

ANNUAL REPORT FISCAL YEAR 2016-2017



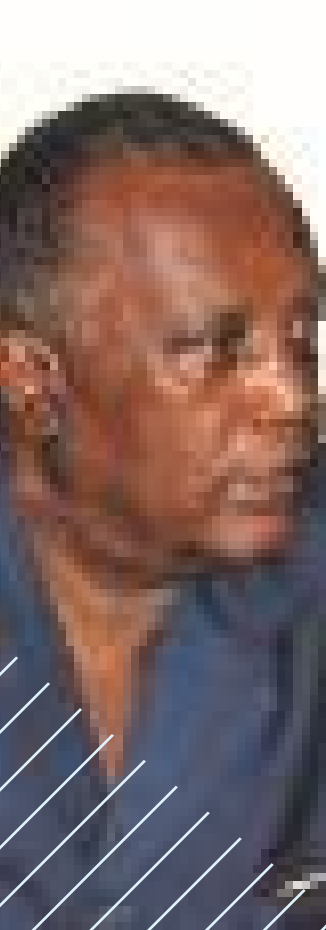
LRA
LIBERIA REVENUE AUTHORITY

Published by the Policy, Statistics & Strategic
Planning Division of the Liberia Revenue
Authority

Last Updated January 12, 2018

Foreword: Chairman of the Board.....	iv
Message from the Commissioner General.....	v
Revenue Performance.....	v
Key Transformation Initiatives.....	v
Key Technical Assistance Partnerships.....	vii
Executive Summary	ix
ATTESTATION.....	xiii
About Us	xiv
Role and Responsibilities	xv
Mission and Vision.....	xvi
Our Core Values	xvii
Organisational Structure	xviii
Corporate Governance	1
Corporate Oversight and Legal Affairs	1
Legal and Board Affairs Department.....	2
Internal Audit	5
Policy, Statistics and Strategic Planning	8
Enterprise Risk Management	9
Communication Media & Public Affairs	9
Professional Ethics and Staff Integrity.....	11
Transformation & Modernization Division	13
Economic Indicator	17
Political Economic Social Technological	
Environmental Legal Analysis.....	19
LRA Operations at a Glance.....	21
Overall Revenue Performance	25
Domestic Revenue by Tax Lines	26
Tax Revenue.....	27
Taxes on Income & Profit	28
Taxes on Real Property	29
Taxes on Goods and Services	30
Taxes on International Trade	31
Non Tax Revenue	32
Property Income	32
Administrative Fee	33

Domestic Tax Department	34
Taxpayers' returns Control	34
Domestic Tax Services	35
Audit	35
Collection and Enforcement	36
Special Project/Data Cleansing	37
Revenue by Operations	37
Natural Resources Tax Section	38
Tax Business Office	39
Customs Department	41
Trade Facilitation and Tariff Management	41
Bonded Warehouses, Transit & Transshipment	42
Compliance & Enforcement Intervention	42
Analysis of Infractions	43
Customs Risk Management	44
Red Lane Selectivity Trend Analysis	45
Hit rate Analysis	45
Compliant Trader's Program	46
Compliance Analysis of Importers and Recommended Lane	46
Revenue Outturn from Custom Business Offices	47
Taxpayer Services	48
Tax Expenditure Reporting	50
Duty Free Imports in FY 16/17	50
General Good Duty Waivers in FY 2016/2017	51
Petroleum Duty Waiver	52
Key Challenges	53
Financial Statement	54
Management Discussion and Analysis	55
Notes to the Financial Statements	62
Conclusion	70
APPENDIX A: Duty Free	71
APPENDIX B: Petroleum Goods Waiver: Detailed Listing	85
www.lra.gov.lr	86



Foreword by Chairman of the Board

To the esteemed stakeholders of the Liberia Revenue Authority (LRA)

and the general public, it is my pleasure to report to you the fiscal year 2016–2017 activities of the Liberia Revenue, a semi-autonomous institution which has become resourceful in implementing the tax laws through a fair, transparent and accountable means of domestic revenue collection. The Legislative Act that established the LRA gives the Board of Directors (BOD) the authority to provide general governance and strategic direction for the management and organization of the Authority so that the Authority's objectives can be achieved.

In view of this oversight and governing responsibilities, the Board during FY2016–2017 convened to discuss on ways to improve revenue administration, ensure adequate financial, human and infrastructural resources needs for successful revenue collection. To this end the Board of Directors convened 2 call, a board retreat, 3 statutory meetings and 5 board committee meetings to fundamentally rethink and formulate policies needed to ensure productivity, efficiency, integrity, and service delivery. The Board also reviewed and strengthened systems, processes, procedures and programs essential to the proper functioning of the LRA.

It is worth noting that during FY2016–2017, unavoidable circumstances impinged the economic transformation of Liberia and posed serious risks to the viability of the Liberia Revenue Authority. Paramount amongst these was the UNMIL drawdown which impacted employment, trade and foreign exchange. The board, amidst these challenges, was able to finalize the ToRs for various committees of the board, adopted a disciplinary guide and approved the LRA's 2016–2017 budget.

Given the challenges underpinning tax administration in Liberia and specifically facing the LRA, the board members have again stressed the need for to seek adequate funding for the LRA, improve the capacities of the current human resource and advocate for the provision of all equipment necessary to ensure the annual domestic revenue targets.

Finally, with cognizance of the remarkable successes made since the evolvement of the LRA in 2014 July, I would like to extend my profound gratitude to the Commissioner General, the Board Members, the Government and the National Legislature, our team of highly professional employees, the development partners and donor community, and all the relevant stakeholders for committing their efforts of support to the success of the LRA. The unwavering and generous support of the Government of Liberia cannot be overstressed.

Robert C. Tubman

Chairperson

Message from the Commissioner General

Fiscal year 2016-2017 is a third successful year of operations

for the Liberia Revenue Authority (LRA). In this year the LRA once again attain laudable milestones in revenue administration and collection despite colossal challenges. As in the previous year, the LRA faced constraints and challenges in logistics, real, WAN and LAN infrastructure and funding which impeded many other potential achievements under its business plan and corporate strategy. In addition, the UNMIL drawdown had profound impact on revenue generation via employment, trade aggregate demand and foreign exchange. Amidst these challenges, domestic revenue collection achieved 87.1% of the approved budget and xx% of the revised budget.

Revenue Performance

The total revenue collected in FY 16/17 was US\$ 523.8M, representing a deficit against the approved forecast by US\$ 76.3M or 13%. Domestic revenue accounted for US\$ 63.1 or 12% of this deficit with the core departments of Domestic Tax and Customs registering deficits of US\$ 41.7M or 14% and US\$ 21.4M or 10% respectively.

Taxes on international trade declined by US\$ 23.9M or 12%. This was triggered by a drop in CIF of xx when compared to the CIF forecast and the GDP of xx when compared to the forecast of xx. The deficit in non-tax revenue of US\$ 19.1M or 20% against the approved forecast was largely due to the unrealized revenues from the petroleum surcharge of US\$ 15.1M and dividends of US\$ 3.5M, from LPRC.

The delivery of very strong performance by LRA in revenue collection through the two fiscal periods of its existence was the result of the ongoing strengthening of core business operations and all HQ supporting units both on administrative and technical projects. Some of the initiatives included strengthening taxpayers' awareness campaigns, open and transparent information dissemination to increase voluntary compliance, redesigning of business processes to help improve service delivery, data analysis of tax returns, improving management control systems, improving coordination of collection and enforcement exercises, and developing institutional capacities among other initiatives.

Given its mandate on lawful revenue collection to support the national development, the LRA proposed several tax policies and regulations to the Ministry of Finance and Development Planning (MFDP) during FY/2016-2017 and provided technical advice to several MACs.

Key Transformation Initiatives

During the fiscal year under review, the Transformation and Modernization Division (TMD) was established at the enterprise level. The TMD centrally



manages the practical implementation of the LRA's reform agenda through resource coordination, project management and results-oriented monitoring and evaluation for all existing and future reform projects. Also, the TMD coordinates the LRA modernization initiatives through the Executive Steering Committee.

Given that domestic resource mobilization is key to national development and also one of the key agenda under Sustainable Development goal and African agenda 2063. It is imperative to improve Service Delivery, Voluntary Compliance & Protection of Revenue, for which the LRA through the TMD has instituted the following reforms:

1. Direct Bank Transfer Tax payment system for all domestic tax payments
2. Increase threshold for tax payment using manager's check from US\$100 – US\$250.00

Also, key reform initiatives underway includes the following initiatives:

1. Excise Stamp: the affixing of secured revenue stamp to Excisable goods, to which potential benefits include:
 - a. Protection of consumers against counterfeit products.
 - b. Protection of importers and manufacturers by controlling smuggling and combatting illicit trade
 - c. Protection of National Revenue by ensuring the payment of excise tax on all excisable products
2. Electronic Single Window: a trade facilitation system which enables international (cross-border) traders to submit regulatory documents at a single location and/or single entity which will:
 - a. Increase the efficiency through reduction in the time and cost savings for traders in their dealings with government authorities for imports and exports;
3. Transition from Pre-shipment to Destination Inspection: Destination Inspection Regime will improve inspection and enhance revenue





collection through acquisition of a fully refurbished state of the art Destination Inspection Facility

4. Electronic Cash Register for GST Administration: The deployment of Cash Registers will automate the process of accounting and reporting by Taxpayers which is envisaged to:
 - a. Provide an opportunity for the LRA to track and monitor all transactions carried out by the businesses connected to the system;
 - b. Reduce under declaration and maximize voluntary declaration;
 - c. Increase the GST revenue collection;
5. Police Ticketing Tracking system: this platform will strengthen law enforcement and increase revenue collection through the automation of police ticketing
6. GSM Registration will give rise to the development of an International Mobile Equipment Identity Database for tracking and collection of Custom Duties on all mobile phones imported in Liberia, which will:
 - a. Minimize the risk of smuggling of mobile phones;
 - b. Increase voluntary declaration; and
 - c. Increase revenue collection;

Key Technical Assistance Partnerships

1. With the support of UNDP, LRA successfully coordinated the conduct of four regional dialogues on Domestic Resource Mobilization and one exclusive Montserrado dialogue, from which a comprehensive findings were established which provided the basis for a National Symposium on Domestic Revenue Mobilization.
2. Signed Memorandum of Cooperation (MOC) with the Federal Inland Revenue Service of Nigeria, which aimed to enhance experience sharing in tax policy and administration.
3. This led to a first FIRS in- country mission to share knowledge on taxpayers' services and education. Discussions are already in progress for collaboration with FIRS in the conduct of tax audit (to be implemented by 3rd quarter of FY 17/18). Consummated a grant agreement with OSIWA projects under this basket includes conduct of Maritime's audit, knowledge sharing across Africa, establishment of

about ten Tax Clubs in various high schools and universities in Liberia, conduct of tax expenditure analysis, and the preparation of practice notes. automation of audit processes, etc.

4. IBFD Netherlands scoping mission of three consultants for development of training curriculum for HR related to Domestic and International taxation.
5. Drafted and concluded development of several funding proposals with various entities including China, SIDA, DFID & AfDB.
6. Partnership with Tax Inspectors Without Borders (TIWB) for the conduct of natural resources tax audits and the production of a video documentary of tax audits impact using the Liberian case.



Elfrieda Stewart Tamba

Commissioner General/CEO

Executive Summary

The creation of the Liberia Revenue Authority (LRA) was approved through an act of the National Legislature on September 19, 2013 as part of government's broader reform process. The LRA became operational on July 1, 2014. Its mandate is to collect all revenues in accordance to the Liberia Revenue Code. The LRA is pleased to present its 3rd annual report covering the period FY2016/2017. The report highlights initiatives embarked upon by the LRA as well as challenges faced during the period. One of such key initiatives is the steps taken by the LRA in the achievement of its five-year "Corporate Strategic Plan". The corporate strategic plan delineates four broad strategic goals that LRA seeks to achieve between 2016 and 2020:



Revenue Performance

During the third year of its operation as a semi-autonomous body, the LRA has had commendable success along the primary avenue of its mandate, the collection of national revenues, despite challenges faced by deteriorating factors within the Liberian economy. Against this backdrop, total revenue actuals of US\$523.9m was below projection of US\$600.2m by US\$76.3m or 13%. This was due to a deficit in domestic revenues of US\$63.1m or 12% and in external resources of US\$6.2m or 9%.

Domestic revenue projection of US\$ 524.9M only actualized US\$ 461.8M registering a deficit of US\$ 63.1M or 12%. Amidst this unrealized projection, actual revenue actually grew by US\$9.02m or 2% when compared with FY15/16 actual collection of US\$452.8m. The LRA continues to increase the fiscal space which facilitates GoL investments in schools, hospitals, roads and the delivery of public services including the timely payments of salaries and benefits to public servants. Domestic resource mobilization was achieved through the LRA's core departments to which the department of Customs collection totaled US\$195.1m or 42%, as well as, Department of Domestic Tax US\$266.7m or 58%. The LRA undertook various initiatives, such as sensitization campaigns aimed

at improving voluntary compliance, strengthening of service delivery, intelligence and enforcement exercises and the execution of various audits. The tax roll was also increased by 29%.

Fight against corruption: To maintain credibility and preserve the integrity of the Authority, the Management made series of efforts to combat corruption during FY/2016–2017. Internal and external intelligence gathering were undertaken. These efforts culminated in identification of some employees of the LRA who were engaged in unscrupulous acts of misconduct, as well as businesses on account of tax evasion, smuggling, under-declaration and other tax frauds. During the period under review, the total of Sixty four (64) cases of alleged employees' misconduct were identified. Of these cases, Sixty one (61) were investigated, while three (3) were transferred to LACC and LNP for further criminal investigations and prosecution.

The anti-smuggling arm of the authority made 63 interventions which generated the total of US\$101.4k and L\$2.7m. Extensive internal and external intelligence-gathering exercises on illegal activities have been undertaken. The results of these undertakings range from administrative and legal actions against the offending parties.

Strategic Management System An effective and efficient revenue administration requires efficient internal systems and policies based on strategic management practices. To this end, the LRA has published its Annual Business Plan for FY/2016–2017, and work plans for each Department and Division of the LRA. Monitoring the progress along these plans is crucial, thus employees and corporate performance measurement systems are also being implemented. There still remain challenges in this area and the mitigation of those challenges will continue in the ensuing year. These efforts were undertaken in close collaboration with key external institutions.

Taxpayer Outreach Programs During the reporting period, LRA continued battling the low compliance rates across tax types, low levels of tax awareness among taxpayers, and the rapidly changing needs of taxpayers. Substantial efforts were made by LRA's Taxpayer Services Division (TPSD) to build tax awareness among the public through various outreach programs. Informational materials that were disseminated widely include forms, brochures, posters, billboards, radio talk shows, and community engagements. **# OF CLINICS HELD,RADIO TALK SHOWS???**

Enforcement Exercises and Audits To ensure the proper administration of the Liberia Revenue Code (LRC) and the fair, equitable and transparent enforcement of regulations within the LRA's jurisdiction, the Authority conducted various types of audits including post-clearance audits of taxpayers based on established audit and risk selectivity criteria. The results of the audits enabled bills to be generated and served to the concerned clients, and enforcement actions were undertaken to recover the assessed revenues. Consequently, 715 audits of various kinds were conducted revenue recovered from the delivery and enforcement of audit bills amounted to US\$13.9M and L\$105.9M. In addition, the LRA's Internal Audit Department conducted internal audits of the LRA's business processes, customs and tax business offices and to also construct an entity-wide-risk profile.

Collaborative partnerships During FY2016/2017, the LRA collaborated with various local stakeholders such as the Ways and Means Committee of the National Legislature, Ministry of Finance and Development Planning (MFDP), Ministry of Commerce and Industry (MOCI), Ministry of Transport (MOT), Ministry of Labor (MOL), Liberia National Police (LNP), National Port Authority (NPA), National Investment Commission (NIC), Financial Intelligence Unit (FIU), Central Bank of Liberia (CBL), the Chamber of Commerce (COC), Liberia Business Association (LIBA), National Brokers Association (NBAL) to name a few and external partners which included, the United Nations Development Program (UNDP), United States Agency for International Development (USAID), Internal Monetary Fund Fiscal Affairs Department ??, Afritac West, Organization for Economic Co-operation and Development (OECD), African Development Bank (AfDB), International Finance Corporation (IFC), Open Society Initiative for West Africa (OSIWA), Gesellschaft für Internationale Zusammenarbeit (GIZ), IBFD Netherlands, Federal Inland Revenue Service of Nigeria and important others. Key partnerships include:

1. With the support of UNDP, LRA successfully coordinated the conduct of four regional dialogues on Domestic Resource Mobilization and one exclusive Montserrado dialogue, from which a comprehensive findings were established which provided the basis for a National Symposium on Domestic Revenue Mobilization.
2. Signed a Memorandum of Cooperation (MOC) with the Federal Inland Revenue Service of Nigeria, which is expected to enhance experience sharing in tax policy and administration. This led to a first FIRS in- country mission to share knowledge on taxpayers' services and education. Discussions are already in progress for collaboration with FIRS in the conduct of tax audit (to be implemented by 3rd quarter).
3. Consummation of a Grant Agreement with OSIWA, completed the OSIWA implementation design, M&E matrix, and development of project ToR for Tax expenditure and Practice Notes and Regulations consultants.
4. IBFDs Netherlands scoping mission of three consultants for development of training curriculum for Domestic and International taxation.
6. x missions by the Tax Inspectors Without Borders (TIWB) for the conduct of natural resources tax audits and a video documentary of tax audits impact using the Liberian case.





ATTESTATION FOR THE 2016-2017 ANNUAL REPORT FINANCIALS BY ADMINISTRATION OF THE LIBERIA REVENUE AUTHORITY.

These financials are prepared in accordance with International Public Sector Accounting Standards (IPSAS-Cash Basis) and under internal controls measures designed to assure the following:

1. That the financials in pages 60-72 of this report do not contain material misstatements;
2. That the financials are a faithful representation of the underlying economic and financial reality reported; and
3. That the financials are truthful, accurate and complete in all material aspects.

Attested to this 22nd day of December 2017 A.D.

By 

Mr. Oliver N. Rogers, II

Deputy Commissioner General Administrative Affairs

ATTESTATION FOR THE 2016-2017 ANNUAL REPORT BY THE DOMESTIC TAX DEPARTMENT OF THE LIBERIA REVENUE AUTHORITY.


These data on revenue collection is presented in accordance with the Section 7(2)(g) of the LRA's Act following:

That the data in pages 40 - 44 of this report contain no material misstatements;

That the data on revenue collection is a faithful representation of the underlying tax returns of the system; and

That the data is truthful, accurate and complete in all material aspects.

Attested to this 22nd day of December 2017 A.D.

By 

Mr. Darlington Talery

Commissioner/Domestic Tax Department

ATTESTATION TO THE 2016-2017 ANNUAL REPORT BY CUSTOMS DEPARTMENT OF THE LIBERIA REVENUE AUTHORITY.

These data on revenue collection is presented in accordance with the Section 7(2)(g) of the LRA's Act following:

1. That the data in pages 45 - 51, 54 - 56 & 75 - 88 of this report contain no material misstatements;
2. That the data on revenue collection is a faithful representation of the underlying tax returns of the system; and
3. That the data is truthful, accurate and complete in all material aspects.

Attested to this 22nd day of December 2017 A.D.

By 


Mr. Saa Saamoi

Commissioner/Customs Department

ATTESTATION TO THE 2016-2017 ANNUAL REPORT BY CUSTOMS DEPARTMENT OF THE LIBERIA REVENUE AUTHORITY. These data on revenue collection is presented in accordance with the Section 7(2)(g) of the LRA's Act following:

1. That the data in pages 31 - 39 of this report contain no material misstatements;
2. That the data on revenue collection is a faithful representation of the underlying tax returns of the system; and
3. That the data is truthful, accurate and complete in all material aspects.

Attested to this 22nd day of December 2017 A.D.

By 

Mr. Nyane Wratto

Manager of the Statistics and Forecasting Unit

About Us

The Liberia Revenue Authority, established as a semi-autonomous organ of the Executive Branch of the Government of Liberia, came into being on July 1, 2014 through an act ratified by the National Legislature in September 2013. It replaced the Department of Revenue under the former Ministry of Finance, which included both the Bureau of Internal Revenue and the Bureau of Customs and Excise, as defined in Chapter 21 of the Executive Law of 1972. **The creation of the Liberia Revenue Authority (LRA) marked a significant step forward on the road to economic recovery and reconstruction in Liberia. It has provided for a more modern and effective means of assessing and collecting revenues that will in turn, help to fund essential social services and important government operations**

The LRA's mandate is to **“administer and enforce revenue laws in accordance to the Liberia Revenue Code (and other related laws under which it is assigned responsibility) for the purpose of assessing, collecting, auditing, and accounting for all national revenues and to facilitate legitimate international trade and customs border management-enforcement.”**

In light of ensuring the administration of its assigned responsibilities, **the Liberia Revenue**

Authority is pleased to present its annual report for FY2016/2017. The report highlights initiatives embarked upon by the LRA as well as challenges faced during period.

Role and Responsibilities

The roles and responsibilities of the LRA includes:

- Enforce Revenue laws in accordance with the Code for the purpose of assessing, collecting, auditing and accounting for all national revenues
- Facilitate legitimate international trade and customs border management enforcement.
- Minimize tax administration and compliance costs
- Provide better services to tax payers
- Promote efficient and fair collection of revenue
- Ensure greater transparency and integrity of revenue administration
- Maintain and publish tax and trade statistics

Mission & Vision

Mission

To professionally, fairly, transparently and effectively collect lawful revenues; facilitate legitimate trade and social protection for the People of Liberia.

Vision

To be a professional revenue administrator adhering to international standards and to serve as a model for revenue collection and service delivery.

Our Core Values



Service

- Demonstrate passion for professionally, fairly and transparently meeting needs of taxpayers and other stakeholders.
- Take active responsibility for the quality of service we provide.
- Assume a positive “can achieve” attitude.
- Hold self and others accountable for results.

Teamwork

- Take ownership of team goals, promote team work, be accountable for own part in the process and openly give and receive coaching and feedback.
- Set high performance expectations and a mindset for excellence and results.
- Be innovative in identifying new opportunities and approaches for our customers and ourselves.
- Embrace position change and be personally willing to undertake other responsibilities.

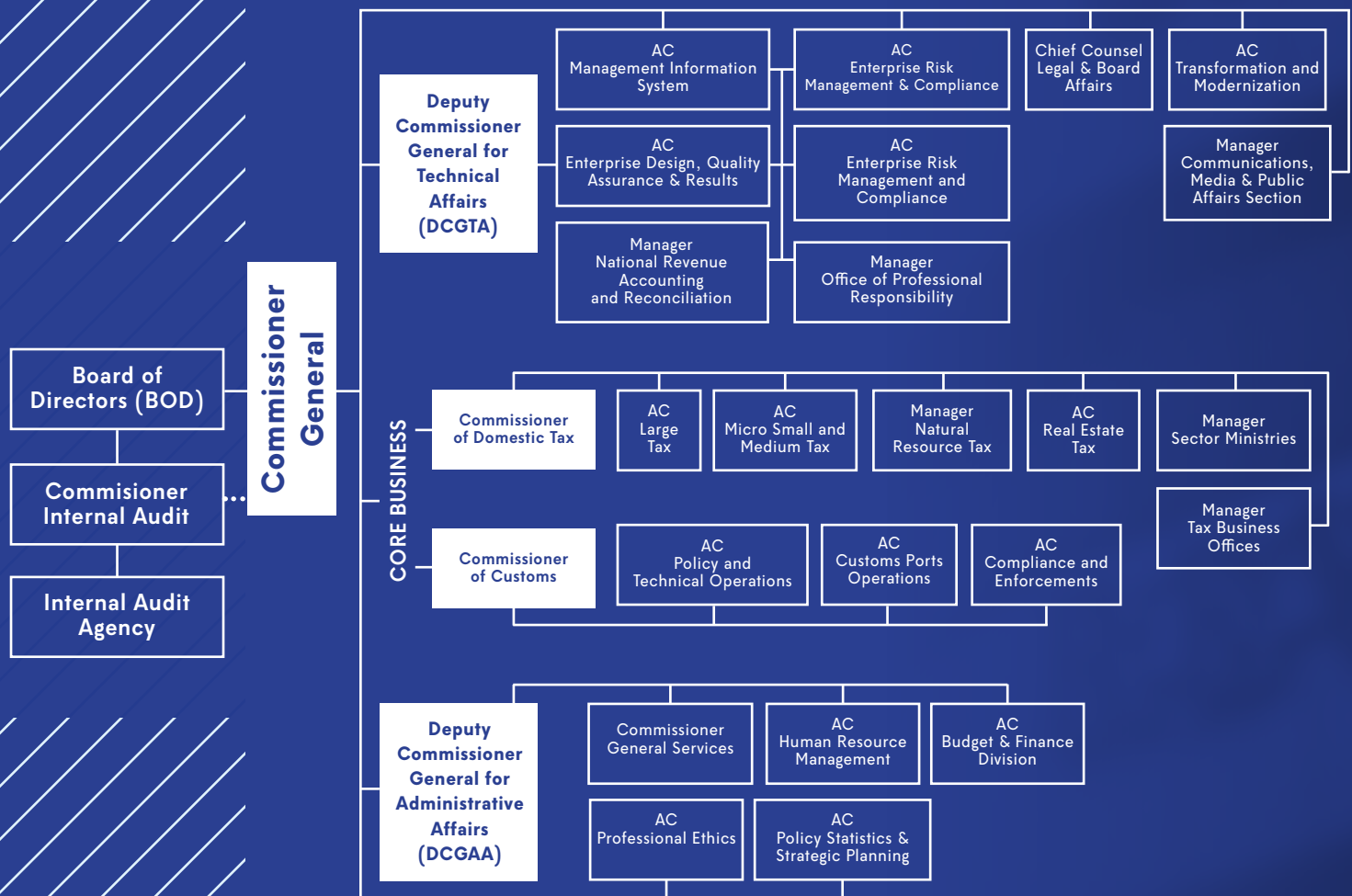
Commitment

- Strive to collect legitimate revenues.
- Ensure the principle of fairness in the tax system.
- Execute sound revenue policies, fair and balanced enforcement for revenue growth thereby facilitating national development priorities.
- Facilitate legitimate trade and commerce within our borders thus helping to ensure social protection and economic growth and development.

