ms. Linda Sumowood were caught in December 2015 in the act of extortion at the Customs Business Office at the Freeport of Monrovia.

The Jury of the Criminal Court C on June 14, 2017 found Mr. Joseph Weeks guilty of the crimes of Economic Sabotage and Bribery and Ms. Sumowood guilty of Criminal Facilitation.

The LRA, collaborating with law enforcement officers, caught the former employees in 2015 and forwarded them to

Jury Renders Guilty Verdict Against LRA Ex-Employees

the Liberia Anti-Corruption Commission (LACC) for investigation and subsequent prosecution.

Mr. Joseph Weeks, an Assessor, was captured on Closed Circuit (CC) TV taking a bribe of US\$500 which he had demanded from a taxpayer, while Ms. Sumowood was captured for concealing the bribe when Mr. Weeks was being apprehended.

A taxpayer, Mr. Abraham Sinayoko, returning from the U.S., complained Mr. Weeks of extortion to the LRA Commissioner General. Mr. Sinayoko said though he had paid all taxes and requirements in the amount of US\$4,600 on his personal effects in a container he brought from the United States, he was being asked for a bribe by Mr. Weeks before his container could be released.

Mr. Sinayoko complained that his documents were seized by Mr. Weeks on ground that an additional assessment was required on his container. Mr. Weeks requested Mr. Sinayoko to pay an extra US\$2,300 but later settled down for a negotiated amount of US\$1,000.

An undercover operations involving the Liberia National Police and the Liberia Seaport Police caught Weeks receiving the

bribe from a customs broker who he had advised the taxpayer to channel the money thru, and was subsequently arrested and charged by the Police.

Ms. Sumowood was arrested as she aided in concealing the bribe taken by Weeks after he had been apprehended.

The LRA lauded the whistle blower, the Liberia Seaport Police and the Liberia National Police for their swift cooperation which resulted in the arrest of the culprits with substantial evidence. LRA Commissioner General Elfrieda Stewart Tamba has since called on the general public including the business community and taxpayers to report any form of dishonesty carried out by any employee of the LRA in the discharge of their duties.

"The LRA is taking all the necessary steps to curb this unwholesome behavior and therefore solicits the help of all taxpayers and the general public in order to win the fight against corruption in the revenue sector and to collect the needed revenue for the people of Liberia," CG Tamba said.

Bribery and distortion are grave violations of the LRA professional and ethical handbook signed onto by all employees before assuming duties.



As CG Tamba Challenges Students

Liberia Revenue Authority (LRA) Commissioner General Elfrieda Stewart Tamba in early June encouraged participating students of the National High School Debate Program to pay serious attention to education.

Initiated by the Devine's Event and Management Consultancy International, the National High School Debate Program was sponsored by the LRA. The event climaxed on August 6, 2017 with Bethesda Christian Mission Academy clinching the championship.

Meeting with the students at the LRA headquarters in Paynesville, CG Tamba urged them to fully prepare themselves in

an excellent academic manner if they are ambitious of becoming Liberia's next leaders.

The engagement was meant to acquaint CG Tamba with the status of the High School Debate Program, and allow the students to openly interact with the LRA Commissioner General.

She assured the debate organizers of the LRA's firm commitment in promoting meaningful academic activities.

CG Tamba further praised the 2017 debate organizing team for the level of work done and disclosed that the LRA will shortly establish Tax Clubs in high schools with the aim of promoting tax education among

students.

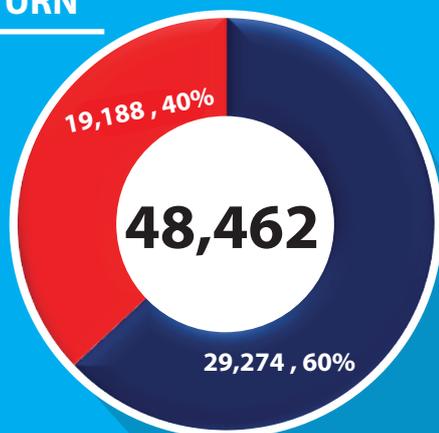
For his part, the President and CEO of the Devine's Event and Management Consultancy International Alex F. Devine Jr. expressed thanks and appreciation to the LRA for the sponsorship. He said the contribution of the LRA will go a long way in helping to strengthen Liberia's educational system.

The debate was held under the theme "Youth participation, a drive-way to a peaceful 2017", and begun March 10, 2017, with 120 High Schools across Montserrado County participating.

