

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

Flourishing Partnership

LRA, UNDP Commission Modern Baggage Scanners At RIA



CG Tamba along with UNDP's Country Director Dr. Beyai and RIA MD Bako Freeman cutting the ribbon

The partnership between the Liberia Revenue Authority (LRA) and the United Nations Development Programs (UNDP) continues to flourish. Over the years, the UNDP has provided appreciable number of technical assistance towards making the LRA a viable institution to efficiently run the country's revenue administration.

Besides facilitating the availability of experts to help build institutional capacity at the LRA, the UNDP has pumped resources into several other programs including support to the LRA modern data centers and domestic resource mobilization program, which culminated into the country's National Revenue Symposium in June 2017.

As an offspring of this partnership, the LRA with support of the UNDP in November commissioned two new baggage scanners at the Roberts International Airport (RIA). The machines facilitate clearance of baggage of arriving passengers at the country's only international airport.

Valued at over US\$400,000, UNDP donated the equipment to the LRA with the aim to foster customs operations at the airport.

Speaking during the commissioning program on Monday, November 6, 2017, Commissioner General Tamba said the instillation of the two scanners will facilitate trade and enhance customs operations. CG Tamba said the use of scanners at the airport will also minimize human interventions, especially during baggage inspection.

The Commissioner General commended the UNDP for the donation, describing it as a 'mark of positive

intervention in facilitating trade and promoting a better tax administration in Liberia.'

"The LRA is striving to transform the tax administration in Liberia, and this task is not easy, but with the support of our partners, donors and other stakeholders, we are gradually progressing to our aim" CG Tamba noted.

The Managing Director of the Liberia Airport Authority (LAA) Wil Baka Freeman praised the UNDP for the equipment, indicating that it will also improve the movement of passengers and give a modern face to the airport. He said the instillation of the equipment will play a major role in the transformation process of the RIA.

UNDP Country Director Dr. Pa Lamin Beyai, said the donation and instillation of the scanners at the RIA demonstrate the commitment of the UNDP in supporting the Liberian Government to achieve its goals of ensuring a proactive tax administration. He said the equipment will help both in enhancing revenue collection and boosting security in the process of mobilizing domestic revenues for development.

Dr. Beyai said the scanners are efficient in scanning and detecting materials and items in a timely manner which will fast track activities and improve passengers' interaction at the airport.

The commissioning of the scanning machines also involved the certification of LRA Customs Officers who were trained in August 2017 to operate and manage the machines.

LRA Engages Fula Business Community To Increase Tax Compliance And Tax Net

The Fula Business Community is among the oldest business grouping in the country, and the community has a great potential to significantly contribute the revenue collection in the country.

The LRA believes that fostering a partnership with the Community through tax clinics and regular engagements and awareness will harness a strong cooperation and contribute to bringing members of the Community into the tax net.

In this direction, the LRA, in continuation of its tax sensitization campaign, intended to improve voluntary compliance, held a tax awareness engagement with members of the Fula Business Community in Paynesville. The awareness exercise took place at the Red-light Market on Sunday. The engagement provided information on registration, filling of payment, tax due dates and reporting requirements.

Participants included Petty Traders, Small and Medium categories of businesses.

The meeting, held on Sunday, November 5, was facilitated by Sebastian Weah, Assistant Commissioner for Medium Tax Division; Abel Kertuah, Acting Manager for Small Tax Section, and Prince Williams also of the Micro Tax Unit of the Small Tax Section.

Participants, during the discussion, expressed the need for the LRA to ensure that bottlenecks for registration of businesses are harmonized, while tax rates for both Liberians and non-Liberians should be same.

They, among others, recommended that:

1. The LRA liaises with the Liberia Business Registry to ensure that huddles to registration are removed or reduced significantly
2. The LRA develops an instructional booklet on filing, registration and payment

procedures for distribution to small businesses

3. The LRA trains Enforcement Officers to also provide basic tax education to taxpayers in addition to their enforcement duties

The LRA welcomed the recommendations from the Fula Business Community and elaborated on the efforts already underway on some of their recommendations, and to generally make the tax payment process simpler, while ensuring that LRA field officers will strengthen assistance in educating taxpayers.

The LRA intends to enter into a MOU with the association and will hold clinics at least once every quarter with the Community in an effort to enhance voluntary tax compliance of the Community.

Unraveling The Tricks

Concealed Heroin From Nigeria Seized At RIA



The Liberia Revenue Authority (LRA) in mid-November seized a consignment of 2kilograms of concealed heroin brought into the country on an Arik Flight from Nigeria.