Integrity

- Act ethically and with integrity.
- Deal with people and issues openly, directly, respectfully, fairly transparently, equitably, and consistent with law.
- Take actions that are consistent with words (talk the talk and walk the talk).

Organizational Structure



The Executive leadership of the LRA is comprised of five positions: the Commissioner General (CG), the Deputy Commissioner General for Technical Affairs (DCGTA), the Deputy Commissioner General for Administrative Affairs (DCGAA), the Commissioner of the Domestic Tax Department and the Commissioner of the Customs Department.

The CG who heads the executive management team of the LRA is also the Chief Executive Officer and Secretary to the BOD and reports directly to the Board of Directors (BOD), but retains a functional accountability to the Ministry of Finance and Development Planning (MFDP). The Board, which is the governing body of the LRA is appointed by the President. It comprises seven members and is responsible to provide general governance and strategic direction for the management and organization of the Authority.

The Deputy Commissioner General for Technical Affairs (DCGTA) is responsible for operational risk management, Management Information Systems (MIS) and service delivery. The Deputy Commissioner General for Administrative Affairs (DCGAA) leads the LRA in the areas of corporate affairs and administration.

The two other positions in the Executive Management are the Commissioner of Customs and the Commissioner of Domestic Tax, who run the business delivery arms of the Authority (the Customs Department and the Domestic Tax Department respectively). Each of the commissioners reports directly to the Commissioner General.

The functional departments and agencies within the LRA are:

The Internal Audit Department (IAD) is headed by a Commissioner, who reports administratively to the Commissioner General of the LRA and functionally to the Board of Directors and the Internal Audit Agency (IAA) of the Government. In addition, there are four other functional areas, which all fall directly under the CG's office:

1. The Professional Ethics Division is charged with the important responsibility of monitoring and maintaining the integrity of the LRA staff.
2. The Policy, Statistics and Strategic Planning Division is responsible for the analysis and timely reporting of revenue data, liaising with local and international partners and economic and statistical research for policy purposes.
3. The Legal and Board Affairs Department handles the legal affairs of the LRA, including the prosecution of non-compliant taxpayers with the Board of Tax Appeals and in the tax court.
4. The Communications, Media and Public Affairs is in charge of liaising with the media and maintaining LRA's public image.

Corporate Governance

The establishment of LRA followed the footsteps of a corporate setup. For LRA, the corporate culture represents responsible oversight underpinned by prudent law. This is at the center of LRA's core values which includes: sound service orientation, commitment, show of integrity and team work. Corporate governance structure with a Board of Directors, an executive management team and senior managers.

Corporate Oversight and Legal Affairs

It is the role of the Board of Directors to ensure that LRA fully complies with the Liberia Revenue Code in collecting lawful revenues and facilitating legitimate trade. The Board also ensures standard corporate best practices, strategic directions for the management and organization of the authority. The Board also provides quality assurances, guarantees planning, streamlines administrative policies and ensures prudent expenditure. The overall corporate goal is to maintain the highest standard of corporate governance and to make LRA a model of revenue administration in the region.

The membership of the Board consist of the Minister of Finance and Development Planning, The Minister of Justice, The Minister of Commerce, The Commissioner General and three other members from the non – governmental sector including the Board Chair.

During FY16/17, the Division of Board and Management Affairs facilitated ten (10) meetings of the Board, which included two (2) call meetings, three (3) statutory meetings and five (5) committee meetings. These meetings led to the resolutions adopting the Draft Expenditure Budget for FY 17/18, finalization of the ToRs for the various committees of the board and adoption of Disciplinary Guide.

The Liberia Revenue Authority's corporate governance structure is built on the following legal pillars:

LIBERIA REVENUE AUTHORITY

2013 Act
Establishing
the LRA

2011 Liberia
Revenue
Code

LRA Board and
Subcommittees

The 2009
PFM Act

Professional
Ethics and
Code of
Conduct

LRA HR
Management
Policy Manual

Customs
Tariff

- A. The 2013 ACT Establishing the Liberia Revenue Authority – The ACT establishes the Liberia Revenue Authority to replace the Department of Revenue of the Ministry of Finance for the purpose of assessing, collecting administering, auditing, enforcing revenue collection laws and regulations, and educating taxpayers to facilitate tax and customs compliance.
- B. The 2011 Liberia Revenue Code – The Code represents a modern shift in tax administration in Liberia and replaces an ACT Adopting a new Revenue and Financial Law of 1977 and related laws. The ACT seeks to ease paying taxes and improve tax culture through compliance, enforcement, incentive and related professional and legal schemes. The ACT seeks to remove stringent trade barriers and enhance competitive trade.
- C. LRA Board and Sub – committees – The Board currently operates with three committees: finance, audit and risk management and executive and governance. The finance committee reviews the LRA budgets and expenditures and oversees the development of management policies. The audit and risk management committee has responsibilities that include reviewing LRA accounting framework, financial statements, and external audits, as well as overseeing LRA risk tolerance levels and risk management programs. The executive and governance committee has responsibilities internal to the Board that include reviewing board composition and essential member competencies, and annual performance reviews amongst others.
- D. The 2009 Public Financial Management Act – This Act governs all matters related to the management of the public finances of the Republic of Liberia. It lays out fundamental procedures

for the preparation, adoption, execution and final accounts of the National Budget and related matters including, internal control, accounting and auditing of public finances, assets as well as the arrangements for public debt and government guarantees. This Act is supplemented by enabling regulations promulgated by the Ministry of Finance and Development Planning and approved by the President to further specify the procedures in each of the areas mentioned. The Legislature, in execution of its oversight responsibilities, ensures that all regulations issued pursuant to this Act are fully implemented by the Ministry of Finance and Development Planning

- E. The Professional Ethics and Code of Conduct – This Code reference the role of LRA's regarding high standard of integrity and obliged employees to display high sense of honesty, fairness, loyalty, and impartiality in the discharge of their duties. It explains the role and responsibilities of the Authority to its staff and the public. It also guides employees' relationships and functions and provides employees with the principles and values underlining LRA's ethical behavior.
- F. LRA Human Resource Management Policy Manual – is design to provide general guidelines about LRA about LRA policies and procedures for staff. It provides privileges and obligations for staff administering revenues. The Policy is established by the Board of Directors. The LRA ACT delegates administration to the Manual to the CG. The CG may, in turn, delegate authority for administering the specific policy.
- G. The Customs Tariff – The Tariff is the principle rule book which provides classification of goods in the nomenclature. It serves the purpose of easy reference for legal purposes in classifying all goods imported or exported to or outside Liberia.

Legal and Board Affairs Department

The Legal and Board Affairs Department plays a vital role in protecting the fiscal health of the Republic by defending court challenges to various tax assessments. The Department has the core responsibility of representing the Republic of Liberia, in collaboration with the Ministry of Justice (MOJ), in all criminal and non-criminal tax and revenue related cases. The Department is also charged with ensuring compliance with the Revenue Code through the drafting and publication of policies and procedures and the continuous review and amendments of existing statutes. Additionally, the Department performs the function of educating taxpayers and the general public through the publication of brochures and procedure guidelines on tax and customs obligations, the tax returns and appeals process, among others.

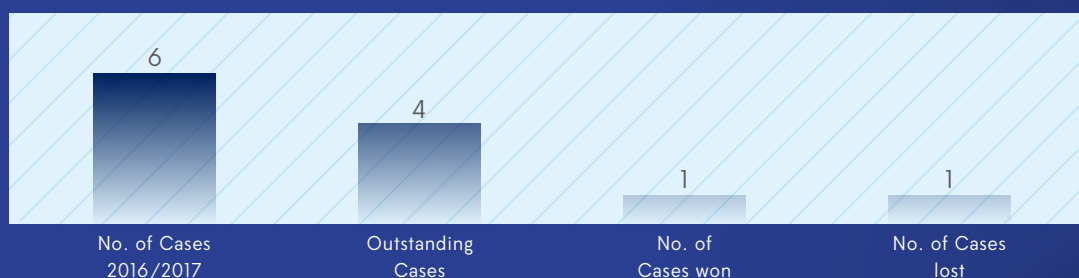
During the period under review, the Department rendered the following services:

Civil Tax Cases

I. Cases at BOTA (Board of Tax Appeals):

- a) During the period under review, the Legal Department represented the Authority in six (6) cases before the Board of Tax Appeal (BOTA). These cases involve protest against audit assessment bills, penalty for No Clean Report of Finding (NCRF) and interest. The total revenue objected US\$3.5M and L\$1.6M.
- b) As at the close of the fiscal period, the Board of Tax Appeal rendered two opinions (one in favor of the LRA and another against).
 - The one in favor of the LRA involved a protest amount of US\$35k for NCRF penalties for BIVAC destination inspection. The board adjusted the protest amount to US\$11k, and the LRA has announced an appeal to the Tax Court.
 - The case in which the BOTA ruled in favor of the taxpayer involve a protest against tax amount of US\$636.00 and L\$1.6M penalty. The LRA took exception to the ruling and appealed to the Tax Court.
- c) The remaining four cases are before the board of tax appeal, with outstanding revenue of US\$3.5M.

Figure 1
Board of Tax
Appeals Cases
Status



II. Cases at Tax Court

During the period under review the Legal Department represented the LRA in two major tax cases.

- One of these cases was heard at the Supreme Court and centered on the failure to pay GST and Withholding taxes. The Supreme Court ruled against the taxpayer, adjusted the bill by 88 % from US\$19.1M to US\$2.3M and awarded the LRA US\$2.3M. Execution of the Supreme Court's judgment is still pending due to the delays by the Tax Court. The Legal Department, along with the Ministry of Justice and the Heritage Partners and Associates is taking the necessary legal steps to ensure execution.
- The second major tax case centered on the failure to pay overdue taxes and Customs duties to the Government. The Tax Court ruled against the taxpayer in this case and awarded the LRA the amount of US\$108K. Of the amount awarded, the taxpayer, as at the end of the period, liquidated L\$3.17M (approximately US\$27.8K equivalent). Execution for the payment of this amount is immediate.

III. Criminal Tax Cases

- During the period under review the Legal Department represented the LRA in four Criminal Cases which involved Economic Sabotage, Forgery/Impersonation and intent to defraud Government of US\$87.5K Bribery of receipt of US\$500.00, Criminal Facilitation, Smuggling, and Criminal Conspiracy involving stolen vehicles.
- The Legal Department in collaboration with Prosecutors from the Ministry of Justice successfully prosecuted the bribery (US\$500.00) case in which, one of the two Defendants was found guilty of Economic Sabotage and Bribery and sentenced to six months imprisonment. The other Defendant, was found guilty of Criminal Facilitation and sentenced to one month imprisonment by the Criminal Court. The defendants excepted and took an appeal to the Supreme Court. The remaining three cases are still being litigated before the Criminal Court.

IV. Protest and Objection Cases

- During the period under review, a total of twenty-five (25) cases were brought before the Protest and Objections panel of the Legal Department. The cases centered on protests against customs bills, Corporate Income Tax/Domestic Tax related protests, Protest against Domestic Tax Audit Bills, Protests against Real Estate Bills, and requests for refunds for overpaid customs duties.
- Of the twenty-five (25) cases heard, ten (10) cases centered on protests against customs bills with a total value of US\$706.9K and L\$146.5M. All ten (10) of these cases were concluded by the close of the fiscal year. Only one case (a case concerning protest against penalties applied for destination inspection) was determined against the LRA and in favor of the taxpayer resulting in a loss of

Table 1
Protest and
Objection
Cases

Description	No.	USD (000)	LD (000)
Protest against Bill for breach of Fiduciary Duty	1	6,819	-
Protest against Customs Bills	10	707	146,480
Protest against Domestic Tax	7	3,112	50.00
Protest against Domestic Tax Audit Bill	2	680	-
Protest against Real Estate	2	3,261	-
Refunds	3	781	-
Total	25	15,360	146,530

US\$633.7K projected revenue.

- c) The Panel heard and concluded seven (7) cases centered on CIT/Domestic Tax related protests valued at US\$3.1M and L\$50K. All seven (7) cases were concluded by the close of the fiscal year with only one case (a protest against a penalty for non-cooperation) being determined against the LRA and resulting in a loss of L\$50K projected revenue.
- d) Two (2) cases concerning protest against Domestic Tax Audit Bills, valued at US\$680.1K were heard and concluded in favor of the LRA.
- e) Similarly, two (2) cases concerning protests against Real Estate Bills, valued at US\$3.3M were heard and concluded in favor of the LRA.
- f) The Panel also heard three (3) Refund cases valued at US\$781.2K. The taxpayers in two (2) of these cases withdrew from the Panel and took their cases to the Supreme Court on a Bill of Mandamus. The remaining case was concluded by the Panel in favor of the taxpayer resulting in a refund of US\$1.3K.

V. Regulations

During the period under review, five (5) Regulations and three (3) Practice Notes were drafted and discussed including; Assessment and Taxation of Real Property Base on Market Value, Other Taxable Services in the sectors of air travel, vehicle rental, communications, automotive repair services, professional and port related services, Tax Clearance Certificates, Common External Tariff (CET) Migration Plan – Tax Policy Regulation. The Common External Tariff (CET) was published.

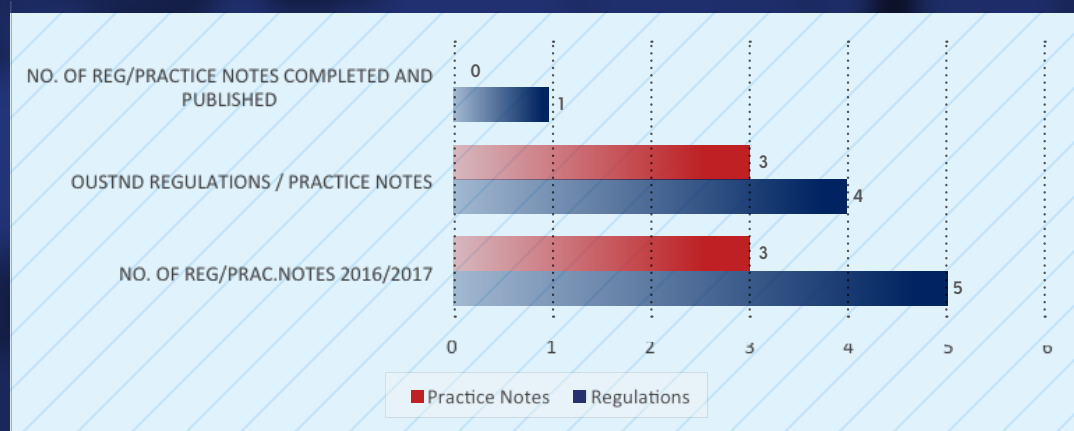


Figure 2
Regulation/
Practice
Notes

VI. Board & Management Affairs:

- a) During FY16/17, five (5) meetings of the Board were held, three (3) statutory and two (2) call meetings. The LRA Act provides for four (4) quarterly statutory meetings. The Board Committees on Finance, Audit & Risk Management, and Executive & Governance met two (2) times each during the fiscal year and made reports to the full Board. The Board adopted the Disciplinary Guide, finalized and approved the Terms of Reference for each of the Board Committees and approved the FY17/18 Draft Expenditure Budget.
- b) Board and Management Affairs also drafted and concluded one hundred thirty seven (137) employment contracts and fifty (50) contracts for the provision of goods and services.

VII. Judicial Workshop:

During FY 16/17, a two day workshop was held at the conference hall of the Temple of Justice on Transfer Pricing. This event was organized by the Liberia Revenue Authority (LRA) in collaboration with the Judiciary and partners from the World Bank, OECD and ATAF. The workshop on Transfer Pricing was highly valuable. It gave a broader and clearer understanding of the principle of Transfer Pricing which is an extremely useful information. Circuit Court Judges and Magistrates shared their perspectives and experiences relating to the principle of Transfer Pricing.

Internal Audit

The Internal Audit Department is charged with the responsibility to evaluate and recommend improvements to the adequacy and effectiveness of governance, risk management and compliance with control policies and procedures throughout the LRA.

The Department conducts independent and objective evaluation and examination of the activities, processes and procedures of the LRA operating units and provides consulting services aimed at assisting the Authority achieve its objectives.

Internal Audit is headed by a Commissioner who is appointed by the Board to oversee and supervise all internal audit and assurance functions of the Authority and report to the Commissioner General, Board Audit Committee and the Internal Audit Agency on significant governance, risk management and control issues.

Internal Audit Department comprises of two divisions, Core Services and Administrative and Technical Services with a total of nineteen (19) staff with diverse range of professional qualifications, skills and experience required to fulfill the core competencies needed to implement the functions and responsibilities of the Department.

The Internal Audit Commissioner reports functionally to the Board Audit Committee and Internal Audit Agency and administratively to the Commissioner General of the Authority.

Internal Audit Department adopts a risk-based approach to identify high risk areas and activities of the LRA operating units through a periodic enterprise-wide risk assessment and evaluation of existing controls for purposes of developing its risk-based annual business plan.

To ensure full coverage of the LRA, the Department requests the



participation of Management and the Board in the determination of main areas of concerns that should be included in the annual audit plan.

The annual business plan, which is risk and resource focused, is approved by the Commissioner General, Board Audit Committee and Director General of the Internal Audit Agency.

Internal Audit and Internal Auditors comply with the Institute of Internal

Auditors Standards, Code of Ethics and Guidance and the Internal Audit Manual as well as the Professional Code of Ethics of the Authority. Internal Auditors also comply with other national and international codes and practices where applicable in fulfilling responsibility to conduct independent and objective evaluation and examination of business units, activities, processes and procedures.

With respect to its processes, the Internal Audit Department conducts periodic comprehensive audits of LRA operating units and activities, system audits, compliance reviews, accountability audits, performance audits and financial audits to enable LRA effectively manage its risks and achieve its objectives.

Internal Audit also conducts transactional audits to verify and provide assurance that business transactions have been undertaken in the best interest of the LRA and in accordance with control policies and procedures.

Internal Audit conducts follow-up reviews on agreed audit recommendations to validate implementation of recommendations and disposition of findings in accordance with agreed timetable.

Achievements

The Internal Audit completed two entity-wide risk assessments, twenty comprehensive audits, twenty four issue-oriented audits, two operating system reviews, twelve surprise audits, one financial audit, six compliance reviews, two performance reviews, one information system audit and twenty follow-up reviews.

The Department also conducted four duty refund audits and made significant savings for the Government and people of Liberia. Internal Audit conducted several follow-up reviews on the implementation of C2D's audit recommendations on the audits of ASYCUDA, SIGTAS and MIS infrastructure.

Major achievements of Internal Audit for fiscal year 2016-2017 were as follows:

Governance – Based on full audits, evaluations and reviews of LRA operating units including the IT Governance, Risk Management and Compliance, Administrative functions and Core Business Offices, Internal Audit identified some governance issues and recommended various actions, including direct reporting line between the Chief Risk Management Office to the Commissioner General, effective supervision and management oversight of tax and compliance analysts in the Large Tax Division and Rural Business Offices and effective delegation of authority and responsibility to ensure full and effective service delivery.

Risk Management – Internal Audit reviewed the risk management systems and activities of the LRA and recommended various actions, including the adoption of risk management policies, establishment of risk management technical subcommittee and direct reporting line between the Chief Risk Management Office to the Commissioner General to ensure proactive identification, measurement, ranking and mitigation of risks and compliance issues. Internal Audit identified capacity gaps generally in revenue analysts and tax auditors and recommended training and other capacity building initiatives that will help ensure activities are correctly done.

Table 2
Internal Audit
Activity Matrix

No.	IA Activity	Planned	Achieved	Percent
1	Risk assessments	2	2	100
2	Comprehensive audits	16	12	75
3	Issued-oriented audits	25	24	96
4	Surprise-ad hoc audits	16	12	75
5	Information system audits	1	1	100
6	Operating system reviews	2	2	100
7	Financial audits	1	1	100
8	Financial management audits	4	4	100
9	Compliance audits	6	6	100
10	Performance audits	4	2	50
11	Number of recommendations	1,400	1,080	77
12	Follow-up reviews	20	20	100
13	In-house training	4	2	50
14	Report to Board Audit Committee	4	3	75
15	Report to Internal Audit Agency	12	27	225
	OVERALL ACHIEVEMENTS			90

Compliance with Control Policies and Procedures – Internal Audit made significant contribution to the improvements in compliance with control policies and procedures. Internal Audit evaluated compliance with the Revenue Code, internal service standards and standard operating policies and procedures in LRA operating units and recommended timely completion and implementation of standard operating procedures for those units have no operating procedures, institution of stock card system in the warehouse, etc.

Internal Audit Quality Assurance and Improvement Program – During the fiscal year 2016–2017, Internal Audit fully implemented IA’s quality assurance and improvement procedures; Internal Auditors effectively implemented internal service standards for engagement planning, fieldwork, reporting and follow-up reviews; in addition, Internal Auditors complied with the Code of Ethics and Standards, including working paper structure and formats and detailed working papers and finding forms.

Policy, Statistics & Strategic Planning Division

The LRA Policy Statistics and Strategic Planning Division is under the direct report of the Commissioner General and the core function of this division is two-fold – provide strategic management assistance to the Executive management and inform the Budget formulation process by producing accurate revenue forecasts to provide to the Ministry of Finance and Development Planning. The division also manages domestic tax and international trade data for analysis of revenue performance produces weekly, monthly and other periodic for internal and external audiences. The Division also submits tax policy proposals to the Ministry of Finance based on the assessment of current policy and their revenue implications.

The Division is also responsible for providing strategic planning support to the senior executive management by developing regular annual Business Plans. By liaising with HR and EQARD, (the Enterprise Quality Assurance and Results division) the PSSPD monitors and reports to senior management on the progress of implementation of the annual Business Plan and performance monitoring and evaluation.

The Division also liaises with the Legal Department in working out administrative regulations and other tax policy related functions including those on tax treaties, International Taxation and establishing of external partnership.

Key Achievements

1. Collaboration with MFDP and review draft of amended Liberia Revenue Code. Most of the reviews and proposed amendments sought to secure the tax base and simplify the code.
2. Planned divisional and organizational annual business plans and strategic review retreat
3. Produced periodic revenue outturn, daily flash reports and trade statistical reports
4. Produced and published tax expenditures and Customs Exemptions Statement for FY/2015–2016
5. Collaborated with MFDP for the conduct of annual revenue forecast & risk analysis, publishing of forecasting methodology and developing of evaluation reports
6. Conducted quarterly internal staff training to improve specific capacity need within the division
7. Supported the coordination and facilitation of the IMF technical assistance missions to the LRA for FY 16/17
8. Implemented quarterly analytical review of LRA revenue and corporate performance and identifying performance gaps to set detailed targets for the next fiscal year

Enterprise Risk Management

The Enterprise Risk Management & Compliance Division (ERMCD) was established in July 2014 in conformity with the risk framework of the community Committee of Sponsoring Organization of the Treadway Commission (COSO) as well as the International Organization for Standardization (ISO) Enterprise Risk Management Integrated Framework (ERMIF). The key goal of the ERMCD is to provide reasonable assurance to the Liberia Revenue Authority's (LRA) Management team and the Board of Directors that the organization's key aims and objectives are being achieved and all risk are comprehensively identified and proactively managed in an efficient and effective manner to protect national revenue and LRA image.

