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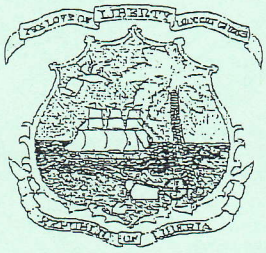
LIBERIA  OFFICIAL

GAZETTE

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EXTRAORDINARY

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA ANNOUNCES THAT, THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING (MFDP), PURSUANT TO THE AUTHORITY VESTED IN IT BY SECTION 21.5 (C) OF THE ACT CREATING, SECTIONS 56 (A) AND 14247 OF THE LIBERIA REVENUE CODE, HEREBY ISSUES THE REGULATION FOR THE WAIVER OF PENALTIES, INTERESTS, AND PETTY TRADER REGISTRATION FEES, HEREIN UNDER.

BY ORDER OF THE PRESIDENT

MARJON V. KAMARA
MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
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REGULATION FOR THE WAIVER OF PENALTIES, INTERESTS, AND PETTY TRADER REGISTRATION FEES

The Ministry of Finance and Development Planning (MFDP) pursuant to the authority vested in it by Section 21.5(c) of the Act creating the MFDP, Sections 56 (a) and 14247 of the Liberia Revenue Code, hereby issues the following regulation:

PART ONE PRELIMINARY PROVISION

1.1 Reference and citation

This Regulation shall be known and cited as: Temporary Amnesty Scheme on the Collection of Assessed Penalties and Interest (**Reference NO. 1.56-1/MFDP/FAD/RTP/12/04/2016**). The short title of this Regulation shall be GOL Tax Arrears Payment Incentive Scheme (TAPIS) 2016

1.2 Objective of the Regulation

The purpose of this Regulation is to provide fiscal stimulus by waiving penalties and interest on tax arrears; past due business registration fees, licenses, petty trader registration fees as well as waiver of penalties and interest on permits. Additionally, the Regulation will also temporarily extinguish the five years payment by the buyer of tax arrears upon conveyance of a real property from the seller to the buyer.

The primary objective of the TAPIS is to encourage compliance of taxpayers to pay their tax arrears by providing a time limited amnesty period whereby assessed penalties and interest will be reduced or extinguished.

A secondary objective of the TAPIS is to incentivize Small Medium Enterprises (SMEs) as well as other sectors of the economy that were badly hit by the Ebola Pandemic, as well as the general global economic downturn caused by, inter alia, falling commodity prices.

1.3 Application of the Regulation

This Regulation shall apply to all taxpayers including individual real estate owners and petty traders. It covers assessed penalties and interest as a result of failure to file and/or failure to pay taxes and fees and unpaid Licenses and fees for prior years in certain categories.

1.4 Definition of terms

In this Regulation:

4.1.1 "Arrears" means the net tax liability excluding the assessed penalties and interests and outstanding registration fees.

4.1.2 "Assessed penalties" means an amount determined by the LRA and imposed on the unpaid tax liability as a result of late filing, failure to file, late payment and failure to pay taxes due.

4.1.3 "Assessed interest" means an amount determined by the LRA and imposed on the unpaid tax liability for the period from the due date to the date the tax is paid.

4.1.4 "LRA" means the Liberia Revenue Authority.

4.1.5 "Minister" means the Minister of Finance and Development Planning.

PART TWO PROCEDURAL GUIDELINES AND IMPLEMENTATION

2.1 Procedure notice

By this Regulation, the Government of Liberia establishes a Temporary Amnesty Scheme on the collection of specified penalties and interest assessed as being due on Business Income Tax, Personal Income Tax, Goods and Services Tax, all other Withholdings, Excise Tax, Real Property Tax and Customs Duties, Business Registration Fees, various types of Licenses and Petty Traders Fees and all other taxes as well as Failure to File penalties.

2.2 Guidelines for specified action

TAPIS shall operate according to the following procedures:

2.2.1 Taxes covered under TAPIS

TAPIS shall cover:

i. Assessed penalties and interest due in relation to failure to file and/or pay: Business Income Tax, Personal Income Tax, Goods and Services Tax, all other Withholdings, Excise Tax, Real Property Tax, Customs duties except were smuggling is involved, past due Business Registration fees, past due Petty Traders Fees and all other taxes relating to arrears for tax period ending on or before April 30, 2016.

ii. Assessed penalties and interest on tax including customs assessments subject to official objection or appeal by the taxpayer where the protest or appeal is dropped by the taxpayer

iii. Un-assessed Penalties and interest emanating from voluntary self– declaration, or whistle-blowing.

iv. Petty Trader Registration – All outstanding fees as at June 30th 2015and the penalties and interest accrued there on shall be extinguished per the waiver table.

v. Business Registration – All outstanding registrations for medium, small, micro and self-employed prior to June 30th 2015if on FY basis and December 31st 2014 if on calendar year basis. And the penalties and interest thereon shall be extinguished.

vi. Penalties and interest relating to arrears on audit assessments for tax period ending on or before April 30, 2016.

vii. Penalties and interest relating to Court cases where the case is voluntarily withdrawn from the Court by the Taxpayer.

