



REPUBLIC OF LIBERIA
MINISTRY OF FINANCE

ADMINISTRATIVE REGULATION
NO. 1.55-1/MOF/R/28 DECEMBER 2010

TO : ALL Taxpayers

SUBJECT : Minimum Standards for Documentation in the Books and Records of Large and Medium Legal and Natural Persons Engaged in Business

DATE : December 28, 2010

1.0 GENERAL RULE

Section 55 sub-sections (a-c) of the Revenue Code of Liberia Act of 2000 specifies the minimum records to be kept by every person with a tax obligation, whether for payment of tax or withholding of tax. The said records must be maintained in Liberia in the English Language for five (5) years after the end of the tax period to which they refer. The law further requires that such books, records or other appropriate records of transactions of business carried out shall be sufficiently adequate to substantiate the tax due in accordance with the person's method of accounting. The records, information, or books specified herein below must be readily available for scrutiny, inspection and audit by the Ministry of Finance.

It is the responsibility of all taxpayers to maintain an orderly and complete recording system that facilitates ease of verification.

2.0 AMENDED REGULATION

Regulation No. 1.55-1 MOF/R/26 October 2001 is hereby amended and replaced with immediate effect upon signature of this Regulation

3.0 PUBLIC NOTICE:

In addition to the minimum record requirement, taxpayers must maintain the following records, information, or books or described below.

4.0 LARGE & MEDIUM TAXPAYERS' RECORDS

The Large and Medium Taxpayers shall keep trial balance, ledgers, and journals which at a minimum contain the following:



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4.0 LARGE & MEDIUM TAXPAYERS' RECORDS

The Large and Medium Taxpayers shall keep trial balance, ledgers, and journals which at a minimum contain the following:

- 4.1 Amount of cash on hand, and in bank including copies of (bank statements for both local and foreign accounts.
- 4.2 Cash records including cash books, petty cash vouchers, bank statements and other account records showing daily transactions such as calculator tape rolls or copy of receipts.
- 4.3 Amounts owed by the business; a listing of total receivables including trade and non trade receivables also including the supporting legal and contractual documents and notes.
- 4.4 Tax accounts, payments and filing records
- 4.5 Fixed assets register showing date of acquisition, original cost of acquisition, depreciation and accumulative depreciation, along with the full particulars and locations of all other assets..
- 4.6 Sales invoices clearly reflecting price per item or receipts in triplicate with serial numbers including local and foreign sales, showing cash and credit sales.
- 4.7 Other sales invoices or receipts in detail showing interest and dividends received, rents, gains or loss on sales of assets, and all other non-operating income in detail.
- 4.8 Purchase records:
 - a. Showing details of all local purchases along with original invoices supporting all such local purchases.
 - b. All imports along with certified customs declarations and invoices.
- 4.9 Import and Export documents showing detailed values and accurate descriptions of goods and services imported and exported from Liberia, including, in the case of goods, certified copies of customs export documents and evidence of exportation.
- 4.10 Accounts of raw materials, work-in-process and finished goods for those in manufacturing and processing business.
- 4.11 Business expenses including cash compensation of officers, salaries and wages, rent and maintenance, taxes payments, travel and entertainment, depreciation and amortization, legal, accounting and architects' fees, bad debt, other operating expenses; including insurance and utilities, non-operating expenses; including interest paid, losses on sales of fixed assets, and other items.



- 4.12 Employment letters and contracts for all employees and contractors or agreement stipulating their remuneration including cash, and non-cash benefits. These letters and contracts should be signed accepted by employees.
- 4.13 Foreign exchange trading transactions must be detailed reflected and accurately reflect the purchase and sales rates.
- 4.14 All documents supporting each entry in the books and accounts (e.g. suppliers' invoices, returned paid checks, copies of sales invoices, copies of receipts, etc.) must be numbered and cross-referenced to the books and accounts. They must be filed in date order such that they may be referred to without unnecessary difficulty by the Auditors of the Ministry of Finance, in the course of their examinations of the accuracy of the entries in the books and accounts of the income tax return.
- 4.15 All minutes of all Board of Directors' meetings must be kept and be made available upon request by the Auditors of the Ministry of Finance.
- 4.16 All agreements must be duly notarized in the country of the foreign buyer, and all leases must be duly notarized and registered. Leases and agreements not registered and notarized shall not be accepted by the tax auditors.
- 4.17 Details of other transactions and explanations of transfers between Accounts. Books and accounts which must be recorded daily as applicable and in chronological order including transfer between related parties and detailed and accurate manufacturing and production records.
- 4.18 Stock records showing stock-in-trade and consumables. The essential information required by the Auditors of the Ministry of Finance, from the records is the verifiable quantities of inventories at the end of each business year and the cost of each item included therein supported by the genuine invoices. Also monthly inventory records shall be maintained by all businesses.
- 4.19 Adequate records showing the persons who are entitled to share in the profits of the business. The records should, for example take the form of a partnership agreement or a register of a corporation's shareholders. In the case of a corporation which has issued bearer securities. Records must be kept of the persons who by virtue of ownership of these securities, attend and vote at the company's meeting, and of the persons who have been appointed as company's officer bearers.
- 4.20 All Large taxpayers must keep electronic sales and accounting records effective March 1, 2011.
- 4.21 Large taxpayers must have monthly income statement, cash flow and balance sheet.



- 4.22 Annual audit accounts must be attached to the annual returns and the audited statements must include income statement, cash flow and balance sheet consistent with the International Financial Reporting Standard (IFRS).

5.0 PENAL PROVISION

Any failures omission or negligence to comply with this Regulation shall lead to imposition of penalty as provided by Section 55(e) of the Revenue Code of Liberia. This Regulation shall take immediate effect upon signature.

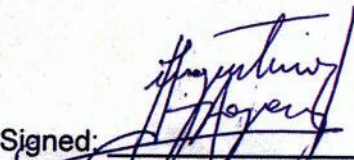
Signed:



Elfrieda S. Tamba

DEPUTY MINISTER FOR REVENUE

Signed:



Augustine Kpehe Ngafuan
MINISTER OF FINANCE

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may 21/11

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