The Division conducts compliance evaluations of LRA's operating systems and activities to ensure business operations are aligned with internal controls, policies and procedures as well as applicable laws and regulations. The Division also works to prevent and/or detect misconduct, fraud, waste, and abuse. The ERMCD reports timely on systems, programs, operational efficiency and/or deficiencies and makes recommendations to continue and/or improve the revenue administration services and strengthen controls over revenue programs and operations. ERMCD aims to establish control and oversight to continuously monitor and improve the organization's risk management processes in a growing and changing environment.

Key Achievements

1. Developed business case and TORs for ERMCD organizational structure.
2. Revised petty cash policy drafted and submitted to CG for review and approval
3. Developed Draft ERM Framework identified and appointed risk champions
4. Established and fully implemented LRA contracts database
5. Established a database for tracking all payment vouchers, including all errors identified during compliance check.

The Communications Media & Public Affairs Section

The Communications, Media and Public Affairs (CMPA) Section is responsible to disseminate factual, clear and accurate information about the LRA and its existence -to the public through media and other engagements and as well as working with other units, divisions and sections through outreach activities.

It focuses on public relations, public education, and maintenance of a good image of the LRA and its works in the interest of the people of Liberia in the public domain through the media, with the broader intent of encouraging tax compliance and enhancing revenue generation.

The Section worked with all departments as well as other units and divisions to facilitate information dissemination, education and awareness on tax education, tax collection and the responsibility of tax payers,

through sustained media engagements including talk shows, public service announcements and issuance of press releases.

Activities for 2016/17

During the period the Section continued building strong relations with the Liberian media through professional interactions of freely and timely disseminating information, responding to queries from the media and the public to erase doubts, misinformation and disinformation. The Section further issued dozens of press releases, public service announcements, Public notices, vacancy announcements as well as special government notices. Added to these was the facilitation of several talk shows, press conferences, special interviews and independent media coverage of LRA activities, helping the media, and by larger extension the Liberian public, to understand the working of the LRA and the obligation of the tax-paying public to be compliant.

Knowing the importance of the media in public awareness and information dissemination, the CMPA Section built a vibrant relationship with the media throughout the country, at a level unprecedented of a newly established institution. Partnerships with both the print and broadcast remained solid from 2015/16 with at least 20 different newspapers publishing articles on the LRA. More radio stations, especially new ones, took interest in the LRA activities. Our press releases were broadcast on nearly all stations. The CMPA Section worked with Administrations and Legal to consummate an advertising service contract with 8 radio stations, thereby giving the LRA more than 15 talk show monthly. By the close of the fiscal year, at least 50 radio



stations nationally, including at least 22 community radios were airing LRA information – basically press releases. This strong partnership has helped to create a bigger visibility and picture of the LRA, presenting it as a transparent, industrious, serious, and professional and a relentless tax-collecting entity. More than ever, the LRA is now a household name in the Liberian society, while its media arm is regarded as one of the most organized, responsive and proactive public relations units in the country.

Key Achievements

1. Developed an overarching Communications, Media and Outreach strategy

2. Enhanced internal communication by the installation of bulletin boards and production of LRA flash, an internal newsletter.
3. Built a strong media partnership including an active and ever-ready emergency media response team.
4. Facilitated 94 media publications including 33 press releases, 26 Public Service Announcement and Revenue Notices, 22 Procurement Notices, and 13 Vacancy Announcements.
5. Consummated advertising contracts with 8 major radio stations to enhance dissemination of tax messages through talk shows, dramas and jingles
6. Established professional relationship with at least 25 community radio stations across the country, thereby creating more media space for LRA activities; increased broadcast media coverage to nearly all radio stations in Montserrado County
7. Facilitated more than 97 radio talk shows and Call-Ins on various issues (tax awareness, customs and enforcement) in Monrovia, Bong, Nimba, Grand Gedeh, Sinoe, Grand Bassa and Maryland, Lofa, River Gee, Bomi and River Cess.
8. Strengthened internal communication processes for staff to be able to clearly articulate the LRA activities with the public. By this, the CMPA regularly updated all the major bulletins boards with up-to-date information and also produced several internal newsletters known as LRA Flash.
9. Worked with Real Estate Tax Division and Legal Department, facilitating media coverage and publicity on the enforcement of court orders for closure of at least 20 delinquent businesses that evaded taxes
10. Facilitated mass media coverage of 14 major events including Taxpayers Appreciation Day and the National Revenue Symposium, ATAF training and workshop, WATAF events, among others.
11. Established an effective media monitoring mechanism for both print, broadcast and social media. This level of effective media monitoring and reports have enabled the LRA, through the CMPA Section, to effectively and promptly respond to misinformation and erroneous media reports.
12. Produced and distributed LRA's first newsletter (Revenue Watch) and commenced the production of the LRA first ever news magazine (also known as Revenue Watch)

Professional Ethics Division

The enabling Act of the LRA mandates the Authority to ensure institutional integrity through policies, procedures, administrative inquiries and the conduct of investigations that shape and reinforce integrity. As a result, the Professional Ethics Division (PED) is traditionally responsible to investigate all allegations of employees' misconduct. In order to ensure the integrity of all employees of LRA and to maintain the public trust, each allegation must be thoroughly examined. If a formal investigation is

required, the investigation must be painstaking, unbiased and completed in a timely and impartial manner. The authority of LRA to regulate the conduct of its employees is contained in the LRA Professional Ethics & Code of Conduct, the Human Resource Management Policy (HRMP) and other related regulations and statutory laws of the Republic of Liberia.

Activities & Key Achievements

1. **Investigations:** During the period under review, the PED received a total of Sixty four (64) cases of alleged employees' misconduct. Of the total number of cases reported, Sixty one (61) cases were completed, three (3) were transferred to LACC and LNP for further criminal investigations and prosecution, while three (3) cases are still pending up to reporting time.
Of the total number of investigations conducted, forty one (41) cases were sustained against the accused employees; while, nineteen (19) cases were not sustained. They were all concluded and submitted to management for further action. Accordingly and consistent with the facts and findings of PED administrative inquiries, management meted out dismissal action against seventeen (17) staff, four (4) staff were suspended, four (4) staff received written reprimand, while a total of eighteen (18) staff were exonerated. .



2. **Background Checks:** PED received the total of sixty seven (67) background check requests from Human Resource Division (HRD) for new employees and some existing employees. All 67 background checks were completed by PED within the reporting period. PED received disqualifying information for only seven staff – indicating that their academic credentials were not genuine and could not be validated by the alleged issuing academic institutions.
3. **Internal Collaboration:** During this reporting period, the AC PED collaborated with other units within the LRA, including Anti-Smuggling & Intelligence Unit (ASIU). PED also proactively developed actionable intelligence and participated in numerous successful anti-smuggling operations with the ASIU. Most of the cases resulted into tax related criminal prosecutions by Legal & Board Department in conjunction with the local County Prosecutors.
4. **External Collaboration:** During the period under review, the Liberia

Revenue Authority (LRA) and the Liberia Anti-Corruption (LACC) on August 16, 2016 signed a Memorandum of Understanding (MOU) that obligates both institutions in fighting corruption. The MOU framework is intended, inter alia, to further strengthen collaboration for the effective and expeditious investigation of corruption and related crimes within the LRA. The MOU also delegated some investigative powers to the Professional Ethics Division of LRA including the authority to receive filings of Asset declarations, conduct verifications of all assets Declared by employees of the LRA who are not covered under the National Code of Conduct.

5. Capacity Building: PED staff participated in several training workshops for skills sharpening to include: Financial Investigation Technique Course organized by the Financial Intelligence Unit (FIU) and the U. S. Department of the Treasury; Whistle blower Protection workshop organized by the LACC and UNODC, Financial Investigation Workshop organized by LACC and LPAC/USAID; National workshop on the laws and procedures of International Cooperation in criminal matters, organized by UNODC and MOJ/WACAP.
6. Other Proactive Initiatives: During the reporting period, PED conducted proactive initiatives in the leeward counties and Monrovia that resulted in the interception of the failure to pay duties on two (2) Nissan vehicles and other consignments of undeclared goods. PED also received intelligence on request for “cold water”/ bribe by Large Tax Auditors, Medium Tax Enforcers and Medium Tax Auditors.
7. Nationwide Ethics Training & Awareness: Multi-prong approach to enforcing the professional Ethics and Code of Conduct of the LRA was undertaken. The PED continued the awareness program for the LRA Professional Ethics and Code of Conduct and the Assets Declaration which served as a reminder, emphasized the provisions of the code and encouraged hefty dialogue around the code and assets declaration with the view of engendering the spirit of compliance amongst employees.
8. About thirty percent (30%) of LRA employees have so far participated in the ethics training. The cooperation from the different heads of departments/ commissioners and staff was particularly commendable.
9. PED gathered feedback comments from staff about the relevance of the Ethics training. They unanimously welcomed the awareness program and recommended that it becomes a routine annual exercise.

Transformation & Modernization Division

The Transformation and Modernization Division (TMD) was established at the enterprise level. The TMD centrally manages the practical implementation of the LRA's reform agenda through resource coordination, project management and results-oriented monitoring and evaluation for all existing and future reform projects. Also, the TMD coordinates the LRA modernization initiatives through the Executive Steering Committee.

Activities/Key Achievements

1. Established and Communicate the ToRs, Organogram, and SoPs for the TMD: The division has completed the Terms of Reference for the TMD and that of the Executive Management Steering Committee, the Monitoring and Evaluation Officer and the Project analyst. Comments emanating from the review of these documents by the Commissioner General have been incorporated in the document. The Standard Operating Procedures for the division is in draft stages pending revision and finalization. Also, the team has completed a project governance framework to provide a decision making framework that is logical, robust and repeatable to govern all of the LRA reform efforts. The project governance framework has been reviewed and endorsed by the Commissioner General.
2. Complete an inventory of modernization projects for the LRA: The Division developed a list of modernization inventory for all transformation activities within the LRA. The inventory was presented in the Executive Management Steering Committee Meeting. Comments and inputs made into the inventory during the meeting have been incorporated. A revised Modernization inventory has been developed with an attendant project tracker to gauge all of the activities within the revised inventory.
3. Establish and support the work of the Executive Management Modernization Steering Committee: The Executive Management Modernization Steering Committee has been established. Members making up the steering committee have been designated. Stakeholders to the steering committee have been identified. The First and Second Executive Steering Committee Meeting was held at the LRA offices. Preparations are ongoing for the final steering committee meeting for FY 16/17.
4. Disaster Recovery Site: The Liberia Revenue Authority (LRA) and the Central Bank of Liberia (CBL) technical teams have completed discussions for the usage of the CBL's Disaster Recovery Site. The CBL has informed the LRA that either LRA develop the site or the CBL develop the site and the LRA rent their space. The LRA has conducted site inspection and identified space for the purpose of developing said space for its data recovery center. Power requirements have been completed and submitted to the CBL. The LRA has received the cost estimate and MOU from the CBL for the development of the site. Funding requested has been completed and submitted to the Ministry of Finance and Development Planning for funding.
5. Direct tax payment thru RTGS or Transitory Account: The Direct tax payment thru Real Time Gross Settlement or Transitory Account is a joint effort initiated by the Ministry of Finance Development Planning (MFDP), the Liberia Revenue Authority (LRA) Central Bank of Liberia for the purpose of eliminating the difficulty of paying taxes and reducing the fraud that comes with paying taxes while using the manager's check. The setup of the platform has been completed and taxpayers have begun using this medium for the payment of taxes. Preparatory activities are ongoing for the roll-out of this service to include custom duties.

6. **Electronic Cash Registry:** The Electronic Cash Registry is one of many projects underway at the LRA. The LRA has received both the financial and technical proposals from all of the vendors. These proposals have been shared with procurement for the development of procurement documents. Vendors have made presentations to the LRA and the policy division of the MFDP. The LRA has completed discussions with the MFDP on the parameters of the policy for the proposed revenue sharing scheme. A high level implementation plan and concept note have been developed and distributed to all parties concerned. The first stakeholders' consultation with the Liberia Chambers of Commerce and LIBA has been completed. The LRA



has presented a request to the MFDP for the Issuance of Concession Certificate.

7. **Memorandum of Understanding for the RIA Collectorate:** The Memorandum of Understanding was signed and witnessed by all parties concerned. A communication was sent to the MFDP for the opening of the transitory accounts. Site was prepared by the MIS and the Taxpayer Service Divisions. MFDP has approved the opening of the transitory account and the account has subsequently been opened at the International Bank Liberia Limited. Despite these efforts, the MOU is yet to take effect due to the break down in connectivity of the link between the RIA and the LRA headquarters. An assessment have been made to procure the materials needed for the re-establishment of the link. The report and request has been approved and submitted to administration for action.
8. **Destination Inspection Regime:** Having justified for concession certificates to the MFDP, the LRA has received the concession certificate for the Destination Inspection Regime. Tendor documents have been prepared and the Inter-Ministerial Concession Committee (IMCC) has been set up. The Request for Expression of Interest (REIO) has been submitted to the NIC for publication thru the print and electronic media. A high level implementation plan has been completed and the activities are on track per the implementation plan.

9. Support to RG3 and IMF Missions: The TMD has continue to support the IMF Mission and RG3 work with the LRA. The TMD has coordinated several IMF Missions to the LRA including the December Mission and the mission on the establishment of a Rulings and Interpretations division in the LRA. The TMD have prepared schedules for the IMF; coordinated meetings and provided timely response to the IMF reports. The TMD has been working closely with the RG3 to implement their (RG3) work plan per the four priority areas (Taxpayer Education, Data Cleansing, Mobile Payment and Taxpayer Advocate) identified. The LRA and RG3 have jointly developed the proof of concept for the mobile payment. The technical and functional requirement are being finalized. Both LRA and the RG3 have developed the TOR for the Taxpayer Advocate function. The position has been classified and advertised in the Print and electronic media. Short listing for qualified candidates have been developed and the interview panel is constituted. The LRA will identify office early in FY 17/18.

Having had inception meeting between the RG3 and LRA relative to the data cleansing, problematic areas have been identified by both parties for quick interventions. Data cleansing will be treated as a project and Large Tax Division will be used for piloting. The LRA and the RG3 have work closely to both develop taxpayers' education messages and conduct taxpayers' education awareness. These educational messages and awareness have been done through brochures and radio talk-shows. This joint effort is gear towards improving taxpayers' awareness to voluntarily pay their taxes.

Economic Indicators

Table 3
Basic Economic
Indicators

Year	2011	2012	2013
Nominal GDP	1,540	1,746	1,962
Real GDP	1,398	1,511	1,643
Real GDP growth		8.0%	8.7%
GVA* in Agriculture, Forestry and Fishing	270	252	248
GVA in Mining and Quarrying	177	262	385
GVA in Secondary Sector (Industry)	407	529	668
GVA Tertiary Sector (Services)	797	885	960
Average US\$/L\$ Exchange Rate	US\$1/ L\$73.1	US\$1/ L\$74.0	US\$1/ L\$81.9
Inflation Rate	8.5%	6.9%	7.6%

Year	2014	2015	2016
Nominal GDP	2,012	2,035	2,101
Real GDP	1,654	1,654	1,628
Real GDP growth	0.7%	0.0%	2.6%
GVA* in Agriculture, Forestry and Fishing	258	256	737
GVA in Mining and Quarrying	285	272	84
GVA in Secondary Sector (Industry)	588	609	90
GVA Tertiary Sector (Services)	1,026	1,149	1,168
Average US\$/L\$ Exchange Rate	US\$1/ L\$84.5	US\$1/ L\$88.5	US\$1/ L\$101.3
Inflation Rate	9.9%	7.8%	8.8%

Source: Ministry of Finance Economic Policy Management Division & Liberia Institute of Geo Information Services



Political Economic Social Technological Environmental Legal Analysis

The PESTEL analysis below highlights the main factors affecting the LRA as an institution for FY16/17. The efforts on domestic revenue mobilization remain promising as actual domestic revenue collection during the reporting period exceeded previous year actual by US\$9M. This performance was on account of extensive outreach in tax awareness, enforcement and improving service delivery consistent with the mandate of the LRA.

ECONOMIC

Weak commodity prices continue to weigh on Liberia's economy, which contracted by an estimated 0.5% in 2016. Economic growth is expected to strengthen in the medium term, reaching around 4% in 2017. Growth in public revenue has been low and borrowing space has tightened.

Average headline inflation at the end of the period under review was 11.8 percent, up from 8.9 from the onset.

Real GDP growth is projected to expand in 2017 to 2.6 percent from negative 1.6 percent in 2016 mainly underpinned by growth in the mining and panning sector.

The average exchange rate of the Liberian dollar vis-à-vis the U.S. dollar depreciated to L\$112.84/US\$1.00 at end-FY16/17. This was predominantly on account of the rise in government Liberian dollar expenditure, the increase in the demand for US dollar to service import payments, and reduced foreign exchange intervention by the CBL.

TECHNOLOGY

Adequate automation in the tax system remains a major challenge. External resources (donor basket) are still being solicited in order to finance this effort. This plays a significant role as it eases the tax payment process, thereby enhancing revenue envelope and economic growth.

Interfacing of a reliable revenue reconciliation mechanism between the Central Bank of Liberia and Commercial Banks still needs improvement. There's also a lack of banking facilities in Tax and Customs business offices and proper networking. The modernization plan which aims to address some of these drawbacks is still at a minimum level pace.

LEGAL

The legal implementation framework remains challenge in terms of enforcement of revenue laws and labor cases.

The government is also working towards its effective management of land rights and this has created insecurity for customary and private land rights.

The law reform commission established upon executive order No. 20 is a coordinating arm of the government which is also striving in enabling a more reliable and working legal framework for the country.

ENVIRONMENTAL

Liberia is faced by a range of environmental challenges, impacting the development initiatives of the country and the ability to achieve the MDGs. In a wider perspective it also has consequences on the economic, political and social dimensions of the country.

The key environmental issues in Liberia include degradation of natural resources (forestry, land and water) and loss of biodiversity (forests, ecosystems, marine, wetlands and mangroves). Climate change is expected to add to already existing stresses and enhance vulnerability to external shocks and crises.

SOCIO- POLITICAL

The drawdown of the United Nation Mission in Liberia still shows some staggering effects over the period. As the country handles its own electoral process with less interference from the international community, local and external partners are still in observance of the level of stability that could be sustained in terms of security.

The government faces the challenge of staying focused on development priorities during an election year, while also contending with weak growth weighing on revenues, limited borrowing capacity, and added expenditure pressures linked to security and the 2017 election.

LRA Operations at a Glance

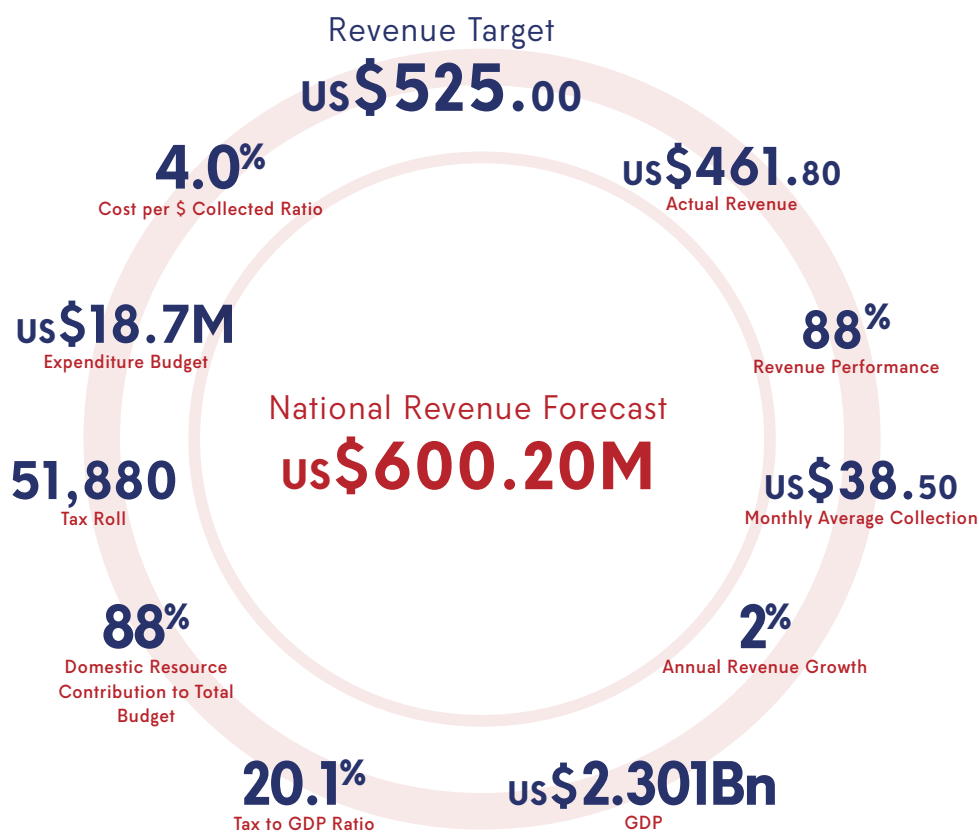


Table 4
Basic Revenue
Performance
Indicators

Description	FY14/15	FY15/16	FY16/17
Total National Budget (US\$m)	635.2	522.8	600.2
Total Revenue Outturn (US\$m)	644	571	524
Domestic Revenue Target (US\$m)	417.2	416.3	525.0
Domestic Revenue Actual (US\$m)	437.2	452.8	461.8
Revenue Performance against target	105%	109%	88%
Average Monthly Collection (US\$m)	36.4	37.7	38.5
Annual Revenue Growth	-7%	4%	2%
GDP (US\$m)	2012	2035	2301
Tax to GDP Ratio	21.7%	22.3%	20.1%
Domestic Resource Contribution to Budget	68%	79%	88%
Tax Roll	30514	40140	51880
LRA Expenditure Budget (US\$m)	13.1	17.5	18.6
Total Cost per Dollar Collected ratio	3.0%	3.9%	4.0%

Source: Policy Research & Strategic Planning Division

Expenditure Category	(US\$000)	%
Compensation of Employees	13,980	75%
Use of Goods & Services	4,028	22%
Consumption of Fixed Capital	196	1%
Special Project	414	2%
Total	18,617	100%

Source: Budget & Finance Department

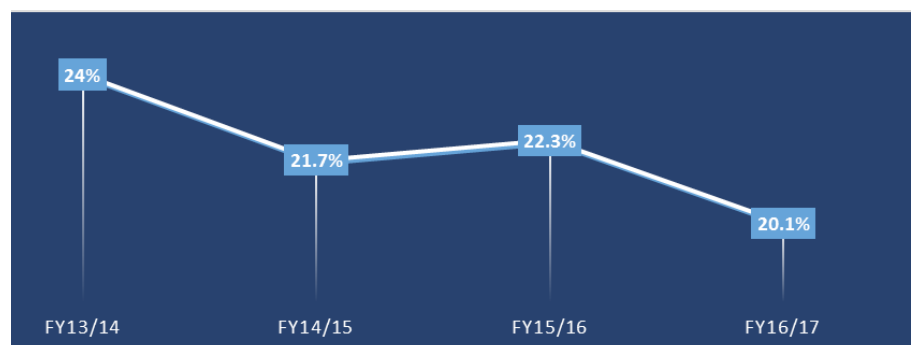
In the year under review, domestic resource mobilization yielded an increment in actual collection by 2%. As displayed in the above table, domestic resources accounted for a higher percentage shared of total revenue (inclusive of external resources), accounting for 88% of total resources. Tax roll increased by 29%, while tax to GDP ratio has marginally decreased to 20.1%. The cost per dollar collected has increased from 3.9% to 4% which indicates that the process of revenue collection will grow to be costlier in the initial stages of development given the need in the embryonic years for major investments. This necessitates keen focus on accelerating the transformation and investment in revenue protection and efficiency technology.

Description	Approved forecast FY16/17	Actual	Var. +/-	%Var. +/-
Total Revenue	600,202	523,872	(76,330)	-13%
Total Domestic Revenue	524,967	461,836	(63,130)	-12%
Domestic Tax Department	308,406	266,672	(41,735)	-14%
Customs Department	216,560	195,165	(21,396)	-10%
External Sources	68,260	62,035	(6,225)	-9%
Grants	30,260	5,685	(24,575)	-81%
Borrowings	38,000	56,350	18,350	48%
Carry-forward	2,000	-	(2,000)	-100%

Table 5
Expenditure
Indicators

Table 6
Revenue
Summary
Report

Figure 3
Domestic
Revenue to
GDP Ratio



During the FY 16/17 budget formulation, a number of tax policy measures were anticipated to be introduced upon which revenue forecast was grown. These included: an increase in the GST rate from 7% to 10%, increase in excise rate on tobacco and tobacco products from 35% to 80%, IATA compliance measure and increase in the petroleum storage fees from LPRC.. But the revenue performance showed a deficit on major tax kinds owing to the delay in the enactment of the policy measures.