The bag containing the heroin was sent to Achebe Joseph Uwadioma (AKA, Don Joe), a Nigerian national who operates a business at Waterside and Mechlin Street. The suspicious package was mixed with other foodstuffs to conceal its identity and was being cleared by Mr. Uwadioma's broker only identified as Lincoln (at present)

The heroine was detected by an Officer of Customs Anti-Smuggling and Intelligence

Section (ASIS) of the LRA. The seizure is an outcome of a rigorous risk based compliance examination being undertaken by the LRA on cargo entering Liberia through RIA.

LRA upon seizing the consignment turned it over to the Liberia Drugs Enforcement Agency (LDEA) for testing and it was confirmed by LDEA that the consignment was heroine. It was also further confirmed by the Liberia National Police Lab as positive for heroine.

The consignment was turned over to the LDEA for further investigation and disposal. LRA hopes that the investigation will lead to the ring being busted and that the

criminals will face the statutory jail time.

LRA Commissioner General Elfrieda Stewart Tamba also said that the LRA, in pursuit of its statutory responsibility to collect lawful revenue, will collaborate with all relevant agencies in preventing the flow of illicit drugs through Liberia ports of entry.

CG Tamba thanked the LRA Customs Officers and the other agencies for their swift collaboration.

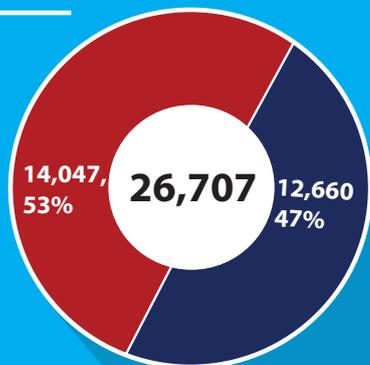
It can be recalled that Customs has also seized counterfeit Liberian dollars that were smuggled through the BO Waterside Land Port concealed in a television.

R E V E N U E

P E R F O R M A N C E

MONTHLY UPDATE

NOVEMBER REVENUE OUTTURN



■ Domestic Tax Department ■ Customs Department

The gross revenue collections for the month of November 2017 were US\$19.883M and LRD 839.304M.

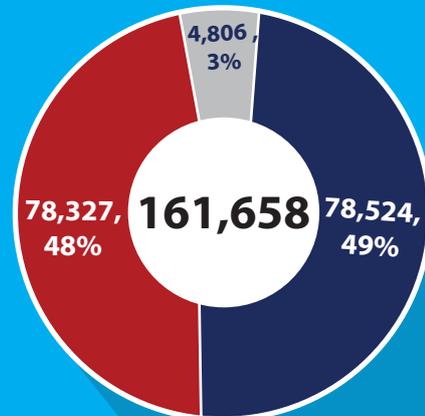
The consolidated aggregate value at the monthly transactional exchange rates is US\$26.707M. This amount registered a shortfall of US\$1.965M or 7 percent against a target of US\$28.672M.

Total collection for the month in the current fiscal year, when compared to

the same period last fiscal year, a decline of 7 percent was registered.

Domestic Tax Department accounted for US\$6.562M and LRD535.509M, consolidated value US\$12.660M, representing 51 percent of the total collection, and Customs department accounted for US\$12.606M and LRD176.263M, with consolidated value of US\$14.047M, representing 53 percent of the total collection.

YTD-DOMESTIC REVENUE PERFORMANCE



■ Domestic Tax Department ■ Customs Department ■ External Resources

The year to date gross revenue collections (July-November 2017) were US\$99.582M and LRD8.844Bn. The consolidated monthly aggregate value was US\$176.247M. However, of the total collection US\$11.344M and LRD359.304M were obligations for last fiscal year 16/17 but actualized in this fiscal year. The current collections year to date were US\$ 88.238M and LRD 8.485Bn. The consolidated value is US\$161.658M, against target of US\$159.289M there is US\$2.369M or 2 percent surplus registered. When compared to the same period of last fiscal period, a growth of 2 percent was registered. Domestic Tax Department

accounted for US\$47.471M and LRD 3.345Bn. The consolidated monthly aggregate value, US\$78.524M was realized, representing 49 percent of the total collection. Customs Department accounted for US\$35.961M and LRD4.983Bn.

The consolidated monthly aggregate value, US\$78.327M was realized, representing 48 percent of the total collection. External resources realized for the period was US\$4.806M or 3 percent of the total collections to date. This amount represent grants of US\$4.81M received from USAID Fixed Assets Reimbursement Agreement.



Caught Red-handed!

Nigerian-Liberian Hooked For Smuggling, Money Laundering

It was bright and early Wednesday morning, November 22, when the joint security set out. They were out on a major revenue protection action mission.

