



**REPUBLIC OF LIBERIA**  
**MINISTRY OF FINANCE & DEVELOPMENT PLANNING**  
P.O. BOX 10-9016  
1000 MONROVIA, 10 LIBERIA



**ADMINISTRATIVE REGULATION**

**NO. 4. (1100-1166)-1/MFDP/RTPD/3 JUNE 2020**

**TO : ALL TAXPAYERS AND TAX PRACTITIONERS**

**SUBJECT: RULES AND PROCEDURES FOR IMPLEMENTATION  
OF THE REFORMED EXCISE TAX LAW OF LIBERIA  
(2018)**

**DATE: June ~~11~~, 2020**

**1.0 PREAMBLE**

**WHEREAS**, an Act to amend the Liberia Revenue Code (2000), as amended by the Consolidated Tax Amendments Act of 2011, to reform Excise Tax Law was approved on December 14, 2018 and published on January 8, 2019.

**WHEREAS**, immediately upon publication of this Act, Part IV (Excise Taxes) of the Liberia Revenue Code (2000), as Amended by the Consolidated Tax Amendments Act of 2011, shall be replaced in its entirety with the Reformed Excise Tax Law of Liberia (2018).

**WHEREAS**, the Ministry of Finance & Development Planning (MFDP) is responsible for the formulation of fiscal policies to govern taxation pursuant to the Revenue and Customs Code of the Republic of Liberia.

**NOW THEREFORE**, in accordance with the law, the Ministry of Finance and Development Planning herewith sets forth the following Regulations for the implementation of the Reformed Excise Tax Law of Liberia (2018).

**2.0 LEGAL BASIS**

These Regulations are issued in exercise of the powers conferred upon the Minister by Section 5(4) of the Appendix A. Preliminary Matter, Liberia Revenue Code Act of 2000. In keeping with section 5(4) of the Appendix A of the Liberia Revenue Code, the Minister has the power



to issue regulations as necessary from time to time to give effect to the Code and further the purpose of carrying into effect any of its provision, including the strengthening of tax administration.

### 3.0 PURPOSE

The purpose of these regulations is to provide rules and procedures for the implementation of the Reformed Excise Tax Law of Liberia (2018).

#### PART I: CITATION AND INTERPRETATION

##### 1. Citation

These regulations may be cited as the Excise Tax Regulations, 2020.

##### 2. Interpretation

In these regulations, unless the context otherwise requires—

- a. "ABV" means alcohol by volume.
- b. "Any other tax" means a tax other than excise tax;
- c. "Beer" is an alcoholic beverage exceeding 0.5% abv that, if imported, would fall within tariff code 2203 and the explanatory notes of that section. A beer must be made by the fermentation of hops and barley, but does not include non-alcoholic versions of beer;
- d. "Cigar" means a cigar, cheroot, or cigarillo, prepared from tobacco which, if imported, would fall under the tariff code 2402 10 00;
- e. "Cigarette" means a cigarette prepared from tobacco which, if imported, would fall under tariff code 2402 20. A cigarette may be sold with or without a filter.
- f. "Commissioner" means the Commissioner General appointed under the Liberia Revenue Authority Act;
- g. "Cosmetics" means Cosmetics and cosmetic aids including perfumes, toilet preparation, hair products and nail products) as specified under Harmonized Customs Tariff Code 3303, 3304 or 3305 but excludes soap, toothpaste, toilet tissues and disinfectants which are not considered cosmetics or cosmetic acids for excise tax purposes;
- h. "Excisable goods" means goods manufactured in Liberia and imported into Liberia and specified in Schedule 1 of the Reformed Excise Tax Law of Liberia (2018);
- i. "Excisable services" means services specified as excisable service by the Excise Tax Law of Liberia.
- j. "Excise stamp" means a stamp approved by the Commissioner to be affixed to excisable goods in accordance with these Regulations;
- k. "Excise tax" means a tax imposed under the Reformed Excise Tax Law (2018);
- l. "Export" means the movement of excise goods from premises located in Liberia for consumption in a country other than Liberia;
- m. "Factory" means any premises at which a registered manufacturer is given authority to manufacture and store excisable goods (including raw materials);
- n. "Import" means to bring or cause goods to be brought into Liberia from a foreign country, a special economic zone or an export processing zone;