On the aggregate, domestic revenue was projected at US\$ 524.9M and only x % was actualized at US\$ 461.8M registering a deficit of US\$ 63.1M or 12%. Tax revenue which contributed 83% to the total domestic revenue collection was less than projection by US\$ 44M or 10% while non-tax revenue also registered a deficit against projection by US\$ 19.1M or 20%. The major tax lines positions for FY 16/17 are shown below:

1. **Taxes on Income and Profit:** Taxes on Income and Profit which was projected at US\$ 151.1M registered a deficit of US\$ 7.2M or 5%. Withholding residents on salaries & wages, CIT Regular (25%) (200b2c) and Withholding residents on payments for services rendered contributed to this deficit by US\$ 2.4M, US\$ 1.9M and US\$ 1M respectively. GOL withholding 1%, 2 & 4% was also down by US\$ 687K.
2. **Taxes on Property:** Real property taxes were projected to contribute US\$ 7.5M but yielded US\$ 5.1M thus registering a deficit of US\$ 2.4M or 32%. This gap was mainly triggered by business and commercial used properties which was projected to contribute US\$ 6.2M or 82% but yielded only US\$ 3.9M or 52% of the approved projection.
3. **Taxes on Goods and Services:** Taxes on goods and services actual collection of US\$ 48.5M fell against projection of US\$ 54.8M by US\$ 6.2M or 11%. Domestic goods tax was projected to contribute US\$ 9.5M of which US\$ 2M was on account of the change in the rate from 7% to 10% but yielded only US\$ 7.1M. Service tax was projected to contribute US\$ 20.9M but actualized US\$ 18.4M thus registering a deficit of US\$ 2.5M or 12%. This deficit was partly on account of the policy measure on IATA compliance which was projected to contribute US\$ 800K but was not implemented. Additionally, maritime revenue projected at US\$ 11.5M contributed US\$ 9.8M registering a deficit of US\$ 1.7M or 15%. This deficit was on account of Maritime corporate fees which was projected to contribute US\$ 4.7M but was not realized.
4. **Taxes on International Trade:** Taxes on international trade was projected at US\$ 208.4M but contributed US\$ 184.4M indicating an

underperformance of US\$ 24M or 12%. Customs and other import duties which accounted for 99.7% of international trade projection declined by US\$ 23.8M or 11%. Import duties declined against projection by US\$ 7.3M or 7% on account of the delay in the CET implementation. Excise taxes on imported goods also declined against projection by US\$ 3.9M or 31% partly on account of reduced imports of tobacco and tobacco products as a result of the increase in the rate from 35% to 80% and the underperformance of excise tax on other imported goods by US\$ 2.8M or 49% against projection.

5. Other Taxes: Other taxes declined against projection by US\$ 4.2M or 57% mainly due to unrealized revenue from other taxes paid by other than business or unidentifiable which was projected to contribute US\$ 3.5M. Although ArcelorMittal and MNG Gold committed US\$ 3.2M to the Social development contribution but this effort was still below projection by US\$ 702K or 18%.
6. Property Income: Property income was down against projection of US\$ 74.4M by US\$ 17.7M or 24%. This decline was partly on account of petroleum surcharge which was projected to contribute US\$ 43.3M but actualized US\$ 28.2M, dividend from LPRC of US\$ 3.5M was not realized and the 7% Stumpage Premium and the Area fees of the forestry sector were below expectation.
7. Administrative Fees: Administrative fees dropped against projection by US\$ 1.9M or 11% due to low collection by the Bureau of Immigration and Ministry of Agriculture which were below projection by US\$ 1.2M or 23% and US\$ 660K or 44% respectively.
8. External Resources: External resources was expected to contribute US\$ 68.2M or 11% to the FY 16/17 budget but actually yielded US\$ 62M, thus registering a deficit of US\$ 6.2M or 9%. This decline was on account of unrealized grants of US\$ 12.3M and US\$ 5M from the European Union and Norway respectively. Additionally, the expectation of US\$ 12.9M from USAID Fixed Asset Reimbursement Agreement was short by US\$ 7.2m.

Overall Revenue Performance

In the period under review the total revenue collection was US\$523.9M, of which domestic revenue collected by the LRA was 88% or US\$ 461.8M, and external resources represented 12% or US\$62M of the collection. The collection of Domestic Revenue was higher by 2% when compared to the FY2015-2016 actual outturn. This growth trend in collection is explained by higher collection by Domestic Tax of US\$8.1M and Customs US\$927K. The expected grants were not received mainly due to major administrative constraints and delays in the agreed schedules with international partners.

Table 7
FY 16/17
Revenue
Performance

DESCRIPTION	APPROVED FORECAST FY 16/17	ACTUAL FY 16/17	Var. +/-	% Var. +/-
TOTAL REVENUE	600,202	523,871	(76,331)	-13%
DOMESTIC REVENUE	524,967	461,836	(63,131)	-12%
TAX REVENUE	429,183	385,131	(44,052)	-10%
TAXES ON INCOME & PROFITS	151,109	143,866	(7,243)	-5%
O/W PERSONAL INCOME TAX (PIT)	114,375	109,455	(4,921)	-4%
O/W CORPORATE INCOME TAX (CIT)	34,448	32,834	(1,614)	-5%
O/W Other Income Taxes	2,286	1,578	(708)	-31%
TAXES ON PROPERTY	7,515	5,108	(2,407)	-32%
TAXES ON GOODS & SERVICES	54,809	48,586	(6,223)	-11%
TAXES ON INTERNATIONAL TRADE	208,383	184,406	(23,977)	-12%
OTHER TAXES	7,367	3,165	(4,202)	-57%
NON-TAX REVENUE	95,784	76,704	(19,079)	-20%
PROPERTY INCOME	74,400	56,653	(17,747)	-24%
ADMINISTRATIVE FEES	17,895	15,935	(1,960)	-11%
FINES, PENALTIES AND FORFEITS	3,445	3,102	(343)	-10%
MISCELLANEOUS AND UNIDENTIFIED REVENUE	43	1,014	971	2258%
EXTERNAL SOURCES	68,260	62,035	(6,225)	-9%
CARRY-FORWARD	2,000	-	(2,000)	-100%
CONTINGENT REVENUE	4,975	-	(4,975)	-100%

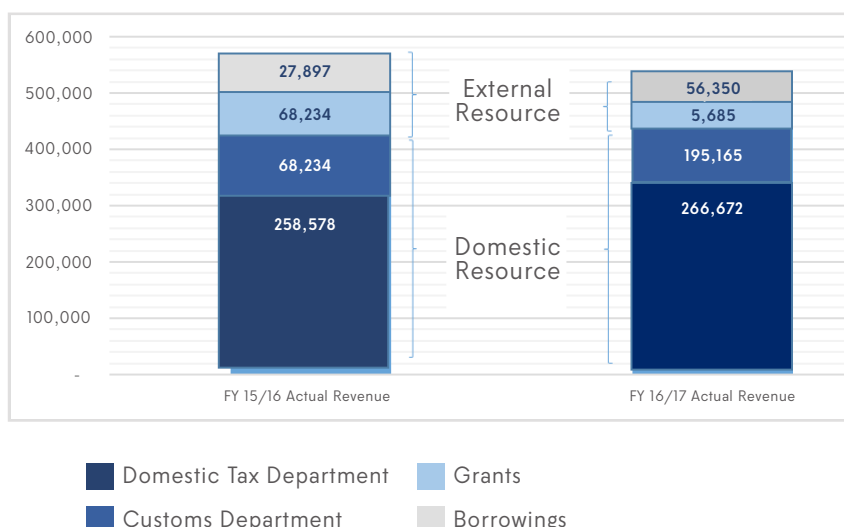


Figure 4
Comparison
of Revenue
Outturn – FY
15/16 vs. FY
16/17

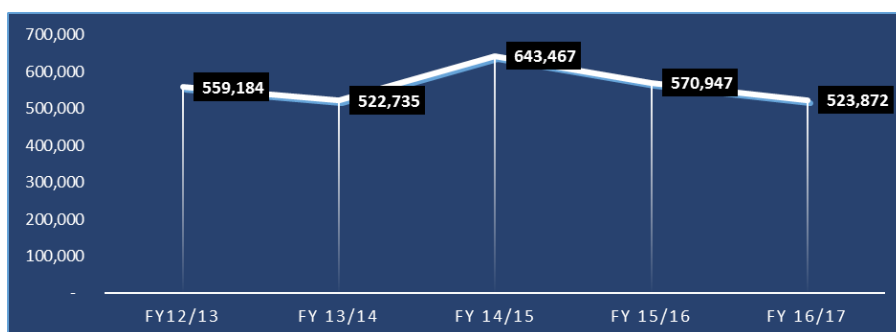


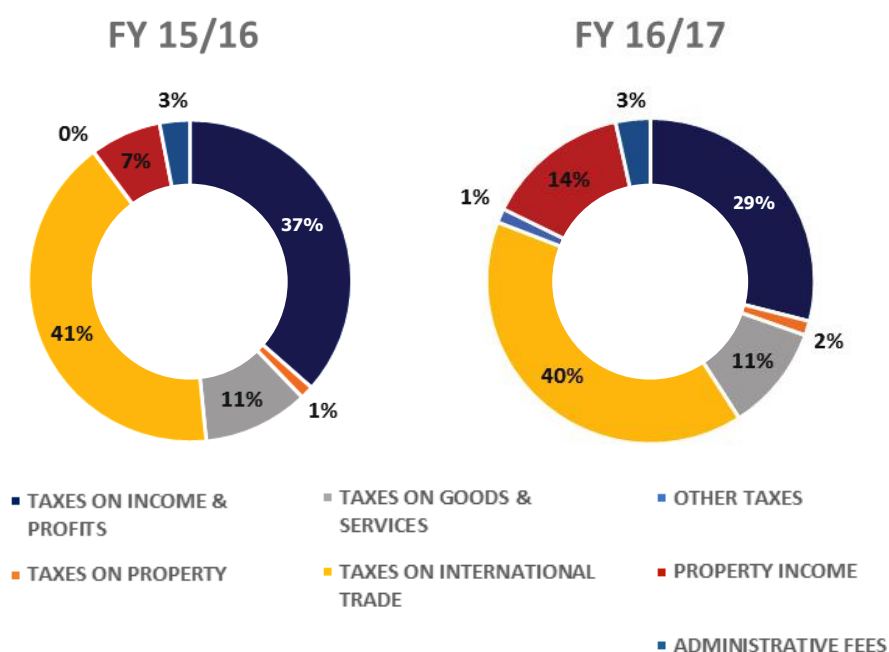
Figure 5
Total Revenue
Performance
Trend (US\$M)

Domestic Revenue by Tax Lines

Domestic Revenue is constituted by tax revenue (83%), Non-Tax revenue (17%) indicating that tax revenue is the highest contributor. The collection of Domestic revenue below the budget estimate is largely due to underperformance in Taxes on International Trade, Property Income as well as other tax lines. Tax revenue was below the target in 10% or US\$44M. All tax lines under tax revenue performed below expectation.

Non-tax Revenue also performed below the budget estimate target in 20% or US\$19.1M, mainly on account of the property income and administrative fees (Sector ministry). Also, though International trade declined in the composition from 41% to 40% as well as Taxes on Income and Profits from 37% to 29%, property income increased from 7% to 14%.

Figure 6
Domestic
Revenue
Snapshot



Tax Revenue

Tax revenue experience a decline of US\$44.1M or 10% when compared to forecast of US\$429.2M. This was largely on account of underperformance in all of the key tax lines underpinning this revenue source. The highest amongst these sources was taxes on international trade which experienced a drop due to decline in trade volume. Key tax lines performances are discussed in subsequent sections.

Table 8
FY 16/17 Tax
Revenue
Outturn
(US\$000)

DESCRIPTION	APPROVED FORECAST FY 16/17	ACTUAL FY 16/17	Var. +/ -	% Var. +/ -
DOMESTIC REVENUE	524,967	461,836	(63,131)	-12%
TAX REVENUE	429,183	385,131	(44,052)	-10%
TAXES ON INCOME & PROFITS	151,109	143,866	(7,243)	-5%
PERSONAL INCOME TAX (PIT)	114,375	109,455	(4,921)	-4%
CORPORATE INCOME TAX (CIT)	34,448	32,834	(1,614)	-5%
Other Income Taxes	2,286	1,578	(708)	-31%
TAXES ON PROPERTY	7,515	5,108	(2,407)	-32%
TAXES ON GOODS & SERVICES	54,809	48,586	(6,223)	-11%
TAXES ON INTERNATIONAL TRADE	208,383	184,406	(23,977)	-12%
OTHER TAXES	7,367	3,165	(4,202)	-57%
NON-TAX REVENUE	95,784	76,704	(19,079)	-20%
PROPERTY INCOME	74,400	56,653	(17,747)	-24%
ADMINISTRATIVE FEES	17,895	15,935	(1,960)	-11%
FINES, PENALTIES AND FORFEITS	3,445	3,102	(343)	-10%
MISCELLANEOUS AND UNIDENTIFIED REVENUE	43	1,014	971	2258%

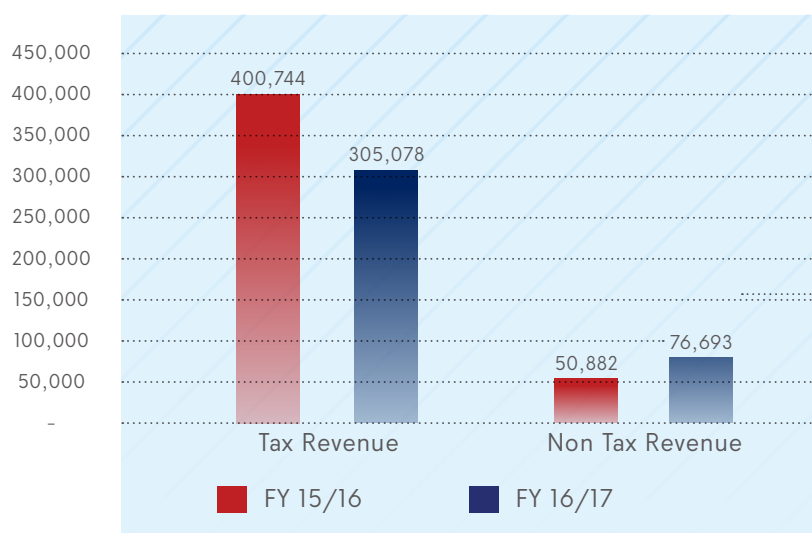


Figure 7
Tax and Non Tax
Revenue Year
on Year Analysis
(US\$000)

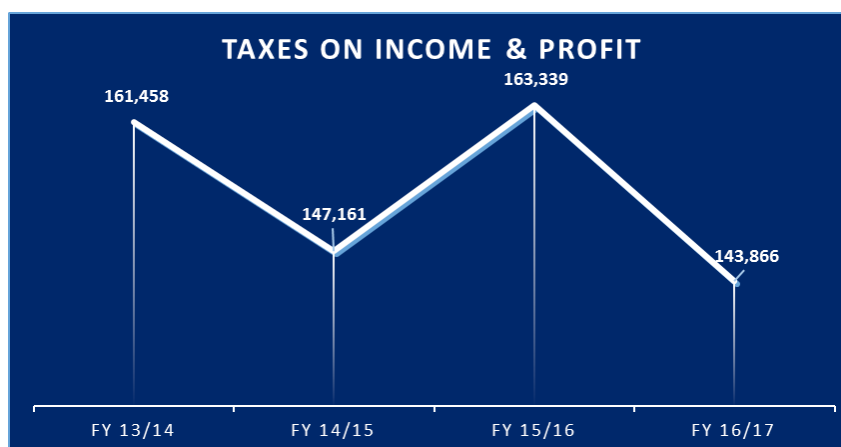
Taxes on Income & Profit

Total actual collection of Taxes on Income and Profit for FY 2016/2017 was US\$143.9M, against an approved forecast of US\$151.1M. This actual reflects an underperformance of US\$7.2M or 5%. The underperformance can be explained by a slack in the economy due to speculative effect of the election year, coupled with UNMIL drawdown and foreign exchange pressure, which led to contraction in the tax base (gross income). The aforementioned factors undermined performance of key tax lines including Personal Income Tax, Withholding payments to residents and non-residents as well as Corporate Income Tax. Details can be found in the below table.

Description	FY 16/17 Approved Budget	FY 16/17 Actual	% of Actual over (Approved Budget)	Var. +/- (Approved Budget)
TAXES ON INCOME AND PROFITS	151,109	143,866	95%	(7,243)
PERSONAL INCOME TAX (PIT)	114,375	109,455	96%	(4,921)
Taxes on Residents	144,644	137,083	95%	(7,561)
PIT Section 200A (Residents)	119	206	174%	87
Withholding Taxes (Residents)	108,452	102,465	94%	(5,986)
Taxes on Non-Residents	5,805	6,783	117%	978
CORPORATE INCOME TAX (CIT)	34,448	32,834	95%	(1,614)
OTHER INCOME TAXES	2,286	1,578	69%	(708)
Presumptive Section 200C (Small Tax)	1,626	1,578	97%	(48)
GSM annual gross margin tax	660	-	0%	(660)

Table 9
FY 16/17 Taxes
on Income &
Profit

Figure 8
Taxes on Income
and Profit Trends

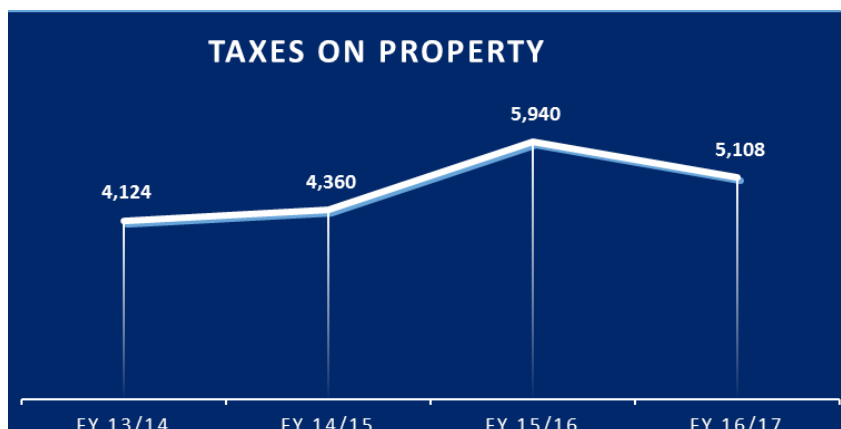


The graph above depicts a significant decline in revenue collection on income and profit, which consist PIT and CIT. comparatively, revenue has declined over the four year period by 10% or US\$17.6M, and when compared to the previous fiscal year by 11% or US\$19.4M. This decline over the projected period has been largely on account of contractionary effect of the fall in commodity prices and the Ebola epidemic, as well as retrenchment due to the speculative effects of the election year (2017), coupled with UNMIL drawdown and foreign exchange pressure.

Taxes on Real Property

Actual revenue from real property decline from US\$5.9M in FY15/16 to US\$5.1M in FY16/17. This decline of US\$832K was due to adverse effect of contraction in the economy. A deeper look at revenue sources under this sector reveals that taxes on commercial property is the biggest driver, and accounted for 82% of total property tax projection. However, this revenue stream fell short of meeting its projection of US\$6.2M by US\$2.3M thus yielding only US\$3.9M or 52% of forecast. Amidst the challenges in this sector, the LRA showed strong commitment by enhanced collaboration with the local authorities, robust tax awareness and the launched of a special project in April of the fiscal year which is expected to reap full dividends in FY17/18.

Figure 9
Taxes on Real
Property Trends



Taxes on Goods and Services

Actual collection on Taxes on Goods and Services was US\$48.5M, which reflects an underperformance of US\$6.2M or 11% when compared against forecast of US\$54.8M. The expected impact of the tax policy reform which increase GST rate from 7% to 10% and excise rates (tobacco from 35% to 80% and alcoholic beverages from 35% to 45%) did not yield expected results due to the late passage of the legislative instrument in the second half of the year. Also, Maritime contribution to the budget of US\$11.5M was only actualized by 85% (US\$9.8M) thus registering a deficit of US\$1.7M. Meanwhile, taxes on goods and services actuals reflect a growth when compared to FY15/16.

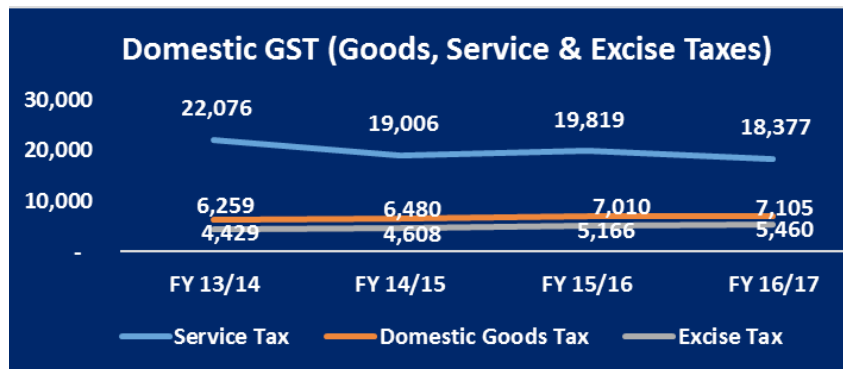


Figure 10
Domestic GST
Trends

Description	FY 15/16	FY 16/17	Growth	Var. +/- (Approved Budget)
Total Goods & Service Tax	47,332	48,586	3%	(7,243)
GST Excluding Motor Vehicle	26,973	25,482	-6%	(4,921)
Domestic Excise	5,166	5,460	6%	(7,561)
Motor Vehicle Taxes	5,277	6,018	14%	87
Use of Goods and Permission to use Goods	1,595	1,698	6%	(5,986)
Maritime	8,321	9,824	18%	978

Table 10
Year on Year
Analysis of Taxes
on Goods &
Services Tax

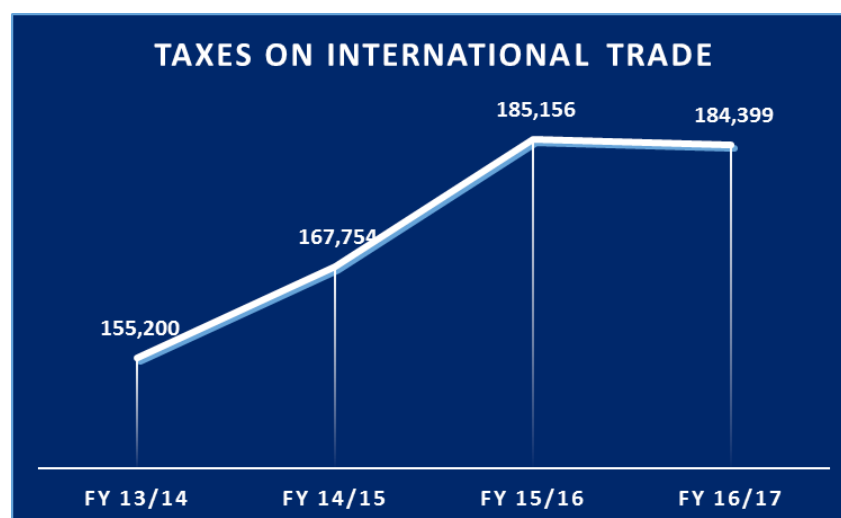
Taxes on International Trade

The total collection of the Department of Customs during the period (FY2016/2017) was US\$195.1M against a budget of US\$216.6M, thus accounting for an underperformance of US\$21.4M or 10%. The major driver of this underperformance was international trade volume which decline by US\$220M or 11% when compared to previous fiscal year. In the midst of this decline, actual revenue performance saw a little increase by US\$927K was hugely impacted by tax policy reform legislated in January 2017 which increase GST rates from 7% to 10% as well as Excise tax on Tobacco and alcoholic beverages from 35% to 80% and 35% to 45% respectively. During the reporting period, the department also embarked on the implementation of the Common External Tariff under the ECOWAS directive and Harmonize Commodity Description Coding System (HS) 2017 on January 1, 2017 in fulfillment of the WCO requirement.