Well planned and executed in line with the law of the state, a collaboration between Liberia National Police and the Professional Ethics Division (PED) of the Liberia Revenue Authority (LRA) culminated into the arrest of a naturalized Liberian of Nigerian origin, Alexander Success Ojogwu, for smuggling, money laundering and tax evasion.

Before the mission, the LRA had been copied on a complaint from DSTV Liberia of possible smuggling of DSTV antenna, decoders and related equipment.

Acting on this tip, the LRA Officers

conducted internal data analysis on both its domestic tax and customs database and found that the suspect and his business only paid Business Registration fees from 2013 up to 2016 January.

Suspect Ojogwu was caught for smuggling and selling DSTV decoders, satellite dishes and other devices at his home on Broad Street—an act of tax evasion. He was also accused of collecting fees from customers and directing customers to subscribe for service with DSTV Nigeria through a fraudulent money transfer scheme.

Ojogwu has reportedly been carrying out his illicit deals under the disguise of operating an electronic shop at his rented home.

The LRA also coordinated with the office of

the Solicitor General and the Montserrado County Attorney for the issuance of a search and seizure warrant on the premises of suspect Ojogwu.

During the search, 40 pieces of large satellite plates, 66 pieces of small satellite plates including DSTV decoders and several other accessories in large commercial quantities were discovered including cash of US\$15,057.00. His smuggling activities have been undermining a legitimate taxpayer.

Preliminary investigation has indicated that suspect Ojogwu, who registered a business under the name Success Technology Enterprise in 2013. Neither he nor his business had paid taxes to the Government of Liberia.

REVENUE WATCH

Grooming The Future Taxpayers

School Tax Education Program Launched

The Liberia Revenue Authority (LRA) in collaboration with the Open Society Initiative for West Africa (OSIWA) along with the Ministry of Education in November launched the first phase of the School Tax Education Program (STEP) for students in Liberia.

The STEP project, first for its kind under the existence of the LRA, is aimed at creating a sense of civic duty in the minds of Liberian students in junior and high schools as well as colleges and universities.

The program places emphasis on discussions surrounding relevant tax topics that will enlighten the minds of the students

and the youthful population about the importance of taxes and their benefits.

It will so seeks to develop the culture of compliance based on rights and civic responsibilities with the aim to promote a positive view of tax collection in ensuring an increase in tax literacy in Liberia.

Delivering the keynote address at the launch on Friday, November 10, 2017, LRA Commissioner General Elfriede Stewart Tamba said the program was in line with LRA's Cooperate Strategic Plan in a bid to transform revenue administration in Liberia. CG Tamba said the initiative was a major initiative for achieving the sustainable

development goals and a key pillar in strengthening domestic resource mobilization efforts.

She noted that amid the decline in donor founding, it was important for Liberia to mobilize its own domestic resources to address some of the major developmental needs of the country there by developing the tax consciousness of students. "We are planting the seeds for national tax consciousness" LRA Commissioner General Elfrieda Stewart Tamba added at the launch of the project at the University of Liberia Fendell Campus.

Building Capacities To Battle Tax Crimes

HR Conducts Training For FIU Staff

Criminals are getting smarter every other day. Their activities span from smuggling, under declarations to tax avoidance and other fraudulent activities.

With continuous advancement in computer science, they are heavily involved in using counter-intelligence and technologies to upgrade their schemes in fomenting criminal activities of all sort including evading taxes, money laundering and related crimes.

To successfully defeat these acts require strong partnership and collaboration with law enforcers and criminal investigators. The Liberia revenue authority has over the years been partnering with the Liberian National Police and the Liberia Anti-Corruption Commissioner in fighting tax crimes.

In November, similar partnership was strengthened when the LRA, though it's Human Resource Management Division, conducted a training on taxation and tax crimes for staff of the Financial Intelligence Unit (FIU) in Monrovia.

The training provided a thorough capacity development on financial crimes investigation functions for 10 staff of the FIU who participated in the exercise. Among other things, the training focused on the categories of Taxes in Liberia and the administration of taxes.

Making opening remarks, FIU Executive Director Alex Cuffy thanked the LRA for providing the training, indicating that said training will provide FIU staff adequate knowledge on how to tackle fraudulent tax

activities, and curtail tax crimes in the country.

LRA Commissioner of Domestic Tax Division, Darlington Y. Talery, presented on two topics which covered the principle of taxation and taxes effect in Liberia, while the Assistant Commissioner for Medium and Micro Tax, Sebastain Weah, presented on Taxes required by NGOs, National Professional Organizations and the Usage of Non-Business Banks Account.

Also, the Manager for Rural Tax, Thomas Jallah, presented on Rural and Urban Taxation. The training was administered on Friday, November 17, 2017 at the FIU Head Office in Congo Town.

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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