- o. "Importer" means the person who owns the goods, or any other person who is, for the time being, in possession of or beneficially interested in the goods at the time of importation;
- p. "Jewelry" means any product as specified under Harmonized Customs Tariff Codes 7113 to 7118 inclusive;
- q. "Manufacture" includes the production of excisable goods or any intermediate or uncompleted process in the production of excisable goods or the rectifying or denaturing of spirits;
- r. "Materials" means the goods from which excisable goods are capable of being manufactured and any residue from the process of manufacture;
- s. "Non-alcoholic beverages" means any beverage within the Harmonized System code 2202 and includes non-alcoholic beers, malta and carbonated soft drinks;
- t. "Package" means a packet, bottle or similar unit of excisable goods;
- u. "Packet" means a packet of cigarettes packed for sale;
- v. "Return" means an excise tax return;
- w. "Spirits" means spirits of any description under Harmonized Customs Tariff 2208 or 2207 10 produced by the distillation of a fermented liquor. Any other liquid which is mixed with spirits becomes a spirit, except for wine which can contain added alcohol up to 25% abv. Over 25% abv the wine and spirits mixture become a spirit for excise purposes.
- x. "Sugar" is a product under any description under Harmonized Customs Tariff 1701991000 and 1701999000 and includes a saccharine substance, extract, or syrup, rice, flaked maize, any other description of corn which in the opinion of the Commissioner is prepared in a manner similar to flaked maize and any other material capable of being used in brewing except malt, corn, hops, hop concentrate, or hop oil;
- y. "Trader" means manufacturers of excisable goods and providers of excisable services
- z. "Warehouse" means the place where the excisable goods are stored before paying excise tax; and
- aa. "Wine" means an alcoholic beverage which has been produced by the fermentation of fruit (including grapes, apples etc.) which exceeds 1.2% abv but does not exceed 25% abv.

## II – REGISTRATION OF EXCISE TRADERS

### 3. Registration of Traders

Anybody who:

- (a) Manufactures excisable goods; and/or
- (b) Provides excisable services

must be registered as a Registered Excise Manufacturer or a Registered provider of excisable services as appropriate.



#### **4. Application for registration**

A person who intends to manufacture excisable goods in Liberia or provide excisable services in Liberia shall, not later than thirty days before commencement of the manufacturing or supply, apply to the Commissioner for registration in the form prescribed in Schedule 1.

#### **5. No fees shall be charged for registration**

No fee shall be charged for the registration of an excise trader.

#### **6. Issuance of a registration certificate**

The Commissioner shall consider an application under Regulation 4 and shall issue a registration certificate or a refusal to register the applicant within thirty days of receiving the application. No person will be granted a registration certificate unless the LRA's fit and proper criteria have been met. The Commissioner may impose conditions and criteria for registration in a Notice.

#### **7. Refusal to register**

The Commissioner may refuse to register a person in writing within thirty (30) days of receiving the application if either of the following circumstances applies:

- a) The applicant has no fixed place of abode or business in Liberia
- b) The Commission has reasonable grounds to believe that the applicant does not have a bank account; will not keep proper records; or will not submit regular and reliable excise tax returns

#### **8. Petition for a review of the decision of the Commissioner to refuse a registration**

An applicant who is dissatisfied with a decision of the Commissioner under Regulation 7 may submit a petition in writing to the Commissioner for a review of the decision within thirty days from the date of receipt of the decision and shall state the grounds for review of the decision.

#### **9. Approval or disapproval by the Commissioner**

The Commissioner may approve or disapprove the petition. Where the Commissioner disapproves the petition the Commissioner shall give reasons for the disapproval.

#### **10. Form of registration certificate**

The certificate of registration shall be issued in a form prescribed by the Commissioner as provided in Schedule II.

#### **11. Compulsory registration**

- a) Where the Commissioner believes that a person is required to be registered under these Regulations, but has failed to apply for registration, the Commissioner shall register the person and issue the person with a certificate of registration after the Commissioner notifies the person in writing and gives the person an opportunity to object to the registration within thirty days.
- b) Failure to register for excise tax does not excuse taxpayers from paying excise tax as prescribed under the law.

#### **12. Effective date of a registration**

Registration shall take effect from the date specified by the Commissioner in the certificate of registration.