Table 11
Customs
Department
Fiscal Outturn

Description	FY 15/16	FY 16/17	Growth	Var. +/- (Approved Budget)
Customs Department	194,238	195,165	0.5%	(7,243)
Customs & Other Import Duties	184,604	184,059	0%	(4,921)
ECOWAS Trade Levy	4,287	3,673	-14%	(7,561)
Fees & Other Levies on Exports	552	347	-37%	87
Log and Wood Products Export Fees	2,383	2,917	22%	(5,986)
Mineral Royalties	6,660	7,804	17%	978
Rental of Bonded Warehouses	38	38	2%	

Figure 11
Taxes on
International
Trade Trend



Non Tax Revenue

Property Income

In the non-tax category, actual collection under “Property Income” was below budget of US\$31.1M by US\$2.7M or 9%. This was largely on account of payments in unrealized dividends from LPRC of US\$3.5M, NPA by US\$500K, and Forestry Management Contracts by US\$4.1M. These were largely as a result of downturn in economic activities due to deteriorating term of trade, exchange rate pressure and the speculative effect of the elections year.

	Approved Budget Estimates FY 16/17	FY 16/17 Actual Collection	% of Actual FY 16/17 over Projection (APP.)	Var. +/- (Approved Projection)
PROPERTY INCOME (Excl. Petroleum Surcharge)	31,072	28,411	-0.085635577	(2,661)
Interest Income	-	-	0%	-
Dividend	6,000	2,000	-67%	(4,000)
Forestry	10,837	6,879	-37%	(3,958)
Agriculture	1,202	654	-46%	(548)
Mineral Mining	7,377	10,354	40%	2,977
Petroleum Mining	-	244	0%	244
Intangible Non-Produced Assets	5,492	7,963	45%	2,471
Rent And Rate-Other Non-Produced Assets	-	13	0%	13
Others	118	58	-51%	(59)

Table 12
FY 16/17
Property Income
Outturn

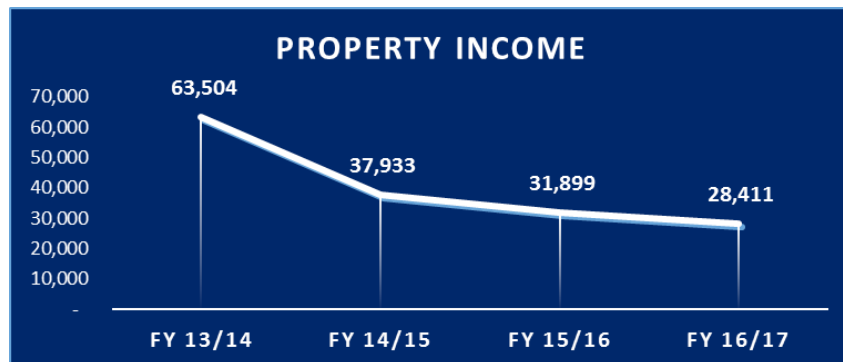


Figure 12
Property Income
Trend

Administrative Fees

Revenue from Administrative Fee was US\$22.7M against a forecast of US\$24.2M, thus reflecting a under performance of US\$1.6M or 6%. This deficit was mainly on account of Bureau of Immigration and Naturalization, Labor Ministry, Liberia Business Registry, Liberia National Police, Ministry of Health, amongst others.

Table 13
FY 16/17
Outturn from
Sector Ministries
& Agencies

Description	Approved Budget Estimate FY 16/17	Actual Collection FY 16/17	% of Actual over Approved Budget	Var. +/- (Approved Budget)
SECTOR MINISTRIES & AGENCIES, FEES	24,212	22,661	-6%	(1,552)
Agriculture Ministry	1,494	833	-44%	(661)
Bureau of Immigration & Naturalization	5,048	3,871	-23%	(1,178)
Center for National Document And Records	343	321	-6%	(22)
Commerce Ministry	55	29	-47%	(26)
Education Ministry	11	43	290%	32
Foreign Affairs Ministry	2,346	2,841	21%	495
Forestry Development Authority	68	117	73%	49
Gender And Social Protection Ministry	-	52	0%	52
Health And Social Welfare Ministry	266	160	-40%	(106)
Industrial Property Office	25	24	-5%	(1)
Information Ministry	45	56	25%	11
Internal Affairs Ministry	97	146	51%	50
Justice Ministry	65	405	523%	340
Labour Ministry	4,463	4,087	-8%	(376)
Lands, Mines And Energy Ministry	150	139	-8%	(11)
Liberia Copyright Office	1	1	-20%	(0)
Liberia National Police	171	28	-83%	(142)
Liberian Business Registry	2,507	2,213	-12%	(294)
National Fire Service	66	162	146%	96
Other Ministries And Agencies	2	20	948%	19
Post And Telecommunication Ministry	90	192	113%	102
Public Works Ministry	600	653	9%	53
Temple of Justice	26	22	-15%	(4)
Transport Ministry	6,274	6,235	-1%	(39)
Youth and Sports Ministry	-	10	0%	10

Domestic Tax Department

The Domestic Tax Department (DTD) is one of the core departments of the Liberia Revenue Authority. It is a Public Service Department charged with domestic tax administration. The basic objective is to increase and coordinate control over all categories of taxpayers, improve taxpayers' compliance, and also the revenue yield to the Government. The Department is composed of three divisions, four direct reporting sections as well as one unit: Large Tax Division, Medium, Small Micro Tax Division, Real Estate Tax Division, Sector Ministry, Tax Business Offices and the Natural Resource Tax Section. Other reporting sections and units are the Exchange of Information and the Tax Compliance Risk Management Section.

Taxpayer Returns Control

The basic function of the Assessment, Analysis and Accounting section is to control and validate the lodgment of taxpayers' return regularly. During the course of last fiscal year, the Department further strengthened the team management of taxpayers' return/profile of the AAA Sections. This was done through the creation and implementation of the Desk Review/Audit program, redesigning the business processes of the Section, and increasing the level of monitoring and validation of returns being lodged. The objective of this structure and approach is to adequately control and validate taxpayer's lodgment by economic sectors, i.e., manufacturing, merchandising, natural resources, inter alia. It also serves as means of pursuing taxpayers' report and declaration by tax types as per sectors, that will inform authorities of the level of compliance, performance and needed interventions where and if applicable. Additionally, the mechanism was employed to ensure that returns being lodged are adequate, complete and correct.

To date, the Department has embarked on its plan to mitigate the risk associated with incorrect and incomplete tax roll. This plan aims at capturing complete information of taxpayers, thus verifying current information in the Standard Integrated Government Tax Administration System (SIGTAS) and updating information where required. New businesses are also captured and corresponding education and enforcement to ensure full compliance is being implemented.

Domestic Tax Services

Taxpayers' service delivery is cardinal to the compliance assurance program of the Department. Delivering effective and efficient services to taxpayers enable them to know their rights and responsibilities. During the year in retrospect, the Department liaised with the Taxpayer Service Division in reviewing taxpayers' returns and the verification of withholding on salaries, rent, and contract on services to ensure calculations were correct and declarations were fair and legal. The Department also conducted series of stakeholders' engagement with Tax Practitioners in ensuring their clients are compliant in accordance with the law. Some of the stakeholders included the mining, agriculture and forestry sectors, the Liberia Institute of Tax Practitioners, the Liberia National Tailor Union, the Petty Traders Association, as well as Ministries, Agencies and Commissions of Government. Additionally, there were several media engagements held with both the print and electronic media on various tax matters including WHT – wages and salaries, rent, Real Property Tax, Personal Income Tax, and Business Income Tax.

Audit

The primary objective of the Department's Audit Program, is to promote voluntary tax compliance. A well- managed audit program plays a pivotal role in ensuring compliance. An effective audit program will have significantly wider impacts than just raising revenue directly from audit activities. In addition to the primary role of the taxpayer audit function as stated above, Auditors are often required to carry out intensive tax education and awareness as a preventive and corrective measure. The strategy is to improve tax payers' compliance, and mitigate the level of enterprise and industrial risks. Please find in below tables audit statistics and proceed for the reporting period. From 2016 September to 2017 February, comprehensive audit was temporarily suspended by senior management, and some strategic restructuring was undertaken. This explains the low productivity level of DTD audit program.

Table 14
FY 16/17 Audit
Statistics

Description	Comprehensive	Specific	Desk	Total
Audit b/fwd from 2015/2016	338			338
Audits Added during 2016/2017	486	74		560
Total Audit Available for 2016/2017	824	74	0	898
Audits Completed	108	6		114
Audit in Progress	716	68	0	784
% of Completed Audit to Audit Added	22%	8%	0%	20%
% of Completed Audit to Audit Available	13%	8%	0%	13%

FY16/17 Audit Proceeds	No. of Audits	Amt. Assessed (US\$)	Amt. Assessed (L\$)	Losses Overturn US\$
Large Tax Audit	52	6,011	41,225	58,839
Small, Medium & Micro Audit	62	1,057		
Grand Audit	114	7,067.90	41,224.79	58,838.94

Table 15
FY 16/17 Audit Proceeds

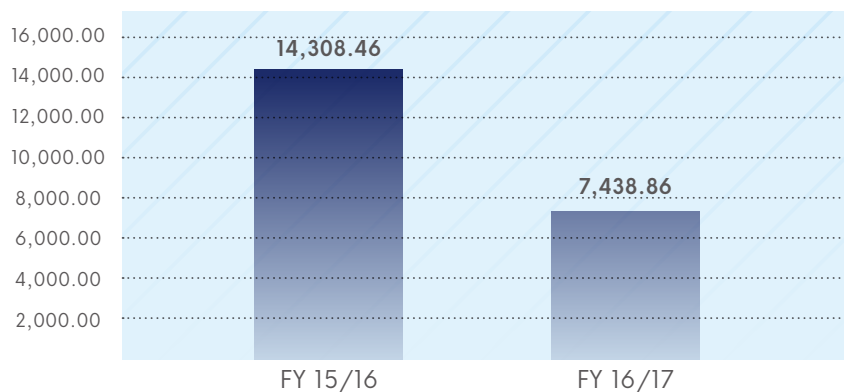


Figure 13
Audit Proceed (US\$000)

Collection & Enforcement

The Department's tax debt management program is also structured into teams, i.e., economic sectors, and tax debt collection is being executed per zones. That is, enforcement officers are deployed in and around the environs of Monrovia into the administrative demarcations of the City. During FY 16/17, the Department ensured compliance through robust enforcement, collaboration, information dissemination between sections, divisions and departments, and assessing and collaborating with other government agencies and line Ministries.

Description	Debt Collected from Audit		Amount Collected from AAA	
	USD	LRD	USD	LRD
Large Tax Enforcement	1,770	145,098	1,731	295,288
Small & Medium Tax Enforcement	487	8,861	1,002	7,281
Grand Total	2,256	153,959	2,732	302,568

Table 16
FY16/17 Debt Collection and Enforcement Proceeds

Special Project/Data Cleansing

Based on the findings of an IMF scoping mission, which reviewed the LRA's revenue administrative systems, the Domestic Tax Department has commissioned a data-cleansing project to commence in July of the next fiscal year. This project is based on the issues identified from experience with the IT system (Standard Integrated Government Tax Administrative System) that was confirmed by the IMF scoping mission report. Some of these issues include, wrong postings, inaccurate data (bio, branch), inadequate integration of tax legislations in the system (policy gaps), misapplication of rates, etc. The study shall commence with a formulation of a business case that will guide the project.

Revenue by Operations

The operational divisions within the Domestic Tax Department are the Large Tax Division (LTD), Micro, Small & Medium Tax Division (MSMTD), Real Estate Tax Division (RETD) and Sector Ministries Section (SMS), and the Tax Business Offices, which cover rural tax administration.

For the period under review, the three operational divisions which collection resulted into the underperformance were LTD, RETD & SMS.

1. For LTD, the underperformance was on account of the failure of LPRC to remit the road fund fee of US\$15.1M, failure of LISCR to remit the estimated Maritime Corporate Fees of US\$1.7M, the underperformance in PIT and CIT, as well as unrealized Contingent Revenues from Cellcom/Orange Deal of US\$2.5M and LTA Surcharge US\$2.5M.
2. RETD underperformance of US\$2.3M was mainly on account of unrealized revenues from commercial and business property.
3. SMD underperformance of US\$1.6M was mainly triggered by underperformance of the Bureau of Immigration's collection.

Table 17
FY 16/17
Revenue
Outturn by
Operational
Divisions

Division	Projection	Actual	Var	Var %
Domestic Tax Department	308,406	266,672	(41,735)	-14%
Large Tax Division	190,792	142,622	(48,170)	-25%
Medium, Small & Micro Tax Division	45,173	53,756	8,583	19%
Real Estate Tax Division	7,515	5,238	(2,277)	-30%
Natural Resource Tax Unite	38,229	38,536	307	1%
Sector Ministries Division	24,212	22,661	(1,551)	-7%
TBOS	2,485	3,858	1,373	55%

Natural Resources Tax Section

NRTS is a specialized tax section within the domestic tax department responsible for administering taxation in the natural resource sector of Liberia. From its inception until the end of fiscal year 2015/2016, the section was domiciled in large tax division reporting directly to the Assistant Commissioner for large tax while carrying out its function mostly to large taxpayers within natural resources sector. Through a board resolution in FY 2015/2016, the unit became a section with direct reporting to the Commissioner for Domestic Tax Department effective FY 2016/2017. The section is responsible for the complete revenue administration in the Mining, Petroleum, Agriculture and Forestry sectors.

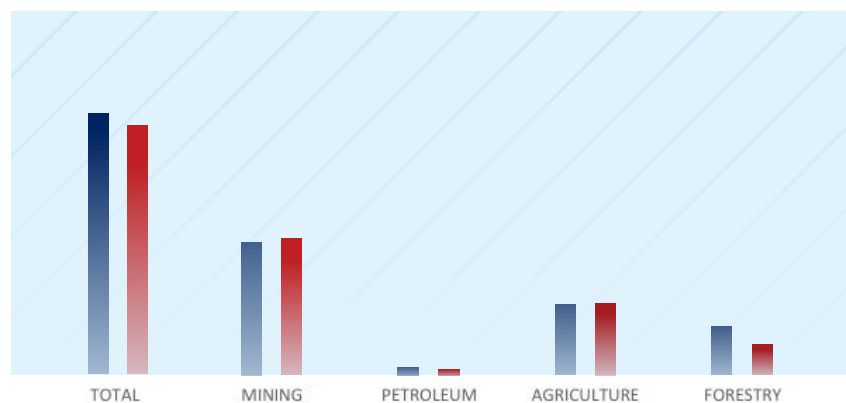
The NRTS target for the fiscal year 2016/2017 was US\$38.2M against which US\$38.5M was collected registering a surplus of US\$306.7K as shown below.

Description	Forecast	Actual Collection	Variance	%
Total	38,229	38,536	307	1%
Mining	18,706	21,413	2,707	14%
Petroleum	419	1,096	677	161%
Agriculture	11,278	11,279	1	0%
Forestry	7,827	4,748	-3,078	-39%

Table 18
FY 16/17
Revenue
from Natural
Resource Sector



Figure 14
Year on Year
Comparison
of FY15/16 Vs.
FY16/17



FY16/17 witness a 5% or US\$1.97M decline in the revenue generated from the Natural Resource Sector. Most of the decline can be attributed to the forestry sector, which experience a negative variance of about US\$2.9M. This was due to bad road conditions causing delay in haulage thus hindering planned exports, especially during peak periods.

Tax Business Office

Revenues from counties other than Montserrado County are collected by 19 strategically located Tax Business Offices (TBOs). In total, the TBOs collected US\$3.9M, which exceeded target by 51% or US\$1.3M. The detail contribution of different TBOs of DTD's revenue intake during the reporting period is shown below.

As seen in the table, the five TBOs that contributed the highest revenues during the period are as follows:

Harper TBO contributed US\$1M, or 26% of the amount contributed by all TBOs.

Buchanan/Rivercess contributed US\$404K or 10% of the amount contributed by all TBOs.

Marshall contributed US\$556K or 14% of the amount contributed by all TBOs.

Cape Mount TBO contributed US\$333K or 9% of the amount contributed by all TBOs.

No.	TBO	Approved Forecast	Actual	Var	Var %	Revenue Contribution
1	Buchanan/ Rivercess	375	404	29	8%	10%
2	Harper	526	1,016	490	93%	26%
3	Zwedru	147	92	(55)	-37%	2%
4	Webbo	18	24	5	29%	1%
5	Greenville/ Juarzon	33	34	1	2%	1%
6	Tappita	20	22	1	7%	1%
7	Grand Kru	8	18	10	132%	0%
8	Ganta	189	264	76	40%	7%
9	Sanniquellie	126	141	15	12%	4%
10	Gbarnga	242	393	150	62%	10%
11	Rivercess	6	6	(1)	-8%	0%
12	Bensonville	63	52	(11)	-17%	1%
13	Marshall	337	556	219	65%	14%
14	Bomi	66	144	78	119%	4%
15	Cape Mount	168	333	165	98%	9%
16	Kakata/Salala	163	230	67	41%	6%
17	Kolahun/Foya	16	22	6	40%	1%
18	Bopolu/ Gbarma	12	18	6	48%	0%
19	Voinjama/ Zorzor	47	48	1	2%	1%
TOTAL		2,561	3,858	1,297	51%	100%

Table 19
FY 16/17 Fiscal
Outturn from
Tax Business
Offices

Customs Department

The Customs Department is one of the two core businesses of the Liberia Revenue Authority. It consists of three Divisions with a broader mandate to administer and enforce all Customs laws of the Revenue Code of Liberia and other laws relevant to the collection of border taxes, the facilitation of legitimate trade and enforcement of border security. To effectively carry out this mandate in the face of the changing global trade environment, the Department has embarked on several reform and modernization activities.

During FY 16/17, total revenue collected by the Department for the period under review was US\$195.145M. This amount was below the original revenue forecast of US\$216M by 10%. The revenue shortfall with respect to the budget was largely as the result of a sharp fall in international trade volume by about 11% compared to fiscal year 15/16. However, the actual revenue collected during fiscal year 2016/17 increased by 0.47% (US\$923K) over and above FY15/16 (US\$194.22) actual revenue, in spite of decline in trade volume and concurrent increase in non-commercial trade duty waivers by US\$5M.

The slight increase in revenue over and above the previous fiscal year is partly explained by the new tax policy measure which introduced a new GST rate from 0.7% to 10% in the latter half of the fiscal year in retrospect. Notwithstanding, for the larger part, the performance is the direct impact of measures taken over the period to reduce revenue leakages through improved strategic customs controls.

Trade Facilitation & Tariff Management

During the Fiscal Period (FY2016/2017), the Section recorded and resolved thirty- five (35) appeal and dispute cases filed by the business community. Of the total number of cases recorded and resolved, valuation cases accounted for a highest share. 24 cases representing 68.6% were valuation related. Classification accounted for 11 of the cases which represents 31.4%. The Table 19 and 20 below provides the summary analysis the customs-related dispute settlements.

Table 20
Cases by
Category

Protested Cases by Various Categories		
Valuation	24	69%
Classification	11	31%
Total Cases Protested	35	100%

Objection	Total	Ruled in favor of Customs		Ruled in favor Taxpayer		Not for or against	
Valuation	24	11	46%	6	25%	7	29%
Classification	11	9	82%	2	18%	0	0%
Total	35	20	57%	8	23%	7	20%

Of the thirty-five (35) cases, twenty (20) of them or 57% was ruled in favor of Customs, while eight (8) or 23% in favor of the taxpayers. Additionally, no opinions were made for or against for 7 or 20% of these cases (all valuation related), but recommendations called for further due diligence to remedy the situation.

Bonded Warehouses, Transit & Transshipment

The total customs value of goods bonded in FY16/17 was US\$15.18M. The total tax expenditure on account of goods withdrawn from bonded warehouses was US\$2.95M while the duties and taxes collected on bonded goods amounted to US\$1.679M. The total collection of quarterly fees for customs warehousing services was US\$83K. This amount is significantly low and is not commensurate with the services provided to warehouses by Customs. The quarterly fees need to be revised to reflect the personnel and logistical cost for the deployment of officers by the LRA at approved warehouses including petroleum facilities outside the LPRC premises.

Category	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
Customs Value	6,690	1,872	5,675	945	15,182
Expenditure /Duty Free	1,296	587	487	581	2,951
Bonded Fees	11	39	14	20	84
Total Collection	741	269	342	328	1,679

Source: Bond & Transshipment Section

Compliance and Enforcement

The Compliance and Enforcement Division consists of Post Clearance Audit (PCA), Anti-Smuggling, Risk Management and Collection Enforcement units. The activities of PCA, Anti-Smuggling and Collection Enforcement are summarized in Tables 14 and 15.

Source	No. of Intervention	Receivable (000)	Amt. Paid (000)	Balance (000)
Anti-Smuggling	83	153	101	52
PCA Annual Audit	57	377	297	80
PCA System Review	5	6,915	43	6,872
Total	145	7,445	441	7,004

Table 21
Case Analysis

Table 22
FY16/17 Bonded Imports Analysis (US\$000)

Table 23
Compliance and Enforcement Activities (US\$)

Table 24
Collection
Enforcement
Activities
(L\$000)

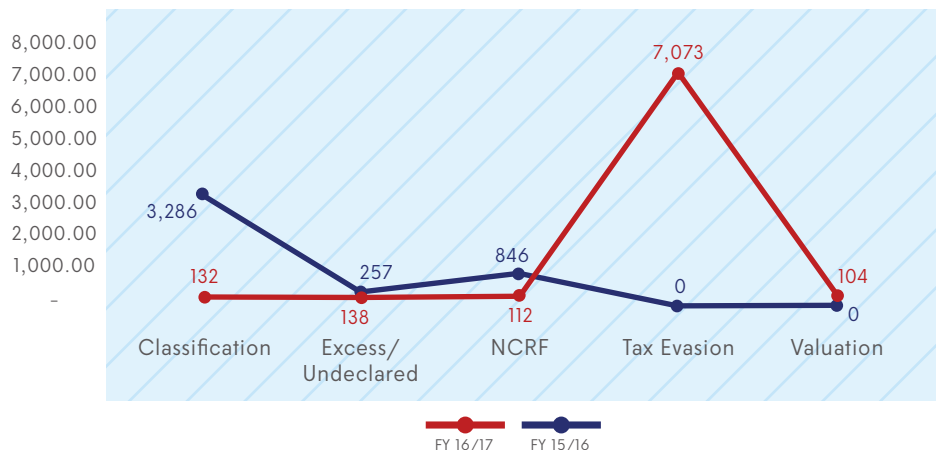
Source	No. of Intervention	Receivable (000)	Amt. Paid (000)	Balance (000)
Anti-Smuggling	83	4,250	2,716	1,534
PCA Annual Audit	57	3,050	2,850	200
PCA System Review	5	13,650	50	13,600
Total	145	20,950	5,616	15,334

Tables 21 and 22, clearly show the debt-to-collection ratios for both USD and LRD transactions was 86% and 83% respectively. The calculation is based on unprotected & delivered bills and not the total bills issued by the Collection Enforcement Section. Protested bills are still undergoing legal considerations with the protest and appeals unit in the Legal Department. The protested bills value for the period amounted to US\$6.9M and LR\$14.2M respectively, while undelivered bills were US\$15.3K. On the over all, the report shows an inverse relationship between total revenue collected through front office transactions and revenue as the result of PCA interventions. It is an indicator that significant gains are being made with respect to voluntary compliance as revenue from frontline transactions is increasing and revenue from PCA interventions is conversely reducing relative to previous fiscal years.

Analysis of Infractions

During the Fiscal period under review, infractions were noted in the following major categories; misclassification, excess & undeclared, non-clean report of findings (NCRF), smuggling and valuation, often with the motive to defeat duties and taxes. From a broader spectrum of tax evasion, the biggest landmark case during the fiscal year in retrospect and the all-time record case of tax evasion in customs is the investigative audit involving APM Terminals/United Commodities Incorporated/WESTCO International. Figure 2.0 and its accompanying table shows the trend of the major infractions with the smuggling (tax evasion) case involving APM Terminals solely responsible for the steep behavior of the graph.

Figure 15
Infraction
Analysis FY15/16
& FY 16/17



Comparatively, FY15/16 shows increase infraction in classification whilst FY16/17 shows a shift to smuggling (tax evasion) and valuation. This might be an indication that the compliance intervention initiated in the area of classification is improving. However, compliance programs geared towards minimizing smuggling requires the attention of the compliance unit of Customs.

Customs Risk Management

The Customs Risk Management Section (CRMS) is responsible for researching to identify and analyze major risks. The CRMS also monitors the impact and results of mitigating measures that are in place through the ASYCUDA Selectivity function. For the reporting period (FY16/17 Jul-Jun) the system reports total paid declarations for the Freeport Customs Business Office (CBO) as 22,148. These declarations were reported for all Customs regimes, including exports. The number of PSI consignments reported for the period is 13,947 (63% of all declarations) with 5,332 (38% of PSI Declarations) selected RED under the ASYCUDA Selectivity program. Destination Inspection (IM4) declarations reported during this period is 7,218, representing 33% of declarations for the period with 3,029 declarations representing 42% of DI declarations selected RED Lane (See Table below for details).