2.2.2 Waiver Table

TAPIS shall apply to all taxpayers in varying degrees based on the waiver table below

No.	FULL & FINAL TAX PAYMENT MADE	PENALTY & INTEREST WAIVER ENTITLEMENT
1	May 1, 2016– June 30, 2016	100%
2	July 1, 2016 December 31, 2016	50%
3	January 1, 2017 – April 30, 2017	30%

CASES–FOR TAXPAYER WHOSE DECISION IT IS TO DROP THE COURT CASE

No	A	B
	FULL & FINAL TAX PAYMENT MADE	**PENALTY & INTEREST WAIVER ENTITLEMENT**
1.	May 1, 2016 – December 31, 2016	50%
2.	January 1, 2016 – April 30, 2016	25%

TAPIS shall have a maximum duration of one year for individual, petty traders, small taxpayers, medium taxpayers and large taxpayers during which taxpayers may apply for penalty and interest relief and where applicable, unpaid licenses, business registration fees and petty trader fees.

There shall be 2 options for all categories of taxpayers to select from:

a Payment of their tax liability in full, or

b Installment arrangement with a maximum period of six months and not to go beyond April 30, 2017.

1. Option one – payment in full

The taxpayer shall pay all outstanding taxes in full and in return receive a penalty & interest waiver in accordance with the WAIVER TABLE. The earlier the payment of assessed tax is made, the higher the waiver granted.

Where outstanding assessed taxes is paid IN FULL during the period indicated in the applicable waiver table, the corresponding penalty and interest waiver shall be granted to the taxpayer.

2. Option 2 – instalment arrangement

The taxpayer shall enter into a binding instalment payment schedule based upon the date of the final tax instalment payment is to be made as depicted in the WAIVER TABLE above. The taxpayer shall receive penalty and interest waiver of a flat rate subject to the following specified conditions:

i. Any taxpayer wishing to enter a payment arrangement shall officially apply for TAPIS relief to the LRA anytime after the effective date of this Regulation. Note that for any month in which the application is made, the taxpayer shall have only six months. Any

instalment payment beyond six months will have to be re-arranged in accordance with the WAIVER TABLE. However, in order to benefit from the waiver of penalties and interest, the maximum allowable instalment period shall be six months, but not beyond April 30, 2017.

ii. The latest date for full and final tax payment shall be April 30, 2017.

iii. Payment arrangements shall stipulate the due dates of each instalment. A taxpayer may pay a higher instalment amount than the minimum instalment amount agreed upon as due, and, if this results in the total tax liability being extinguished earlier than originally planned and agreed, the taxpayer shall become eligible for a revised applicable waiver rate in the WAIVER TABLE.

iv. Signed payment arrangements may be varied only by formal mutual consent and formal agreement between the LRA and the taxpayer but shall remain within the maximum payment period.

v. The taxpayer shall acknowledge that any payment default without prior notification in writing having been received by the LRA and without a revised payment arrangement having been determined shall render the payment arrangement null and void, whereupon 100% of unpaid taxes, penalties and interest shall become immediately due.

2.2.3 General procedure

1. Taxpayers who are not in the tax net shall self-declare their tax arrears which shall be subject to calculations of penalty or interest or any sanction whatsoever by the LRA. The taxpayer shall however benefit from the waiver of penalties and interest as per the WAIVER TABLE, if tax payment is made within the amnesty period.
2. The LRA shall wherever possible prepare a Statement of Claim detailing the taxpayer/debtor obligation in terms of outstanding assessed tax, penalty, and interest, which shall be sent to the last known registered address of the taxpayer. The Statement of Claim shall make an offer of waiver of penalties and interest if the taxpayer elects to avail him/her/itself of the TAPIS provisions. Taxpayers are not to wait until a Statement of Claim is received.
3. Taxpayers wishing to pay outstanding taxes under the scheme shall be entitled to penalty and interest relief of up to 100%, dependent upon the date the outstanding tax is paid in full.

4. Taxpayers shall present their Self-Declaration or Statement of Claim to the LRA indicating a desire to benefit from the amnesty provisions, and indicate the preferred payment method, using Option 1 (payment in full) or Option 2 (payment arrangement) as applicable.
5. If payment Option 2 is selected, the tax debtor and the LRA shall agree and sign a Standardize Tax Amnesty Contract containing standardized terms and conditions including the schedule of payments.
6. Upon successful and complete payment of the tax debt, plus the payment of the appropriate percentage of penalty and interest consistent with the waiver granted, the tax debt shall be written off the books of the LRA, and penalties and interest shall be recorded as waived. Thereafter, a tax clearance will be given to the taxpayer by the LRA duly verified by internal audit confirming the settlement of the tax obligation.

PART THREE MISCELLANEOUS PROVISIONS

4.1 Amendment

The terms and conditions of this Regulation shall remain enforce for one year as of the effective date. However, the Ministry of Finance and Development Planning may revise this Regulation in its entirety or amend sections thereof as the circumstances necessitate.

4.2 Exclusion

This Regulation shall not apply to Judgment from Court cases unless the applicant withdraws the case voluntarily but once a judgment is issued, it shall be binding.

4.3 Effective Date

This Regulation shall take immediate effect on the **1st of May, 2016** and shall end the **30th of April 2017.**