**13. Display of registration certificate**

A registered person shall display in a conspicuous place the original of the certificate of registration at the principal place of business and copies of registration certificate in other places of business.

**14. Notification by a registered person**

A registered person shall notify the Commissioner in writing—

- a) not later than fourteen days before the occurrence of the event if the registered person ceases to carry on the activity for which the certificate of registration is issued; or
- b) not later than fourteen days after the occurrence of the event if there is any change in the name, address, place of business, ownership, constitution, or nature of the principal activity or activities carried on by the registered person.

**15. Cancellation of registration**

The Commissioner may, after giving notice in writing to a manufacturer or a service provider cancel the registration certificate issued under Regulation 6 where —

- a) the manufacturer or service provider does not comply with the terms, conditions or restrictions imposed on the registration by the Reformed Excise Law (2018) or Excise Tax Regulation 2020; or
- b) the manufacturer or service provider is convicted of an offence under the Liberia Revenue Code; or
- c) any other reasonable cause.

**16. Effective date of cancellation of registration**

The cancellation of a certificate of registration takes effect from the date specified in the notice of cancellation.

**17. Liability of a registered person after the cancellation of registration**

Any obligation or liability of a registered person under this regulation in respect of anything done or omitted to be done by the person while registered, including the obligation to pay excise tax or to file excise tax returns, shall not be affected by the cancellation of the person's registration.

**18. Consequences of cancellation of registration**

If the certificate of registration of a registered person is cancelled the registered person shall—

- a) immediately cease to deal in the manufacture of excisable goods and/or provision of excisable services;
- b) immediately pay all excise tax on excisable goods on hand in respect of which tax is still unpaid; or
- c) dispose of excisable goods and materials in accordance with the direction of the Commissioner;
- d) return to the Commissioner any unused excise stamps within 14 days of cancellation of the registration.



### **PART III—RECORD-KEEPING REQUIREMENTS**

#### **19. Record of Raw Materials and Finished Products**

- a) A daily record form, as indicated in Schedule III must be kept showing:
  - Opening stock of all relevant goods at the start of each calendar month;
  - Receipts of raw materials;
  - Quantity produced of each excisable good;
  - Quantity removed duty paid;
  - Quantity removed under duty suspension (i.e. for export).
- b. The records must be kept either using a suitable software system or in paper format but the audit trail must be transparent with a reconciliation available from production, through to packaging, storage and removal.

#### **20. Delivery Notes**

- a) All movements of excisable goods from each registered premises must be accompanied by a delivery note which contains information of the type of excisable goods being transported, the destination address, the quantity of each excisable good.
- b) The relevant invoice number to which the goods relate must be on the delivery note.
- c) Where goods are leaving without a sale being made, the delivery note must contain all details of excisable goods, brand, and quantities. Sales must be supported by invoices and, if any goods are returned to the production premises, these must be entered back into stock.

#### **21. Retention of records**

A registered person shall retain records for 7 years.

#### **22. Reporting of discrepancies in inventory**

- a) The records must show an audit trail from the receipt of raw materials, when those raw materials are used in production, packaging, storage and sale.
- b) All sales invoices must be kept showing the customer details, quantity of excisable goods sold, and the address where the excisable goods have been delivered to.
- c) A manufacturer shall notify the Commissioner of a discrepancy in goods between the actual and recorded inventory of the manufacturer within fourteen days of becoming aware of the discrepancy.
- d) Where a manufacturer cannot account for the quantity of goods manufactured in a warehouse to the satisfaction of the Commissioner, the manufacturer is liable to pay excise tax as if the manufacturer entered those goods for private use from a warehouse during the month in which the deficiency occurred.
- e) The Commissioner may inspect the premises of the manufacturer to verify and validate internal controls on an ad hoc basis to avoid discrepancies.



## **PART IV—RETURNS, PAYMENTS, ASSESSMENTS AND REFUNDS OF EXCISE TAX**

### **23. Excise tax returns**

A registered manufacturer shall submit an excise tax return, in the approved form as given in Schedule IV, for each calendar month not later than the 21<sup>st</sup> day of the succeeding month, whether or not any excise tax is payable for that month.