TYPE	DECL	DECL.%	RED	RED%	YELLOW	GREEN	BLUE	CIF (000)	TAXES (000)
Import – Home Consumption from ECOWAS	132	1%	22	17%	83	3	24	14,027	1,160
Export	290	1%	0	0%	0	0	0	264,016	381
Export – Temporary	2	0%	0	0%	0	0	0	11	0.35
Re-Export	146	1%	0	0%	0	0	0	27,171	34
Export – Transit	2	0%	0	0%	0	0	0	20	0.507
Import – Home Consumption from Overseas	7,218	33%	3,029	42%	3,278	34	1,008	296,085	13,571
Import – Temporary Import	50	0%	29	58%	11	0	2	624	0
Re-Import	2	0%	0	0%	2	0	0	8	0.2
Import – Warehousing	200	1%	57	29%	118	0	31	4,964	0
Import – Transit	24	0%	3	13%	20	0	3	4,363	108
Preshipment Inspection – Home Consumption 4	13,947	63%	5,332	38%	5,806	232	2,399	548,175	116,931
Preshipment Inspection – Warehousing	109	0%	30	28%	3	0	0	12,596	0
Special Release Inspection	26	0.00117	2	8%	4	1	20	6,153	19
Total	22148	100%	8504	38%	9325	270	3487	1,178,214	132,205

Source: ASYCUDA

Table 25
Selectivity
Analysis

Red Lane Selectivity Trend Analysis

The percentage of RED Lane declarations continued to decline from July 2016 to June 2017, the end of the fiscal year. As shown in Figure 13 the percentage of RED Lane Pre-shipment Inspections (PSI) consignments was at 49% at the beginning of fiscal year 2016/2017 and dropped to 35% by end of the year in June 2017. This imply that the overall goal to reduce physical inspections to 20% of all cargo was not achieved.

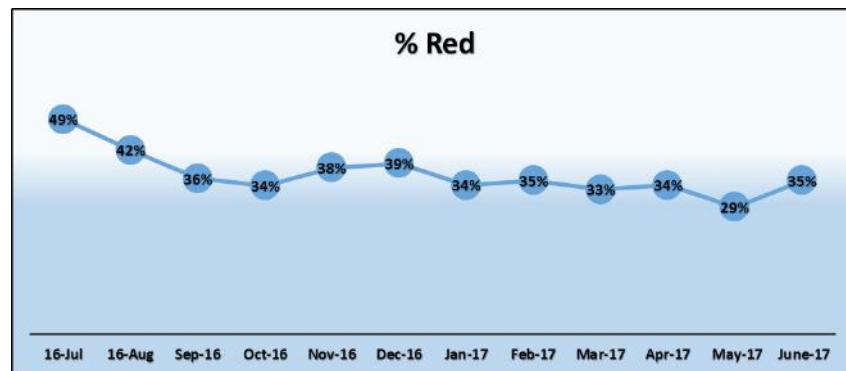
While the result shows improvement, it shows that there still much to be done to reduce the percentage of inspection in line with management target of 20%. The process will require a change of our targeting methodology from a single indicator-based targeting to multi-criteria clustered targeting.

Hit rate Analysis

Liberia Customs Administration runs both pre-shipment inspection and destination inspection regimes. Table 17.0 shows the number of inspections done during the year for the two (2) regimes. There were 5,332 PSI declarations selected RED Lane under the ASYCUDA Selectivity function with forty- five (45) declarations found to have discrepancies, establishing hit rate of 0.84% for PSI consignments during the year.

Additional duties, taxes and penalties levied summed to US\$ 28.4k which constitutes 0.00001% of the total customs revenue collected during the fiscal year. The total number of destination inspections conducted during the referenced fiscal period summed to 3,029, but this number resulted

Figure 16
Trend Analysis
of RED LANE
Declarations



to forty-one (41) hits only. The official hit rate for DI examination during the fiscal period, although comparably exceeded the PSI hit rate, was only 1.03%. The interpretation of the empirical data from our risk management perspective simply means that for every one hundred PSI examinations conducted, the chance that customs will establish an infraction is less than one while the case of destination inspection the likelihood is just about one. This simply implies the need for a change to the current approach to risk management.

Regimes	No. of Red Declarations	No. of Discrepancies	HIT Rate	Additional Revenue (US\$000)	Penalties (LD\$000)
PSI Inspection	5,332	45	0.84%	28	1,000
DI Inspection	3,029	41	1.40%	56	3,003
Total/Average	8,361	86	1.03%	85	4,003

Table 26
Hit rate Analysis
Per Regimes



Left: Yeala CBO, Zorzor District, Lofa County. Right: Bo Waterside CBO

Compliant Trader's Program

The Compliant Trader's Program (CTP) aims at facilitating trade while providing an incentive for voluntary compliance. During the period under review, thirty-four (34) CTP participants were verified, and approved by the Customs Risk Management Committee to be maintained on the CTP. Also, during the fiscal year, there was completed a customs and tax compliance review of 50 importers with recommendations for selectivity classification (report prepared).

Compliance Analysis of Importers and Recommended Lane

The Risk Management Section completed compliance review of two hundred (200) top commercial importers during fiscal year 2016/2017 and recommended selectivity risk classification for each. The essence of this exercise is to categorized importers based on compliance history. This will be in support of the Compliant Traders Program. Please see Table 25 below for details:

No.	Selectivity lane	Importer Recommended
1	Blue Lane	54
2	Yellow Lane	98
3	RED Lane	48
Total		200

Table 27
Compliance
Analysis of
Recommended
Lane

Revenue Outturn from Custom Business Offices

Border revenue collected for the period under review is disaggregated in the below table. The number of CBOs has increased from 17 to 19 over the last fiscal year primarily due to the operationalization of two gold mines which have already started to export.

The total revenue collected by the Customs Business Offices during the period (FY2016/2017) was US\$195.14M against an approved budget of US\$216.56M, thus resulting to a 10% underperformance on the aggregate. The underperformance can be partly attributed to the fall in international trade.

The Urban Customs Business Offices contributed 98% to the total revenue collected during the period with the Freeport CBO accounting for 73% followed by the LPRC CBO with 19%. On the other hand, the Urban CBO's also achieve 90% of its fiscal target with the Freeport CBO attaining 88% of its annual target followed by the LPRC CBO with 95%.

The Rural CBOs, comprising 11 border offices, combined contribution remain as low as under 3 percent for the fiscal year under in retrospect. Bad road network between Liberia our neighbouring countries continues to impede intra-regional and/or cross border trade while the absence of automation increases the potential for fraud at land borders.

Table 28
Contribution
to Customs
Revenue by
Customs
Business Offices
(CBOs)

Descriptions	Forecast FY 16/17	Actual FY 16/17	% Contri	Var +/-	% Var +/-	% Achieved
INTERNATIONAL TRADE	216,560	195,145	100%	(21,416)	-10%	90%
URBAN PORTS	211,660	190,315	98%	(21,345)	-10%	90%
Freeports	160,971	141,598	73%	(19,374)	-9%	88%
RIA	3,811	2,766	1%	(1,045)	0%	73%
JSP	-	-	0%	-	0%	0%
Parcel Post	15	11	0%	(4)	0%	75%
MLM&E	5,795	7,804	4%	2,009	1%	135%
LPRC	38,401	36,326	19%	(2,075)	-1%	95%
BIVAC	2,667	1,810	1%	(857)	0%	68%
RURAL PORTS	4,900	4,830	2%	(71)	0%	99%
Loguatu	348	487	0%	140	0%	140%
Ganta	884	544	0%	(341)	0%	61%
Buchanan	1,034	1,414	1%	380	0%	137%
Greenville	656	1,198	1%	542	0%	183%
Toe Town	356	168	0%	(188)	0%	47%
Harper	235	235	0%	(1)	0%	100%
Yealla	403	240	0%	(162)	0%	60%
Jorwah	240	223	0%	(17)	0%	93%
Butuo	2	2	0%	(0)	0%	87%
Mendicorma	268	126	0%	(142)	0%	47%
Bo-Waterside	475	193	0%	(283)	0%	41%

Taxpayer Services

This division has the responsibility to provide customer services to the clients of the Liberia Revenue Authority. The Division's focus is to maximize taxpayers' satisfaction as well as ensuring uninterrupted services and information flow to the public. TPSD operates three sections that support the activities of the Domestic Tax and Customs Departments nationwide. These are:

1. Registration, Returns Processing,
2. Bank Services and Service Delivery Monitoring, and
3. Inquiries, Complaints and Taxpayer Education

Together, these three sections of the Taxpayer Services Division provide a menu of services aimed at enhancing tax awareness, tax compliance and payment, and adequate revenue generation. This division took initiatives in the following areas for better services:



Achievement

During the FY of 2016/17, TPSD achieved 61% of total activities. Out of the total of eighteen (16) major planned activities, ten (10) were executed and completed in addition to other unplanned but relevant activities. A summary of the achieved activities is highlighted below.

1. Direct Transfer Payment System: As part of LRA's modernization and transformation initiative, a direct transfer payment system was introduced during the latter part of FY 16/17. During FY 16/17 period of operationalization (May – July), revenue collected from direct transfer payment was US\$1.19m and LD\$179.14m respectively.
2. Develop a standard format for registering a complaint for taxpayer: The TPS division also has the responsibility of managing taxpayers complains. In fulfilment of this responsibility, a document was developed which will address the step-by-step approach in handling taxpayer complaints. A complaint Handling Procedure has been approved by Assistant Commissioner of TPSD. Approved SOP will be submitted to EQARD for integration in LRA's SOP Template.
3. Equip Call Center: With regards to TADAT Report, TPSD has commenced work on fully equipping the call center at the LRA's Headquarters and so far it is 100% completed as staffs have been trained how to use knowledge database and professional telephone etiquette. In addition to this, we have installed one new desk-phone and call tracker is installed on computers. The call tracker is not fully functional and as such we are using manual call log till

the issue is resolved. The call center serves as an interactive medium through which taxpayers channel concerns and make inquiries. In the FY2016/17, the center received a total of one hundred six (106) calls from individuals residing in and around Liberia. Most of the inquiries were centered on Annual Income Tax Return and Real Estate Tax.

4. Design and conduct customer service training: A series of customer service training was conducted by TPSD to ensure the growth in service of our taxpayer service division in dealing with potential & current taxpayers. Officers have been tested and trained over the months past and skills shown to improve. With attendance being taken every time, this helps us track officers who were absent from a training session, so as to ensure their presence at the next session or test being conducted.

5. Compile 250+ FAQs for knowledge database: Over the months of FY2016/17, the TPSD has made it a priority to collect and record questions that are frequently asked by taxpayers so as to provide accurate answers which are also recorded and used as a guide for service delivery as per taxpayers inquire. These FAQs are provided to every taxpayer officer to ensure prompt & precise service delivery. FAQs are updated every quarter to inquire new questions from taxpayers and provide the right answers.

6. Develop Brochures: TPSD designed and launched twelve (12) brochures as planned on tax and related information during FY2016/17. This was done with the aim to improve the quantity and precision of information being provided for the general public and most importantly taxpayers. These brochures were supplied across our service centers and informational stands to make available to taxpayers

7. Increase number of PDF fillable forms on website: TPSD made available on the LRA website a total of fifteen (15) fillable forms, this increases the ease of access of payment processes. The forms on the LRA website includes authorized copies from both DTD and CD which can be easily downloaded and filled by a taxpayer anywhere where the website is accessible.

8. 3 centers equipped with informational materials: Three LRA service centers were supplied with updated informational & educational materials. This serves as a growth in the awareness process and also enables taxpayers' access to information at service centers for convenience purposes.

9. New Registration: Received about 17,101 registration forms over the period that includes: employees, sole-proprietors, individuals and corporations. Out of this amount, 15,905 taxpayers were enrolled. Please see breakdown below:

No.	Description	#
1.	Enterprise	7,669
2.	Natural Persons	8,236
Total		15,905

10. Data Cleaning and Segmentation: Over the fiscal period, these taxpayers (7,339), the combination of C2D and MIS without applicable tax accounts were properly segmented into the right divisions and all applicable tax accounts were opened in relation to each taxpayer's sector and business activities. Two hundred (200) taxpayers of MIS report were in TRUST, real estate division.

Table 29
Total registered
taxpayers for
fiscal year
2016/2017

Tax Expenditure Reporting

Duty Free Imports in FY16/17

Customs Duty Waivers constitute an important tool in the GoL's public financial management repertoire. These tax incentives are granted to concession companies, educational, medical and other institutions, NGOs, Government Ministries and Agencies, organizations with diplomatic and consular privileges (including UN branches), and individuals.

Customs duties and tax exemption remain to be one of the major impairments to customs revenue collection. Exemptions in the form of tax expenditure are granted to the aforementioned institutions to reduce overhead cost of operations and fulfil international treaties, as well as increase welfare. The total tax waiver on imports in FY16/17 was US\$96M. The below table provides a summary snapshot of total waivers by general categories of commodities.

The total tax waiver on imports (general goods and petroleum) increased by 5% from US\$91.39M in FY 15/16 to US\$95.99M in FY 16/17 on account of what?. General Goods accounted for 94% of the total waiver in FY 16/17 while tax expenditure on petroleum products accounted for just 6%.

SECTORS	WAIVER	% OF WAIVER
TOTAL	95,996	100%
General Goods	90,288	94%
Petroleum Products	5,556	6%

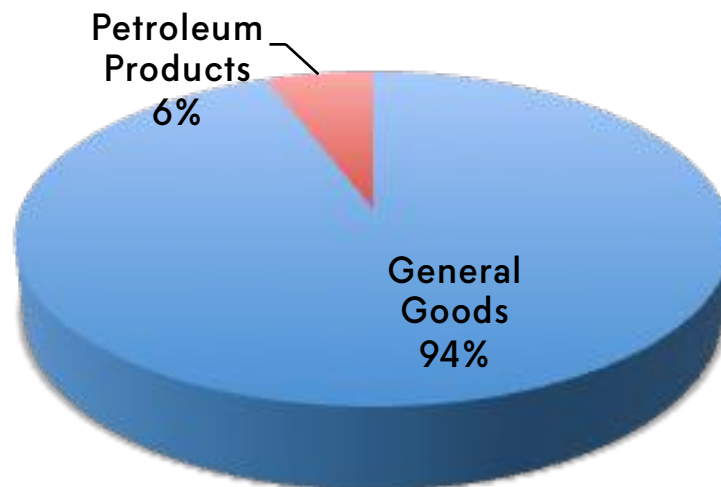


Table 30
FY 2016/2017
Tax Waivers

Figure 17
FY 16/17 Tax
Waivers

General Good Duty Waivers in FY 2016/2017

In general, 94% of duty waivers awarded in the period under review was for general goods (ie. Imports of goods other than petroleum products). When the duty waiver for general goods is disaggregated by recipient, 25% of duties were waived for rice importation under Executive Order, 20% were waived to investment incentive, and 19% were waived to Concession Companies.

The basis for duties waivers is enshrined in legislative enactment and international conventions. However, duties are often waived for the provision of medical and educational services, and the implementation Government projects. The overarching objective of granting these waivers is to reduce the recipient fiscal burden thereby enhancing the quality and timeliness of service delivery. In particular, a total of US\$2.67m was waived to medical and educational institutions; while US\$38.35m was waived on account of the Mount Coffee Hydro Plant and US\$8.76m on the revamping of the Roberts International Airport.

Summary of duty waived on general goods by recipient category can be found in the below table.

Table 31
General
Goods Waiver
by Recipient
Category in
FY 2016/2017
(US\$000)

CATEGORY	CIF VALUE	DUTY PAID	DUTY WAIVED	% of WAIVER
Executive order	150,811	105	22,636	25%
o/w Supplying West Africa Traders (Rice)	64,538	1	11,048	49%
United Commodities Inc (Rice)	35,733	0	3,689	16%
K & K Trading Corporation (Rice)	23,872	0	3,600	16%
Others	86,273	104	4,299	19%
Investment incentives	96,670	2,759	18,396	20%
Concessions	110,134	1,917	17,420	19%
Macs	47,490	1	9,570	11%
Gol Projects	59,259	35	9,814	11%
Air Port Renovation	8,758	27	1,480	2%
GOL	727	1	136	0%
Hydro	38,349	0	6,141	7%
Infrastructure Development	3,758	2	689	1%
Road	7,394	5	1,328	1%
Water	273	-	40	0%
Diplomatic Missions	42,745	0	7,458	8%
INGOS	19,822	126	3,398	4%
Legislature	3,209	30	788	1%
Representatives	2,696	23	648	1%
Senators	512	7	140	0%
Medical Institutions	2,078	1	319	0%
LNGOS	949	16	175	0%
Educational Institutions	667	7	139	0%
Liberian Returnees	311	14	88	0%
Religious Organizations	616	17	76	0%
Judiciary	38	0	11	0%

Petroleum Duty Waiver

Petroleum duty waived accounted for US\$5.7M or 6% of total duty waived. The top beneficiary under this category was Diplomatic Missions, Concessionaires, Legislature and Investment Incentive. The detail analysis can be found in the below table.

CATEGORY	AGO	PMS	HFO	WAIVED	% Duty Waived
TOTAL EXEMPTION	15,017	1,444	290	5,708	100%
TOTAL EXEMPTION EXCL. GOL PROJECTS	13,183	1,444	290	4,974	87%
GOL projects	1,834	-	-	734	13%
Hydro Rehabilitation	510	-	-	204	4%
Port Rehabilitation	210	-	-	84	1%
Road	1,114	-	-	446	8%
Diplomatic Missions	3,527	15	-	1417	25%
Concessions	5,455	-	-	1203	21%
Executive Order	2,412	-	290	995	17%
Legislature	415	1,430	-	809	14%
Representatives	190	1,084	-	564	10%
Senators	225	346	-	245	4%
Investment Incentives	1,335	-	-	534	9%
INGOS	41	-	-	16	0%

Table 32
Petroleum
Products
Waiver by
Recipient
Category in
FY 2016/2017
(US\$000)

Key Challenges

Inadequate Funding: Significant lack of funding to support implementation of our corporate strategic plan coupled with the delay in the receipt of the appropriations notwithstanding the collection.

The Tax paying culture: There exist an epidemic problem of false declaration, under-declaration, smuggling, mispricing and all forms of tax evasion, related avoidance and crimes. The informal sector still remains untapped as well as a portion of the formal sector.

Infrastructure challenges:

Technological Infrastructure

The lack of a modern e-payment and filing system impacts service efficiency and voluntary compliance. Also, the lack of an automated HR system for effective and efficient records keeping has posed serious risk to personnel records. Limited IT infrastructures and low knowledge of employees on the use of ASYCUDA, SIGTAS and TAS platforms pose a challenge to efficient data analysis and revenue report generation. Lack of interfaces between core business systems including interfaces with CBL, Business Registry and APM Terminals. At the same time the back offices remain largely manual and inadequate data quality due to data entry issues also adds to the challenges on reporting and analysis. Limited servers and servers capacity and electricity stability issues hinder service efficiency and consequently Taxpayer services. Slow and inadequate WAN and LAN connectivity also affects service quality.

Physical Infrastructure

Limited space in the HQ to accommodate all functions has necessitated the leasing of other structures for LRA's activities. Additionally most CBOs and TBOs offices are not adequately equipped, thereby posing a risk to more effective revenue collection. The TBOs and CBOs also lack the necessary IT infrastructure to support the interface between the offices and the HQ.

Management Services Automation:

Lack of automation of Accounting/Budget and Finance and HR Procurement and Logistics functions poses risks to the accountability of these functions and needs to be addressed urgently.

Management is working on mitigating these challenges and is seeking the support of its partners, donors and the Government to help minimize the challenges in order to improve revenue generation.



Left to right: Foya Tax Business Office, Soluba Customs Business Office, Yeala Customs Collector Resident

Financial Statement

Statement of Responsibility

The Financial Statements set out from page 71 to 85 have been prepared in accordance with the provisions of the Public Financial Management Act, 2009 and in compliance with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS), as adopted by the Government of Liberia.

In accordance with the provisions of the Public Financial Management Act, 2009, we are responsible for the control of and accounting for funds controlled by Liberia Revenue Authority.

Under the provisions of the same Act and that of the LRA, we are required to prepare interim unaudited financial statements on a quarterly basis. These are submitted to the Minister of Finance and Development Planning to enable him/her produce a consolidated quarterly report, comparing budget execution and revenue collection to the estimates contained in the National Budget. Accordingly, we are pleased to submit the required financial statements in compliance with the Act. We have provided, and will continue to provide all the information and explanations as may be required in connection with these financial statements.

To the best of my knowledge and belief, these financial statements agree with the books of accounts, which have been properly maintained.

We accept responsibility for the integrity of these financial statements, the financial information contained herein and their compliance with the Public Financial Management Act, 2009.



Elfrieda Stewart Tamba

Commissioner General

Management Discussion and Analysis

The Liberia Revenue Authority (LRA) herein presents its financial statements for the period July 1, 2016 to June 30, 2017. For the reporting period, most of the funding received from the Government of Liberia was in line with Section E.3 of the PFM Regulations which empowers the Ministry of Finance & Development Planning to effect the release of fund to meet all authorized expenditure requirements. Even with passage of the budget, issuance of LRA Operational allotment has not been timely, which runs contrary to the Act that created the Authority. This throws light on the difficult conditions that enveloped LRA budget execution.

The National Budget passed by the Legislature put the LRA budget for the fiscal year at US\$18,747,242. This represents a 38% (US\$11,487,936) cut in LRA's submission approved by the Board of Directors and subsequently submitted to the MFDP. However, when compared to the last fiscal year adjusted appropriation of US\$19,606,239 received, the amount represents US\$858,997 (4%) reduction.

The LRA falls within the Public Administration Sector of the Budget. For FY 2016/17 budget, the sector has been allocated US\$165,487,829, representing 29.76% of the US\$555,993,000 National Budget. The LRA's US\$18,747,242 represents 11.33% of the Sector Budget and 3.37% of the National Budget. Table 33 details the sector budget by institutions.



INSTITUTION	AMOUNT	%
National Food Assistance Agency	49,992	0.03
Bureau of State Enterprises	129,306	0.08
Board of Tax Appeals	186,000	0.11
Mano River Union	559,552	0.34
Liberia Institute of Public Administration	1,344,506	0.81
Liberia Institute of Statistics & Geo-Info. Services	1,830,161	1.11
General Services Agency	1,983,618	1.20
Office of the Vice President	2,431,003	1.47
Ministry of Information, Cultural Affairs & Tourism	3,141,283	1.90
Civil Service Agency	11,556,409	6.98
Ministry of Foreign Affairs	14,813,868	8.95
Ministry of State for Presidential Affairs	15,841,287	9.57
Liberia Revenue Authority (LRA)	18,747,242	11.33
National Legislature	40,469,186	24.45
Ministry of Finance & Development Planning	52,404,416	31.67
TOTAL	165,487,829	100.00

The LRA's US\$18,747,242 is allocated to three (3) expenditure categories as shown in Table 32.

Expenditure Category	Amount	%
Compensation of Employees	14,790,838	78.90
Use of Goods & Services	3,604,011	19.22
Consumption of Fixed Capital	352,393	1.88
TOTAL	18,747,242	100.00

Table 33
Public
Administration
Sector Budget
Breakdown by
Institutions

Table 34
LRA Budget
Breakdown by
Expenditure
Categories

During the period under review, the LRA approved appropriation of US\$18,747,242 which was increased by an additional allocation of USD 1,178,765 is on account of Duty Refund Claims Audit- \$191,260, LRA Head Quarter Rental- \$666,666 and ICT Licenses (Oracle and Battery Bank- \$320,839). LRA also received from ICA as insurance recovery for damaged vehicle of US\$ 24,900. This brings our total budget to US\$ 19,950,907 when compared to the approved appropriation of US\$18,747,242 represents an increment of US\$1,203,665 (6.4%). On account of the additional budgetary support commitment of US\$1,178,765 from MFDP, US\$120,687 remains unrealized. Despite the overall trend of support commitment from MFDP, total allocation in receipt fell below original budget. The FY 2016/2017 budget underfunded LRA, and the minimum funding requirement to sustain revenue operations were not met within the stated operating cycle.

For the reporting period, the LRA received the sum of US\$19,232,503 (US\$17,513,004 Authorized allocation from the Ministry of Finance & Development Planning (MFDP) for FY 2016/17 and US\$1,045,000 against FY 2015/16 Budget allotted and disbursed to the LRA in early July 2016 to defray commitments of that Fiscal Year). Also during the quarter, the LRA received US\$24,900 from Insurance Company of Africa representing full and final settlement for one Nissan Hard Body Pickup loss in an accident in December 2015, \$149,660 from OSIWA as project grant and \$11,945 Remittance from UNOPs representing Custom project closure balance.