REVENUE PERFORMANCE

MONTHLY UPDATE

JUNE REVENUE OUTTURN

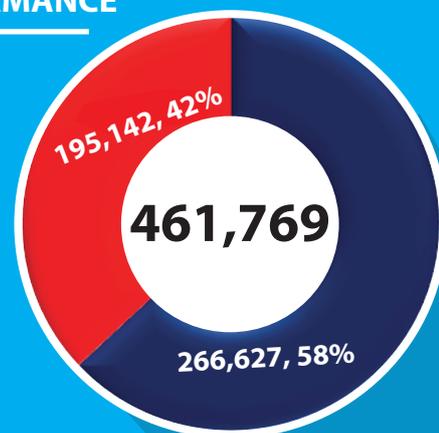


■ Domestic Tax Department ■ Customs Department

The gross total revenue outturn for the month of June was US\$34.132M and LRD1.593bn. The consolidated value at the average rate of LD 111.16 to 1USD is US\$ 48.462M or LRD 5.39bn. This amount was above forecast of US\$ 46.283M by US\$ 2.1M or 5%. This amount represent 9% of the total revenue generated to date and 10% of domestic revenue. The daily collection for the month

averaged US\$ 1.863M. Domestic Tax Department accounted for US\$ 29.274M or 60%. Domestic Tax Department fell forecast of US\$ 31.166 by US\$ 1.891M or 6%. Customs Department's accounted for US\$ 19.188M or 40%. Customs Department exceeded forecast of US\$ 15.117M by US\$ 4.071M or 27%. There was no receipt from external sources for the period.

YTD-DOMESTIC REVENUE PERFORMANCE



■ Domestic Tax Department ■ Customs Department

The year-end perspective of Domestic Revenue shows that we actualized US\$ 461.8M or 87% of the Approved Forecast after exhausting 100% of the fiscal year. Domestic Revenue fell below Year-end target by US\$ 68M or 13%. Domestic Tax Department accounted for US\$ 41.8M or 61%, Customs accounted for US\$ 21.M or 31% and Contingent Revenue not

realized US\$ 5.7M or 8% of the shortfall respectively. Of the total revenue outturn for fiscal ended June 30th, 2017 Domestic tax Department accounted US\$ 266.6M or 58% and Customs Department accounted US\$ 195.1M or 42%. Due the Economy status in the just ended fiscal year the LRA fell below target by US\$ 76.4M or 13% on the overall.



IFBD Mission Visits LRA To Assess Training Needs

The delegation met with Commissioner General Elfrieda Stewart Tamba in identifying vital training needs of the LRA.

Besides, the team which comprised Guido Verheul (Course Coordinator), Bart Kusters (Senior Principal Research Associate, Tax Services Department of the IBFD) and Josia Biver of the Ministry of Foreign Affairs of the Netherlands, held discussions with the top management team of the LRA.

The interactions also highlighted possible technical assistance including the development of a training curriculum for LRA staff, training on value added tax, transfer pricing, taxation of the extractive industry, tax auditing, and international taxation.

While in Liberia, the delegation also met with representatives of the Ministry of Finance and Development Planning, the National Investment Commission, the Tax Court, the Board of Taxpayers Appeals as well as other donors such as Ecory/EU, USAID and the IMF.

The International Bureau of Fiscal Documentation (IBFD) in June ended a scoping mission to Liberia with the aim of accessing vital training needs for key public sector institutions in the country including the Liberia Revenue Authority.

The IBFD is a non-for-profit organization based in the Netherlands and is involved with government consultancy, including supporting governments' tax administration with technical assistance to promote tax reform process.

REVENUE WATCH

CG Tamba Speak's at the ECOSOC Forum



3 LRA Staff Participate In Global VAT Training

Three employees of the Liberia Revenue Authority (LRA) have benefited from a professional capacity development course in Global VAT systems management, offer by the Dutch Government.

The Value Added Tax (VAT) and General Service Tax (GST) systems management course was provided by the Dutch Government through its Ministry of Foreign Affairs on the basic principles and impact on the different economies. The training was held in Amsterdam the Netherlands.

Throughout the course, a comparison between these different systems were provided in order to compare and contrast different revenue collecting institutions approach to revenue generations.

Those representing the LRA at the Global VAT training include, Assistant Commissioner for Enterprise Risk management and Compliance Division Ms Nyankor Matthew, Mr. Isaac G. Flomo (Senior Officer for VAT) and Mr. Zechariah G. Munford (Senior Officer for Valuation Trade Facilitation and Tariff Management). Meanwhile, the supervising expert responsible for the course Fabiola Annacondia expressed satisfaction about LRA representative's participation involvement during the course. Employees of the Liberia Revenue Authority officials used the forum to actively connect with other participants and tax officials of the Nigeria Revenue Service for their experience.

EDITORIAL TEAM

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

ELWA Junction, Paynesville City, Liberia;
www.lra.gov.lr

Elfrieda Stewart Tamba

D. Kaihenneh Sengbeh

Victor Kummeh Seah

Jerry Laynumah Siakor

Tyrence Walter Moore, Jr.

Manager, CMPA /Executive Editor

Senior Officer, CMPA/ Editor

Public & Social Media Affairs Officer/Staff Writer

Communication Officer/Graphic Designer

kaihenneh.sengbeh@lra.gov.lr

victor.seah@lra.gov.lr

jerry.siakor@lra.gov.lr

tyrence.moore@lra.gov.lr

Phone: +231-0886586531/0777586531