### **24. Payment of excise tax**

- a) The excise tax payable by a registered manufacturer in respect of excisable goods removed from a manufacturer's factory for domestic use during a calendar month shall be paid not later than the 21<sup>st</sup> day of the succeeding month.
- b) The excise tax payable by an importer in respect of the importation of excisable goods into Liberia shall be paid to the Commissioner at the time of importation as per the customs procedures as specified in Part V of the Liberia Revenue Code.

### **25. Excise tax assessment**

- a) Where the Commissioner has reason to believe that—
  - i a manufacturer fails to submit a tax return specified in these Regulations; or
  - ii a return is incorrect or that a lawful excise tax has not been paid, the Commissioner may, based on the information available, estimate the excise tax payable by a person for the purposes of making the assessment for any period for which the Commissioner deems it necessary.
- b) Where an assessment has been made under this section, the Commissioner shall serve a notice of assessment on the person assessed, and the notice shall state—
  - i. the legal grounds and reasons for the assessment;
  - ii. the excise tax payable;
  - iii. the date that the excise tax is due and payable;
  - iv. the place for payment of the excise tax; and
  - v. the procedure for objecting to the assessment.

### **26. Credit for excise tax paid on raw materials**

- a) Excise tax paid on goods used as basic raw materials for the production of excisable goods or provision of excisable services is creditable against the excise tax due on final excisable goods.
- b) The creditable amount is calculated on the basis of the value of excisable raw material actually used for the manufacture of excisable goods in the tax period.

### **27. Refund of excise tax**

- a) A person registered under these Regulations may apply for a refund of excise tax paid—



- i. on returned goods by the buyer to the seller in accordance with the contract of sale;
  - ii. on the imported excisable goods that have been subsequently exported; or
  - iii. tax paid in error
- b) An application for a refund can be made in the prescribed form, as indicated in Schedule V, within 12 months from the date of the payment of the excise tax.
- c) Where the Commissioner is satisfied, the Commissioner shall—
  - i offset the excess from any other tax due by the person ;
  - ii in any other case, refund the excise tax within ninety days from the date of receipt of application for a refund.
- d) The Commissioner shall pay simple interest on the amount subject to refund starting from the expiry of ninety days after the date of the application for refund and ending on the last day on which a refund is made.

#### **28. Treatment of exports**

- a) Excisable goods may be exported from licensed production premises without excise being paid in Liberia. Excisable goods to be exported shall be transported under the duty suspension arrangement.
- b) These goods shall be released under a bond, and shall be accompanied by documents issued by the consignor.
- c) Exporters shall provide specified information in advance of the removal and provide evidence that the exportation has been completed.

#### **29. Delivery of excisable goods without payment of excise tax**

- a) The Commissioner may, in a Practice Notice published to the relevant excise traders, explain the process for removing goods without payment of excise tax.
- b) Failure to comply with the process, as set down in the relevant Practice Notice, shall lead to any excise tax due being assessed together with penalties, if due.

#### **30. Temporary importation of goods**

- a) The Commissioner may grant permission for a person to import excisable goods without payment of excise tax where the Commissioner is satisfied that the goods
  - i. to be imported are for purposes of further processing or exhibition, and
  - ii. shall be re-exported within three months from the grant of the permission.
- b) A person granted permission under sub-regulation a) shall provide a bond or security equal to the amount of excise tax payable on the goods, as determined by the Commissioner.
- c) The Commissioner shall retain the bond or security where goods imported are not re-exported within the specified period.
- d) Where the goods are re-exported within the time specified in sub-regulation a), the Commissioner shall cancel the bond or security provided. The process for general exports must be followed. Failure to provide evidence that the



goods have been exported shall result in the excise tax being paid together with penalties, if due.

## **PART V — EXCISE STAMP**

### **31. Excisable goods subject to excise stamp**

Excise stamp shall be affixed or applied to every package of the following excisable goods:

- a) Alcoholic beverages designated for human consumption under HS Codes (2203, 2204, 2205, 2206 and 2208);
- b) Cigarettes under HS Code (2402.20).

### **32. Exemption from excise stamps**

The following goods shall be exempted from mandatory affixing or applying of excise stamps:

- a) Locally produced Palm wine under HS Code (2206.0091.00);
- b) Goods produced for export or that cross Liberia border for transit or goods intended for the supply to a duty-free outlet;
- c) Goods imported into Liberia or purchased in Liberia by a diplomatic or consular mission or diplomat or consul or a member of the diplomat or consul's family forming part of the diplomat or consul's household in Liberia to the extent provided under the Revenue Code;
- d) Goods brought into Liberia by private individuals from abroad for their own personal use.