And also during the reporting period payment were made on behalf of the LRA for which the LRA has been formally advised that such payments have been made during the reporting period: APM Terminal- \$195,000 (Pickup- \$56,000 & Revenue System Server- US\$139,000) and BIVAC- \$292,995. These constitute third party payments and are inclusive of total receipts.

The US\$17,513,004 FY 2016/17 authorized and adjusted allocation, represents 87.78% of the LRA's Fiscal Year 2016/17 allocation passed on by the National Legislature.

Total Expenditure for the reporting period is US\$21,026,828. Of this amount, US\$422,230 or 2.01% represents amount spent against FY 2014/15 brought forward for 1000KVA generator and operational expenditure associated with FY 2014/15; US\$1,058,268 or 5.03% for Fiscal Year 2015/16 spent in Fiscal Year 2016/17 in line with Section 27 (2) of the PFM Law; and US\$19,056,455 (or 90.63%) represents actual expenses against the LRA's FY 2016/17 Budget and US\$1,879 or 0.01% being LBDI bank charges against OSIWA Inflow. Other confirmed expenditure included payments made by third parties: APM terminals- \$195,000 for 2 Nissan Pick-up purchase & Revenue system server or 0.93% and BIVAC- \$292,995 or 1.39%. (See Budget Performance Report).

The total expenditure of US\$21,026,828 is broken down by major expenditure categories as follow: Compensation of Employees - \$14,952,179 (71.11%); Use of Goods & Services - \$4,759,206 (22.63%), Consumption of Fixed Capital - \$ 1,212,222 (5.77%) and Special project- \$103,221 (0.49%). See Figure 15 on next page.

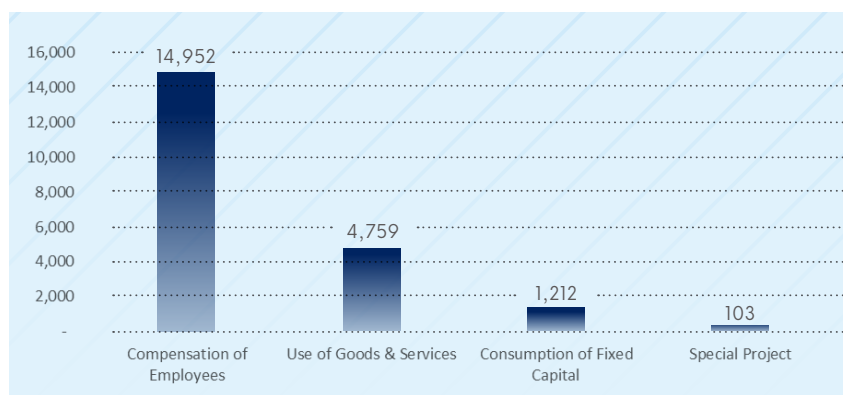


Figure 18
Expenditure
by Major
Categories

The graph represents direct payment made under the LRA's control and payments by external institution stated under the third party confirmation

Additionally, there were liabilities as at end of the reporting period amounting to US\$1,506,003 (LRA's Contributions to NASSCORP for FY 2014/15, FY 2015/16 and FY 2016/17 – US\$1,471,498; outstanding 10% payment on 1000 KVA Generator – US\$18,400.00; and Presumptive taxes withheld on payments from vendors for June 2017 – US\$16,105). These liabilities are mainly the results of deductions made against some payments, but for which there were not remittances to various institutions (NASSCORP and GOL- General Revenue Account) as at the end of the period.

Also, as at end of the reporting period, commitments stood at US\$2,000,969 representing commitments for Uniforms for LRA Staff and Real Estate Block Mapping Project from FY 2014/15 amounting to US\$291,000; commitments for GSM Audit & Real Estate Project amounting to US\$865,194 associated with FY 2015/16; and commitments for Goods and Services and Consumption of fixed capital relating to FY 2016/17 amounting to US\$884,774. (See Figure 16 below for comparative analysis of expenses, liabilities and commitments).

Total cash balances as at June 30, 2017 were USD Bank balance US \$(116,140) ; Petty cash on hand of US\$9,401; and LRD Bank balance L\$(17,494,377.01) or USD (157,607) equivalent at reported date rate of LRD 111). This translates to a total USD Cash Equivalent of US\$(264,346). The total USD cash equivalent is broken up by sources as follow: FY 2014/15 – US\$581,698; FY 2015/16 – US\$503,381; FY 2016/17 – Negative cash balance of (US\$1,522,106); OSIWA LRA Project – US\$147,782 and other – US\$24,900.

When outstanding liabilities and commitments (US\$3,506,972) are matched against total available cash (US\$264,346), a potential deficit of US\$3,242,626 looms (See Figure 16).

Figure 19
Comparative
Analysis of
Expenses,
Liabilities and
Commitments

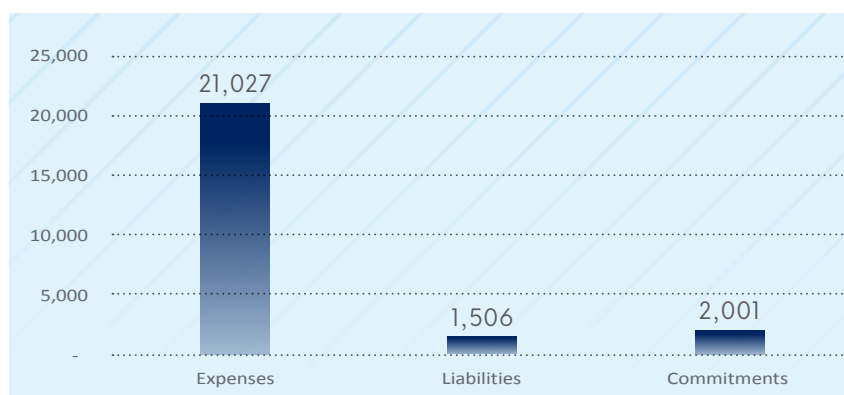
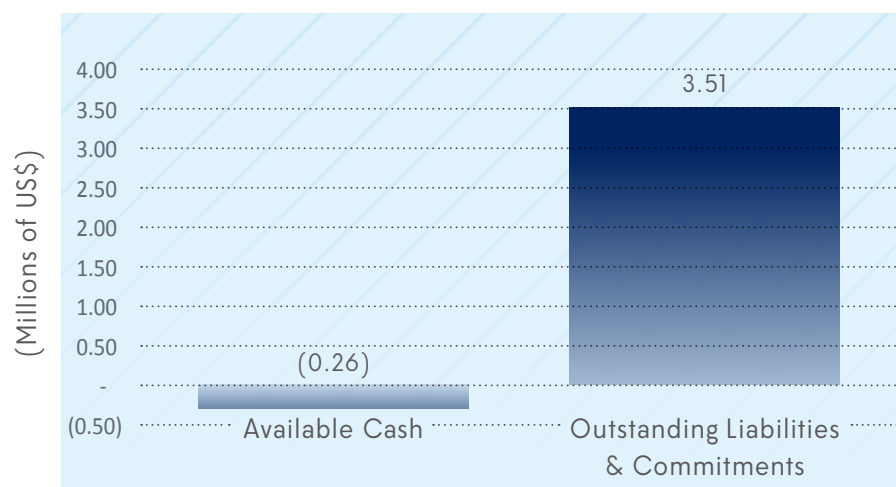


Figure 20
Available Cash
Vs. Outstanding
Liabilities &
Commitments
(Millions of
US\$)



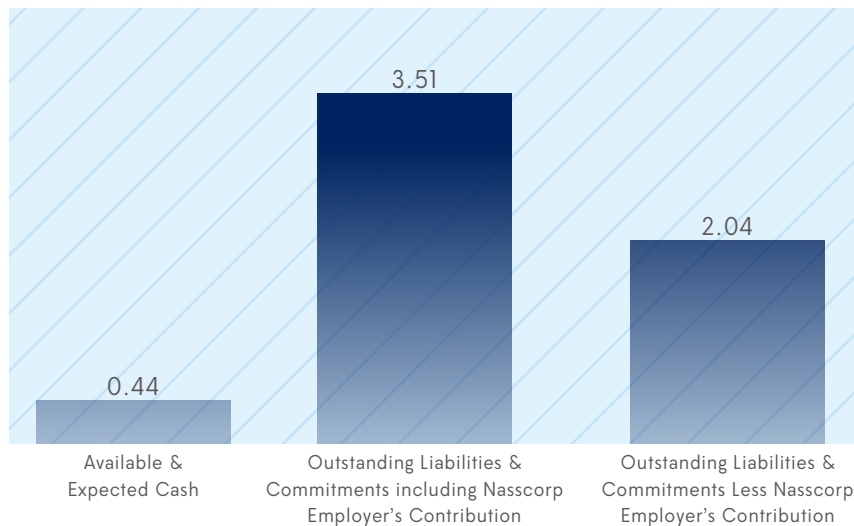


Figure 21
Available & Expected Cash vs Outstanding Liabilities Less (US\$'000)

Note: Available and expected cash account for cash balance as at reporting date and an outstanding receipt of US\$700,000. The outstanding receipt represents allotment against appropriation for goods and services for the fourth quarter.

The total remaining appropriation due from MFDP is US\$2,437,907. This accounts for 12% of the consolidated approved budget remaining appropriation.

The shortfall exacerbated the already fragile funding situation at the LRA, affecting critical compliance activities including audit, risk and ethics; provision of mobility and other equipment including furniture, license for the Customs Revenue System.

Predicated upon the funding constraint, we made request to the MFDP for additional funding of US\$2,731,688 to fund critical budget and operational gap, but the outcome turned out negative, thus exposing the Authority to high reputational risk to meet committed obligations.

Ord-Siejepo Jlateh

Assistant Commissioner for Budget & Finance-MPAA, LLB

Table 35
Statement of
Cash Receipts

	Note	Receipts/ Payments Controlled by Entity	Payments by External Parties	Total (US\$)
RECEIPTS:				
Authorized Allocation	5	18,558,004	-	18,558,004
Other Receipt	5	24,900	-	24,900
UNDP	5	11,945	-	11,945
BIVAC	5	-	292,995	292,995
APM Terminal	5	-	195,00	195,00
External Assistance				
Multilateral Grants	5	149,660	-	149,660
IPFMRP		-	-	-
Bilateral Grants		-	-	-
Total Receipt		18,744,508	487,995	19,232,503
EXPENDITURE				
Operations:				
Compensation	6	14,908,819	43,360	14,952,179
Use of Goods and Services	7	4,730,638	28,568	4,759,206
Capital Expenditure:				
Consumption of Fixed Capital	8	796,155	416,067	1,212,222
Special Project				
Real Estate Block Mapping and Database Project	9	103,221	-	103,221
Total Expenditure		20,538,833	487,995 21,026,828	21,026,828
Decrease in Cash		(1,794,325)	-	(1,794,325)
Cash at the beginning of the Period	10	1,520,578	-	1,520,578
Petty Cash	10	9,401	-	9,401
Cash at the end of the Period	10	(264,346)	-	(264,346)

Table 36
Statement of
Comparison of
Budgets and
Actual Amounts
for the Period
July 1, 2016 -
June 30, 2017

	Original Budget (US\$)	Final Budget (US\$)	Actual Amounts (US\$)	Variance (US\$)	Percentage Variance (%)
Inflows					
Authorized Alloc./ Appropriations	18,747,242	19,950,907	17,513,004	2,437,903	12.22
Total Receipts	18,747,242	19,950,907	17,513,004	2,437,903	12.22
Outflows					
Compensation of Employees	14,790,838	14,888,338	14,755,373	132,965	0.89
Use of Goods & Services	3,604,011	4,307,454	3,729,392	578,061	13.42
Compensation of Fixed Capital	352,393	755,115	571,690	183,425	24.29
Total Expenditure	18,747,242	19,950,907	19,056,455	894,452	4.48

NOTES TO THE FINANCIAL STATEMENTS

1.0 REPORTING ENTITY

The Liberia Revenue Authority (LRA) is a semi-autonomous agency of government established by an Act of Legislature in September 2013 and became effective July 1, 2014.

The primary objective of the LRA is to administer and enforce the Revenue Code of Liberia for the purpose of assessing, collecting, auditing and accounting for all national revenues and to facilitate legitimate international trade and customs. Achieving the LRA objective requires significant engagement, interaction and follow-ups with taxpayers, revenue generating ministries and agencies, and other key stakeholders.

2.0 ACCOUNTING POLICIES

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Liberia in preparing and presenting the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the International Public Sector Accounting Standard (Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting). The cash basis of accounting recognizes transactions and events when cash is received or paid. It measures the overall financial result for a period as the difference between cash received and cash paid. The measurement focus is cash balances and changes therein. The cash basis accounting concept recognizes the movement of cash as the basis of recognizing income and expenses. Once money is received for rendering of services, income is recognized whether the service has been rendered or not. In the same way, expense is recognized as having been made once payment is made for it, whether benefit has been received or not. In other words, income is recognized as soon as cash is received and expenditure is recognized when cash is paid. The transfer of benefit or consumption of the resource may be before or after the cash is received or paid.

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The accounting policies adopted have been consistently applied.

2.2 Reporting currency and translation of foreign currencies

(i) Functional and presentation (or reporting) currency

The Republic of Liberia operates a dual currency regime comprising the Liberian Dollar (LRD) and the United States Dollar (USD), both of which are legal tenders. The attendant Financial Regulations to the PFM Act of 2009 states that:

“The monetary unit of Liberia for all government agency accounting and financial reporting shall be the Liberian Dollar. The United States Dollars may also be used for financial reporting purposes, but the Liberian Dollar is the base currency.”

Hence, for the purpose of the financial statements, the United States Dollar is used as the reporting currency, which is permitted under the attendant Financial Regulations to the PFM Act of 2009. However, the detailed Statement of Budget and Actual Amounts have also been stated in Liberian Dollars at a rate of US\$1.00 to L\$111.00.

(ii) Translation of transactions in foreign currency

Foreign currency translations and transactions in Liberian Dollar are translated into United States Dollar using the buying exchange rates prevailing at the date of the transactions. Closing monetary balances are translated into the reporting currency using the closing buying rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance. Liberian Dollar amount reported in USD Equivalent in the financial statements are reflected net of currency loss.

2.3 Reporting Period

The reporting period for these financial statements runs from July 1, 2016 to June 30, 2017.

2.4 Payments by Third Parties

The payments made by third parties do not constitute cash receipts or payments by the LRA, though the LRA benefits from them. They are disclosed in the Payments by third parties column in the Statement of Cash Receipts and Payments and other financial statements. For the reporting period, LRA could confirm that the amount of USD\$ 487,995 as paid on behalf of the LRA as support from the third party source(s). Also, there were technical assistance from other multilateral institutions which could not be confirmed in monetary term. Details provided for in supplementary notes below on page 25.

2.5 Receipts

Receipts represent cash received by the LRA during the reporting period and comprise Authorized appropriations from the Government of Liberia. The authorized allocations are recognized when payments are received and under the control of the LRA.

2.6 Expenditure

Expenditure represents all payments made (cash outflows) for the reporting period.

2.7 Liabilities

Liabilities represent expenses incurred, but for which there were no

associated cash outlay as at the end of the reporting period. (See Note 9)

2.8 Project under implementation

Programs or projects that did not get committed or whose procurement process (es) did not get finalized (No objection list given) before the end of the reporting period. The Real Estate Project falls in this category. Technical specifications have been finalized and contract drafted and to be forwarded to bidder for agreement.

2.9 PROPERTY, Plant and Equipment

Property, plant and equipment principally comprises land, buildings, plant, vehicles, equipment and any other capital assets controlled by the LRA.

Under government's cash basis of accounting, purchases of property, plant and equipment are expensed fully in the year of purchase. However, a memorandum record is maintained in the Fixed Assets Register at historical cost for all non-current assets of the LRA. In the event there are unrealized gains or losses, all unrealized gains or losses arising from changes in the values of property, plant and equipment are not recognized in the financial statements. Proceeds from disposal of property, plant and equipment are recognized as non-tax receipt in the period in which it is received.

3.0 BORROWINGS

Borrowing comprises cash inflows from banks, similar lending agencies and commercial institutions and amounts owing in respect of non-cash assistance provided by them. For the purpose of this financial statement there are no borrowings.

3.1 Other Receipts

Included in other receipts are fees, fines, penalties and miscellaneous receipts.

3.2 Other Payment/Expenditure

Included in other payment are dividends, distributions paid, legal settlements or lawsuits and miscellaneous payments. For the purpose of this financial statement, there is no any other payment expense.

3.3 Undrawn External Assistance

Undrawn external assistance loans and grants at reporting date are amounts specified in a binding agreement which relate to funding for projects currently under development, where conditions have been satisfied, and their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion.

3.4 Cash and Bank

Cash and bank comprise cash on hand and bank balances held with financial institutions.

3.5 Provident Fund

The LRA has a provident fund account held at the Liberian Bank for Development and Investment (LBDI). This account represents contributions of employees and employer to a trust fund under the primary control of the Board of Directors of the LRA. As at the end of the reporting period, the account balance stands at US\$554,108 and L\$45,048,011 which translates into total USD Equivalent of US\$959,946 at the closing exchange rate of 111.

3.6 Commitment

Goods and services for which procurement processes have been consummated but not delivered; assurance of undischarged obligation.

4.0 AUTHORIZATION DATE

The financial statements were authorized for issue on
-----by



Commissioner General/Liberia Revenue Authority.

5.0 RECEIPTS

For the reporting period, the LRA received the sum of US\$19,232,503 (US\$17,513,004 Authorized allocation from the Ministry of Finance & Development Planning (MFDP) for FY 2016/17 and US\$1,045,000 against FY 2015/16 Budget allotted and disbursed to the LRA in early July 2016 to defray commitments of that Fiscal Year). The US\$17,513,004 FY 2016/17 authorized and adjusted allocation, represents 87.78% of the LRA's Fiscal Year 2016/17 allocation passed on by the National Legislature.

Also during the period, the LRA received US\$24,900 from Insurance Company of Africa representing full and final settlement for one Nissan Hard Body Pickup loss in an accident in December 2015 and US\$149,660 in external assistance from OSIWA as OSIWA LRA Project fund. US\$292,995.00 paid on behalf of the LRA by BIVAC for consultancy services on Revenue Forecasting & Analysis; provision of ICT Infrastructure, mobility equipment, tax education etc. US\$ 195000 paid on behalf of the LRA by APM Terminal (US\$56000, for 2 Nissan Hard Body pick-ups and US\$139,000 for Revenue systems) and US\$11,495 remittance to the LRA by UNOPs for Customs project

6.0 COMPENSATION OF EMPLOYEES

Basic Salary expenditure relating to FY 2015/16 is the result of payment of NASSCORP and Provident Fund Employees' Contributions for June 2016 paid in early July 2016 and salaries of employees paid in June 2016 but returned due to wrong account numbers. Professionals also relate to June 2016 salary of contractors who were paid in July 2016 due to late

submission of invoices.

Meanwhile, the negative overtime and Residential rental and lease allowance are the result of reversals of transactions charged to expenditure on those lines in FY 2015/16.

7.0 USE OF GOODS AND SERVICES

	FY 2016/17	FY 2015/16	Other Receipts	UNOPs
RECEIPTS:				
GOL Support to the LRA				
GOL Support to the LRA				
Authorized Alloc./ Appropriations	17,513,004	1,045,000	-	
Other Receipts	-	-	24,900	
External Assistance	-	-	-	11,945
			24,900	11,945
	APM Terminal	BIVAC	OSIWA	Total
RECEIPTS:				
GOL Support to the LRA				
GOL Support to the LRA				
Authorized Alloc./ Appropriations				18,558,004
Other Receipts	195,000	292,995	149,660	24,900
External Assistance	195,000	292,995	149,660	649,000
				19,232,503

Table 37
Year-to-Date
July 1, 2016 -
June 30, 2017

Use of Goods and Services have been summarized into five (5) categories as follow: Travel (Domestic & Foreign), Rental and Lease, Operation Expense, Utilities, and Repair & Maintenance.

Travel (Domestic & Foreign) comprises Domestic and Foreign Means of Travel; Domestic and Foreign Daily Subsistence Allowance; and Domestic & Foreign Incidental.

Utilities comprises expenditure on Electricity, Water and Sewage, and Communications (Telephone and Internet).

Rental and Lease comprises expenditure on residential property for rural Customs and Tax Business Office Staff, as well as Lease of Office Buildings (LRA Headquarters and various Tax and Customs Business Offices).

Repairs and Maintenance relates to cost incurred to maintain and repairs the fixed assets owned and leased by the LRA. Repairs are made on Buildings (Civil works), Vehicles, Generators, motorcycles, etc.

Operation Expenses comprise expenditure made for fuel and lubricants for Vehicles, Generators, and Motorcycles; cleaning materials, stationeries, tax education etc. This also includes operational expenses made mainly through petty cash for the day-to-day running of the LRA.

8.0 CONSUMPTION OF FIXED CAPITAL

Refers to acquisition of fixed or long-lived assets used in the running of the Liberia Revenue Authority. The US\$165,600 under FY 2014/15

represents partial payment against a 1000-KVA generator delivered to the LRA that will be commissioned shortly following completion of facility to house it.

9.0 SPECIAL PROJECT

Refers to implementation of Real Estate Block Mapping Project for FY15/16 budget implemented in FY16/17

10. CASH

Total cash balances as at June 30, 2017 were USD Bank balance US \$(116,140); Petty cash on hand of US\$9,401 (it is important to note that cash and cash equivalent has been adjusted from a float system of USD15,000 to reflect actual cash on hand as at reporting date in accordance with cash basis IPSAS correction of errors: 2.8.1); and LRD Bank balance L\$(17,494,377.01) or USD (157,607) equivalent at as reported date rate at LRD 111). This translates to a total USD Cash Equivalent of US\$(264,346). The total USD cash equivalent is broken up by sources as follow: FY 2014/15 – US\$581,698; FY 2015/16 – US\$503,381; FY 2016/17 – Negative cash balance of (US\$1,522,106); OSIWA LRA Project – US\$147,782 and other receipt –US\$24,900.

(B) Cash Balance by Source

Beginning cash balance 7/16:US\$ 1,520,578

Cash on hand:	9,401
Total receipt for the period:	19,232,503
Total cash available for period:	20,768,081
Expenditure for the period:	(21,026,828)
Cash balance at the end of the period:	(264,346)

	JUNE 30, 2017	JUNE 30, 2016
CASH	14,790,838	78.90
(A) Cash Balance		
Cash at Bank – LRD (Ecobank Liberia)	(157,607)	919,434
Cash at Bank – USD (Ecobank Liberia)	(263,921)	601,144
OSIWA- USD (LBDI)	147,781	
Cash on Hand (Petty Cash)	9,401	-0-
TOTAL -----	(264,346)	1,520,578

Table 38
Statement of
Comparison of
Budgets and
Actual Amounts
for the Period
July 1, 2016 –
June 30, 2017

11. LIABILITIES

Liabilities as at end of the reporting period amounting to US\$1,506,003 (LRA's Contributions to NASSCORP for FY 2014/15, FY 2015/16 and FY 2016/17 – US\$1,471,498; outstanding 10% payment on 1000 KVA Generator – US\$18,400.00; and Presumptive taxes withheld on payments from vendors for June 2017 – US\$16,105). These liabilities are mainly the results of deductions made against some payments, but for which there were not remittances to various institutions (NASSCORP and GOL-General Revenue Account) as at the end of the period.

12. COMMITMENTS

As at end of the reporting period, commitments stood at US\$2,000,969 representing commitments for Uniforms for LRA Staff and Real Estate Block Mapping Project from FY 2014/15 amounting to US\$291,000; commitments for GSM Audit & Real Estate Project amounting to US\$865,194 associated with FY 2015/16; and commitments for Goods and Services and Consumption of fixed capital relating to FY 2016/17 amounting to US\$844,774.

Nancy B. Doe Market

YOUR

Bridge at Somalia Drive

TAXES

Police Academy Road

AT

Redemption Road

WORK

Conclusion

With the mandate to “administer and enforce revenue laws in accordance to the Liberia Revenue Code (and other related laws under which it is assigned responsibility) for the purpose of assessing, collecting, auditing, and accounting for all national revenues to facilitate legitimate international trade and customs border management-enforcement”, the LRA, for the third year has succeeded in meeting its mandate to ensure the economic development of Liberia.

Since the beginning of its operation, the LRA as a semi-autonomous body has improved revenue collection and has built a credible reputation for the revenue administration. During the fiscal year under review, the LRA had continuously pursued different strategies to encourage the voluntary compliance of taxpayers and the business community. Among them the most important to mentioned are the improvement of access to tax information to facilitate tax returns and payments, as well as the improvement of revenue collection operations across Liberia. The evidence of all these is characterized by the positive result on the domestic revenue collection amidst contraction in the Liberian economy.