### **33. Design, and manner of affixing or applying excise stamps**

The Commissioner, through administrative regulations, shall specify the design, specification, and manner of affixing or applying excise stamps.

### **34. Excise stamp fees**

- a) Excise stamp fees shall be paid by the manufacturer or importer before the stamps are issued to them.
- b) Excise stamp fees to be charged on excise stamps shall be as specified in Schedule VI.

### **35. Other Procedures relating to excise stamps**

The Commissioner may through administrative procedures and guidelines specify time, place and other procedures regarding affixing or applying of excise stamps.

## **PART VI — APPROVAL OF PREMISES AS WAREHOUSES FOR ALCOHOLIC BEVERAGES AND TOBACCO PRODUCTS**

### **36. Approval of premises as warehouse**

- a) Any person who produces or holds excise goods prior to excise payment must be registered with the LRA.



- b) In addition, the premises where the goods are held under duty suspension must also be registered.
- c) Any person wishing to produce excise goods under duty suspension shall apply to the Commissioner in a form determined by the Commissioner for approval of premises as an excise warehouse.
- d) Where the Commissioner is satisfied that the premises meet the requirements set out by the him, the Commissioner shall approve the application subject to such terms, conditions or restrictions as approved.
- e) The requirements that need to be complied with shall be determined in a Notice published by the Commissioner.

**37. Equipment to be maintained at the warehouse**

A registered manufacturer of alcoholic beverages or tobacco products shall keep and maintain at the factory, metering and/or measuring devices, and such other equipment as may be necessary in order to enable the Commissioner to take an account of, or check by weight, gauge or measure, excisable goods or materials in the factory.

**38. Storage of excisable goods at the warehouse**

A registered manufacturer of alcoholic beverages and tobacco products shall store excisable goods before the application of excise stamps in the factory in such manner as to facilitate the taking of a full account of the goods.

**PART VII—MISCELLANEOUS**

**39. Transitional provisions relating to existing manufacturers of excisable goods**

- a) A person who manufactures excisable goods before the commencement of these Regulations and continues to do so but has not been registered for excise tax purpose shall apply for registration within 30 days of the commencement of these Regulations and the Commissioner shall process the application and notify the applicant of the decision within 30 days of receiving the application.
- b) Prior to any approval being granted, the Commissioner shall arrange a visit to review the record-keeping requirements and assess any excise due on goods already produced or held prior to the approval being granted.

**40. Transitional provisions relating to excise stamps**

- a) The Commissioner shall by public notice determine the date from which manufacturers and importers are to affix the excise stamps on relevant cigarettes and alcoholic beverages.
- b) Three months after the date determined by the Commissioner, a manufacturer, importer, wholesaler or retailer shall not sell or distribute cigarettes or alcoholic beverages that do not bear the excise stamp.
- c) A manufacturer, importer, wholesaler or retailer that still has a stock of cigarettes or alcoholic beverages not sold after the transitional period shall take an inventory and buy the commensurate quantity of excise stamps from the Commissioner to be affixed to the stock before selling the cigarettes or



alcoholic beverages. Where the tax stamp cannot practically be applied to the products held, those goods will be confiscated.

### EFFECTIVE DATE

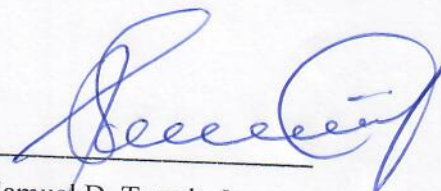
These Regulations shall become effective upon the signature of the Minister of Finance and Development Planning (MFDP).

Signed: \_\_\_\_\_



Samora P.Z. Wolokolie, CFE, CA, CPA, FCFIP, PhD  
**DEPUTY MINISTER/FISCAL AFFAIRS**

Signed: \_\_\_\_\_



Samuel D. Tweah, Jr.  
**MINISTER**

Date: \_\_\_\_\_

June 11, 2020

Date: \_\_\_\_\_

JUNE 11, 2020