Though the LRA fell short of achieving its target due to impeding exogenous factors, it is pride that domestic revenue keeps increasing. This year saw a raise in domestic revenue by US\$9M and an increase in the tax roll by 11,740 new registrants. Challenges, such as logistical constraints, human capacity needs and the necessity to further widen the tax base were overcome minimally through strategic management plans.

The achievements outlined in this report were realized as a direct result of the support from the Government of Liberia, the Board of Directors of the LRA, the Ministry of Finance and Development Planning of Liberia, the Liberian Business Community, the external development partners and other relevant stakeholders. The achievements of this term were possible, thanks to the professional attitude of the staff in their various capacities.

In the coming fiscal year 2017/2018, the Authority seeks to continuously modernize the revenue administration by improving the operational and corporate service delivery to the public. The LRA endeavors to provide series of trainings to its personnel for the provision of prompt efficient, effective and quality services to its clients and stakeholders. Accordingly, the management wishes to eliminate existing archaic management processes and simplify the Revenue Code for better comprehension by taxpayers. To this end, we call for greater support from the general public, the Government of Liberia, stakeholders, development partners, business community and employees.



APPENDIX A: Detailed General Goods Duty Exemption

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
TOTAL EXEMPTION	534,800	5,029	90,288	100%	100%
TOTAL EXEMPTION EXCL. GOL PROJ & MACs	427,918	4,992	70,879	80%	79%
TOTAL EXEMPTION EXCL. GOL PROJ.	475,540	4,994	80,473	89%	89%
TOTAL EXEMPTION EXCL. MACs	487,177	5,027	80,693	91%	89%
EXECUTIVE ORDER	150,811	105	22,636	28%	25%
Supplying West Africa Traders	64,538	1	11,048	12%	12%
United Commodities Inc.	35,733	-	3,689	7%	4%
K & K Trading Corporation	23,873	-	3,600	4%	4%
Fouta Corporation	13,491	-	1,994	3%	2%
Jomanday & Sons	7,800	-	1,603	1%	2%
International Consultant Capital	1,204	24	192	0%	0%
LIBINC Oil Palm Inc.	1,605	33	153	0%	0%
Forest Venture, Inc.	701	14	84	0%	0%
E.H.G. Agro, Inc.	225	4	55	0%	0%
Forestry Development Authority	225	5	33	0%	0%
O/W: Build Liberia (BLIB)	225	5	33	0%	0%
Dolphin Construction Ltd	229	5	32	0%	0%
Wienco (Liberia)Ltd	302	4	29	0%	0%
Hard Work Is The Only Way	188	4	23	0%	0%
Ministry Of Agriculture	137	1	22	0%	0%
O/W: Greenfield Liberia Inc.	77	-	11	0%	0%
Smallholder Agriculture Productivity	27	1	5	0%	0%
Wah Farm	33	1	5	0%	0%
Liberia Forest Product Inc.	139	3	20	0%	0%
Gro-Green, Inc.	130	3	17	0%	0%
Kelvin Myers & Partners	41	1	13	0%	0%
Cooper Farm Ribbed Smoked	93	3	10	0%	0%
Jack Gbassana Enterprise	62	1	9	0%	0%
Solid Rock Investment	35	1	5	0%	0%
Nimba Rubber Inc.	32	1	4	0%	0%
Trust African Foundation Co Inc.	57	-	2	0%	0%
INVESTMENT INCENTIVES	96,670	2,759	18,396	18%	20%
Fouani Brother Corporation	18,136	1,429	4,035	3%	4%
Sethi Brother Inc.	14,299	251	3,326	3%	4%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Duraplast	15,042	182	2,306	3%	3%
Premier Milling Corporation	12,042	151	1,638	2%	2%
Jeety Trading Corporation	4,588	92	1,023	1%	1%
Liberia Coca Cola Bottling Co.	2,786	55	562	1%	1%
Mano Manufacturing Company	2,294	43	517	0%	1%
TIBA Industrial Group (TIG)	2,091	38	515	0%	1%
RIA Hotel & Resorts Inc.	1,809	36	479	0%	1%
Goyal Farms	1,451	28	457	0%	1%
CGGC Mining Service Ltd	2,874	57	454	1%	1%
LIPFOCO	2,585	57	359	0%	0%
Monrovia Breweries Inc.	1,843	38	329	0%	0%
Liberia Cement Corporation	1,584	29	283	0%	0%
International Aluminum Factory	1,772	35	283	0%	0%
N.B Industrial Complex	1,785	36	271	0%	0%
Liberia Soap & Detergent Co. Inc.	1,207	24	229	0%	0%
Manex Ltd	1,170	23	175	0%	0%
Metalum (Liberia)Ltd	1,143	22	142	0%	0%
Liberia Plastic Incorporated	1,047	21	138	0%	0%
MHM EKO Liberia Inc.	898	20	129	0%	0%
Supreme Liberia Inc.	878	18	114	0%	0%
Zircon Industrial Engineering Inc.	534	13	102	0%	0%
Montserratado Group Of Industries	371	7	74	0%	0%
Rainbow Paint Industrial Inc.	429	9	71	0%	0%
Bella Casa Hotel & Suites	379	8	68	0%	0%
Milla Group Inc.	384	8	51	0%	0%
National Toiletries Inc.	215	4	46	0%	0%
Sethi Ferro Fabrik	211	4	36	0%	0%
A.A.E.E Liberia	181	4	24	0%	0%
Garson Corporation	93	2	23	0%	0%
Shree Krishna Emergency Health Center Inc.	22	0	23	0%	0%
Madina Rock Crusher Inc.	100	2	22	0%	0%
J.W.G. Prime Africa Estate Holding Project	99	6	26	0%	0%
Arrow Alliance Group Corporation	74	1	16	0%	0%
Corina Hotel & Realty Corp	41	1	10	0%	0%
ENISUL Group Of Companies	48	1	9	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Liberia Foam Plate Factory	62	1	8	0%	0%
Aquarius Beverages Inc.	28	1	7	0%	0%
FMG Water Industry Company	29	1	6	0%	0%
Liberia Bottling Juice & Water Corporation	23	0	5	0%	0%
Kaizen Inc.	18	0	4	0%	0%
Vision Industries Inc.	2	0	1	0%	0%
Partner In Health	3	-	0	0%	0%
CONCESSIONS	110,134	1,917	17,420	21%	19%
Bea Mountain Mining Co.	28,783	145	5,085	5%	6%
Arcelor Mittal	21,582	111	3,419	4%	4%
Golden Veroleum-Liberia	21,766	435	3,290	4%	4%
Firestone	12,140	715	1,593	2%	2%
MNG Gold Liberia Inc.	8,586	168	1,235	2%	1%
APM Terminals Liberia Ltd	6,017	120	1,061	1%	1%
LIBINCO Oil Palm Inc.	4,430	89	760	1%	1%
Sime Darby Plantation Inc.	4,287	85	535	1%	1%
Liberia Agricultural Company	845	17	158	0%	0%
Maryland Oil Palm Plantation	925	18	152	0%	0%
Cavalla Rubber Corporation	454	9	79	0%	0%
Salala Rubber Corporation	167	3	30	0%	0%
ExxonMobil	127	0	18	0%	0%
Liberia Forest Product Inc.	26	1	5	0%	0%
GOL PROJECTS	59,259	35	9,814	11%	11%
O/W: Air Port Renovation	8,758	27	1,480	2%	2%
GOL	727	1	136	0%	0%
Hydro	38,349	0	6,141	7%	7%
Infrastructural Development	3,758	2	689	1%	1%
Road	7,394	5	1,328	1%	1%
Water	273	-	40	0%	0%
MACs	47,622	2	9,595	9%	11%
National Port Authority	9,295	-	2,474	2%	3%
Ministry Of Health	11,132	-	1,949	2%	2%
Liberia Electricity Corporation (LEC)	5,563	-	853	1%	1%
Liberia National Police	2,180	-	650	0%	1%
Liberia Water & Sewer Corp	2,634	-	436	0%	0%
National Elections Commission	3,030	-	433	1%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Ministry Of Justice	1,810	-	368	0%	0%
Ministry Of Public Works	2,014	-	368	0%	0%
Ministry Of Transport	885	-	220	0%	0%
Ministry Of Agriculture	1,029	-	195	0%	0%
Monrovia City Corporation	1,032	-	192	0%	0%
Ministry Of Youth & Sports	854	-	176	0%	0%
Ministry Of Finance & Development Planning	395	-	116	0%	0%
Ministry Of Internal Affairs	418	-	90	0%	0%
Ministry Of State For Presidential Affairs	286	-	81	0%	0%
Office Of The Vice President	502	-	77	0%	0%
Ministry Of Foreign Affairs	360	-	74	0%	0%
Liberia Telecommunication Authority	239	-	66	0%	0%
Office Of The Speaker	174	-	55	0%	0%
Ministry Of Commerce	270	-	46	0%	0%
LISGIS	151	-	43	0%	0%
Environment Protection Agency	157	-	38	0%	0%
House Of Representative	150	-	36	0%	0%
Millennium Challenge Account-Liberia	135	-	33	0%	0%
The Liberian Senate	126	-	32	0%	0%
Liberia Post Graduate Medical Council	264	-	32	0%	0%
Liberia Immigration Service	213	-	31	0%	0%
National Social Security & Welfare Corporation	272	-	31	0%	0%
Ministry Of Post & Telecommunications	144	-	33	0%	0%
Liberia Institute Of Public Administration	98	-	27	0%	0%
Liberia Revenue Authority	111	-	23	0%	0%
Temple Of Justice	70	-	21	0%	0%
Ministry Of Education	107	-	18	0%	0%
Public Procurement And Concession Commission	67	-	17	0%	0%
National Lottery Authority	88	-	16	0%	0%
General Auditing Commission	128	-	16	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Liberia Agency For Community Empowerment (LACE)	200	1	38	0%	0%
Ministry Of Land Mines & Energy	49	-	14	0%	0%
General Services Agency	59	-	14	0%	0%
Judiciary Branch	76	-	14	0%	0%
Central Banks Of Liberia	132	-	13	0%	0%
Liberia Institute For Biomedical Research	53	-	11	0%	0%
Liberia Broadcasting Systems	43	-	11	0%	0%
Ministry Of Defense	46	-	10	0%	0%
Voluntary Partnership Agreement Support Unit	37	-	10	0%	0%
National Transit Authority	63	-	10	0%	0%
National Drugs Service	50	-	8	0%	0%
Ministry Of Gender, Children And Social Protection	41	-	8	0%	0%
Liberia Maritime Authority	39	-	8	0%	0%
Liberia Civil Aviation Authority	19	-	7	0%	0%
Liberian Institute For Biomedical Research	39	-	6	0%	0%
Liberia Football Association	21	-	6	0%	0%
Liberia Bank For Development & Investment	65	1	5	0%	0%
Ministry Of Information Cultural Affairs & Tourism	29	-	5	0%	0%
Liberia Medicine & Health Regulatory Product	51	-	10	0%	0%
Liberia Anti-Corruption Commission (LACC)	24	-	5	0%	0%
West African Examination Council-Liberia	24	-	5	0%	0%
Liberia Electricity Corporation (LEC)	17	-	4	0%	0%
National Commission On Higher Education	21	-	3	0%	0%
SGS Liberia Inc.	18	-	3	0%	0%
Liberia Air Port Authority	10	-	2	0%	0%
National Fire Service	12	-	2	0%	0%
National Leprosy And Tuberculosis Control Program	1	-	0	0%	0%
DIPLOMATIC MISSIONS	42,745	0	7,458	8%	8%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
US Embassy	7,823	-	1,648	1%	2%
UNMIL	6,669	-	1,555	1%	2%
World Health Organization	12,049	-	1,386	2%	2%
UNICEF-Office	7,595	-	1,107	1%	1%
World Food Program-Liberia	3,091	-	559	1%	1%
UNDP-Liberia	1,185	-	233	0%	0%
UNOPS-Liberia	1,027	-	207	0%	0%
Embassy Of The People Republic Of China	321	-	122	0%	0%
Embassy Of Sweden	227	-	99	0%	0%
UNHCR-Liberia	627	0	95	0%	0%
UNFPA-Liberia	619	-	93	0%	0%
UNIDO Liberia	261	-	82	0%	0%
German Embassy	198	-	55	0%	0%
ICRC-Monrovia Delegation	317	-	39	0%	0%
Embassy Of Brazil	96	-	32	0%	0%
European Union	85	-	26	0%	0%
Libyan Embassy	93	-	19	0%	0%
Food Agriculture Organization-Liberia	75	0	19	0%	0%
Embassy Of Cote D'ivoire	79	-	19	0%	0%
African Development Banks	77	-	15	0%	0%
World Bank Country Office	76	-	13	0%	0%
Embassy Of Ghana	37	-	8	0%	0%
International Organization For Migration	25	0	7	0%	0%
South African Embassy	37	-	6	0%	0%
Embassy Of Switzerland	21	-	6	0%	0%
Embassy Of France	2	-	2	0%	0%
International Finance Corporation	8	-	1	0%	0%
United National Population Fund	7	-	1	0%	0%
UN Women Liberia	3	-	1	0%	0%
International Monetary Fund Office-Liberia	5	-	1	0%	0%
Embassy Of Lebanon	4	-	1	0%	0%
US Peace Corps	3	-	1	0%	0%
Ministry Of Foreign Affairs	3	-	1	0%	0%
O/W: Chris W. Moore	3	-	1	0%	0%
INGOs	19,805	126	3,395	4%	4%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
USAID	6,418	8	1,308	1%	1%
Mary's Meals-Liberia	2,045	28	316	0%	0%
Partner In Health	2,286	0	312	0%	0%
Samaritan's Purse Liberia	1,833	37	268	0%	0%
Americares-Liberia	2,018	-	210	0%	0%
Plan International Liberia	843	16	158	0%	0%
Christian Aid Ministries	900	18	157	0%	0%
Ministry Of Health	730	1	142	0%	0%
O/W: Africare-Liberia	40	-	3	0%	0%
Christian Health Association Of Liberia	86	-	9	0%	0%
Global Fund Program	25	-	3	0%	0%
Last Mile Health	75	-	19	0%	0%
Medicines Du Monde	82	-	9	0%	0%
Medicines Sans Frontiers	200	0	25	0%	0%
Partners In Health	4	-	2	0%	0%
PSI-Liberia	70	-	13	0%	0%
Sight savers Liberia	108	1	52	0%	0%
World Harvest Christian Ministries	5	0	0	0%	0%
GIZ Offices Monrovia	454	-	90	0%	0%
PSI-Liberia	423	-	78	0%	0%
Africare-Liberia	388	3	72	0%	0%
Medicine Sans Frontiers	223	2	36	0%	0%
Ministry Of Education	8	0	26	0%	0%
O/W: Africare Liberia	8	0	26	0%	0%
Japan International Corporation Agency	100	-	22	0%	0%
Fuana & Flora International	87	2	17	0%	0%
MER Incorporated	68	1	14	0%	0%
Riders For Health Liberia	44	-	13	0%	0%
SIDA-International Services	50	-	13	0%	0%
Mission Aviation Fellowship Int'l	73	1	12	0%	0%
Danish Refugee Council	65	1	11	0%	0%
Living Water International	43	2	11	0%	0%
UNESCO	56	-	10	0%	0%
International Rescue Committee	117	0	10	0%	0%
Mercy Corps Liberia	50	0	9	0%	0%
Land O'lakes Liberia Inc.	31	-	8	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Catholic Archdiocese Of Monrovia	30	1	7	0%	0%
German Agro-Action Office	39	-	7	0%	0%
Africa Heartwood Project	34	1	6	0%	0%
ZOA-Liberia	21	0	5	0%	0%
Global Fund	33	0	5	0%	0%
Conservation International	32	1	5	0%	0%
World Vegetable Center	24	-	5	0%	0%
Medicines Du Monde	49	-	5	0%	0%
Right To Play	29	1	5	0%	0%
ICRC-Monrovia Delegation	21	0	4	0%	0%
Teamwork Africa	10	0	2	0%	0%
Lutheran Aid Ministries Inc.	9	0	2	0%	0%
Caritas	5	0	2	0%	0%
ADRA Liberia	17	-	2	0%	0%
Action Contre La Faim	11	0	2	0%	0%
Every Home For Christ-Liberia	13	0	1	0%	0%
More Than Me Foundation	3	0	1	0%	0%
New Hope Children's Village	6	-	1	0%	0%
Save The Children Liberia	4	0	1	0%	0%
Welt hunger life	6	-	0	0%	0%
Catholic Relief Service	36	1	0	0%	0%
LEGISLATURE	3,209	30	788	1%	1%
Representatives	2,698	22	641	1%	1%
Hon. Edwin M. Snowe	100	1	36	0%	0%
Hon. Ben Fofana	89	0	25	0%	0%
Hon. Sekou Kanneh	80	-	23	0%	0%
Hon. Ricks Y. Toweh	73	0	23	0%	0%
Hon. Munah P. Youngblood	56	0	22	0%	0%
Hon. George S. Mulbah	69	0	22	0%	0%
Hon. R. Matenokay Tingba	63	0	22	0%	0%
Hon. Clearance Massaquoi	147	1	20	0%	0%
Hon. Josephine C. Francis	49	0	19	0%	0%
Hon. Tokpa J. Mulbah	65	0	19	0%	0%
Hon. Edward Karfiah	89	0	17	0%	0%
Hon. William V. Dakel	80	0	16	0%	0%
Hon. Bill Twehwaye	74	1	16	0%	0%
Hon. Julie F. Wiah	74	0	15	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Hon. Zoe Emmanuel Pennue	64	0	15	0%	0%
Hon. Richmond Anderson	64	1	13	0%	0%
Hon. Henry B. Fahnbulleh	55	0	13	0%	0%
Hon. Gabriel B. Smith	56	0	12	0%	0%
Hon. Aaron B. Vincent	53	3	12	0%	0%
Hon. Garrison Yealue Jr.	37	0	12	0%	0%
Hon. Robertson N. Siaway Sr.	45	0	11	0%	0%
Hon. Thomas T. Tengbeh	38	-	11	0%	0%
Hon. Morris Saytumah	38	0	11	0%	0%
Hon. Mambu M. Sonii	65	4	11	0%	0%
Hon. Prince K. Moye	50	0	10	0%	0%
Hon. Alfred G. Koiwood	45	0	10	0%	0%
Hon. Solomon C. George	44	0	9	0%	0%
Hon. Johnson T. Chea	46	0	9	0%	0%
Hon. Stephen A. Kafi	33	1	9	0%	0%
Hon. Haja Fatta Siryon	36	0	9	0%	0%
Hon. Corpu G. Barclay	30	0	8	0%	0%
Hon. Worleah Saywah Dunah	44	0	8	0%	0%
Hon. Charles K. Bardyl	40	0	8	0%	0%
Hon. Samuel G.Kogar	42	1	8	0%	0%
Hon. J. Gabriel Nyenka	21	0	7	0%	0%
Hon. Julius F. Berrian	34	0	7	0%	0%
Hon. Abel Adam Bill Corneh	54	0	12	0%	0%
Hon. Gertrude T. Lamin	35	0	7	0%	0%
Hon. Mary M. Karwor	25	1	7	0%	0%
Hon. Larry P. Younquoi	21	0	6	0%	0%
Hon. Mariamu Fofana	35	-	6	0%	0%
Hon. Acarous M. Gray	22	0	6	0%	0%
Hon. Thomas P. Fallah	40	0	6	0%	0%
Hon. Prince O.S. Tokpah	30	0	5	0%	0%
Hon. Eugene F. Kparkar	36	0	5	0%	0%
Hon. Jim W. Tornonlar	18	0	5	0%	0%
Hon. Adolph A. Lawrence	40	0	5	0%	0%
Hon. Byron W. Zahnwee	29	0	5	0%	0%
Hon. Isaac Roland	11	0	4	0%	0%
Hon. Saah H. Joseph	7	0	4	0%	0%
Hon. Christian S. Chea Sr.	11	0	4	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Hon. Josephine G. Francis	12	0	4	0%	0%
Hon. Francis S. Nyumalin	10	0	4	0%	0%
Hon. Lester M. Paye	25	0	3	0%	0%
Hon. Malai G. Gbogar	13	0	3	0%	0%
Hon. Roland Opee Cooper	7	0	3	0%	0%
Hon. James P. Biney	14	0	3	0%	0%
Hon. Jeremiah Kpah Koung	14	1	2	0%	0%
Hon. Samuel G.Z. Woleh	12	0	2	0%	0%
Hon. Numene T.H. Barteckwa	9	0	2	0%	0%
Hon. Jeh Byron Brown	4	0	2	0%	0%
Hon. J Tokpah Mulbah	5	0	1	0%	0%
Hon. Morais T. Waylee	4	0	1	0%	0%
Hon. George M. Weah	12	-	1	0%	0%
Hon. Emerson V. Kamara	3	0	1	0%	0%
Hon. J. Emmanuel Nuquay	5	0	1	0%	0%
Hon. Jeremiah Macaulay, Sr.	35	0	1	0%	0%
Hon. Rev. Dr. Isaac Roland	7	1	1	0%	0%
Hon. Matthew G. Zarzar	4	0	1	0%	0%
Hon. Samuel G. Koga	2	0	1	0%	0%
Senator	511	7	147	0%	0%
Sen. J. Milton Teahjay	44	0	4	0%	0%
Sen. Jewel Howard Taylor	47	-	14	0%	0%
Sen. Geraldine Doe-Sheriff	99	1	38	0%	0%
Sen. George T. Tengbeh	114	3	39	0%	0%
Sen. Edward Dagoseh	31	0	9	0%	0%
Sen. Varney G. Sherman	16	0	8	0%	0%
Sen. Dalla A.M. Gueh	37	0	7	0%	0%
Sen. Joseph Nagbe	26	0	6	0%	0%
Sen. Sando Dazoe Johnson	20	0	6	0%	0%
Sen. Henry W. Yallah	31	0	6	0%	0%
Sen. Thomas S. Grupee	20	2	5	0%	0%
Sen. Dan H. Morias	9	0	3	0%	0%
Sen. Albert T. Chie	11	0	2	0%	0%
Sen. George M. Weah	12	-	1	0%	0%
Sen. Peter Coleman	4	0	1	0%	0%
Sen. Conmany B. Wesseh	3	0	1	0%	0%
MEDICAL INSTITUTIONS	2,078	1	319	0%	0%
John F. Kennedy Medical Center	1,376	-	222	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Ministry Of Health	480	0	66	0%	0%
O/W : Family Health Center	8	-	2	0%	0%
Ganta United Methodist Hospital	21	0	3	0%	0%
GERLIB Clinic	8	-	1	0%	0%
Phoebe Hospital & School of Nursing	247	-	39	0%	0%
Redemption Hospital	195	-	22	0%	0%
ELWA Hospital	160	1	21	0%	0%
St. Joseph's Catholic Hospital	28	-	7	0%	0%
Seventh-Day Adventist Cooper Hospital	21	-	2	0%	0%
Ganta United Methodist Hospital	13	0	2	0%	0%
LNGOs	833	15	153	0%	0%
Ministry Of Health	427	-	70	0%	0%
O/W: First Responder Liberia Inc.	414	-	67	0%	0%
Nyonblee Cares Foundation-Liberia	13	-	2	0%	0%
Great Commission Victory Ministry	48	1	13	0%	0%
Christ Children Home Save More Kids	47	3	11	0%	0%
The Lord's Prayer Orphanage	37	1	11	0%	0%
Mission Aviation Fellowship Int'l	53	1	11	0%	0%
Rafiki Village Liberia	27	1	9	0%	0%
Liberia National Red Cross Society	33	-	7	0%	0%
My Brother's Keeper Orphanage & Vocational Programs	23	2	4	0%	0%
Gbowee Peace Foundation	33	1	4	0%	0%
Sis. Kennedy Generosity Foundation & Orphanage	13	1	3	0%	0%
Acres Of Hope	6	1	2	0%	0%
Initiative For Female Dev	7	0	2	0%	0%
Liberia Girl Guides Association	15	-	1	0%	0%
Liberia For Jesus Evangelistic Ministries Inc	5	0	1	0%	0%
Planned Parenthood Association Of Liberia	6	0	1	0%	0%
Providence Baptist Church	4	0	0	0%	0%
Dr. Artemus W. Gaye & Bill Innis	2	3	0	0%	0%
Harvest Christian Church Int'l	1	0	0	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
YMCA Liberia	3	0	0	0%	0%
Family Line Foundation Int'l	1	0	0	0%	0%
We-Care Liberia	18	-	-	0%	0%
EDUCATIONAL INSTITUTIONS	667	7	139	0%	0%
Ministry Of Education	210	-	35	0%	0%
O/W: Bridge Partnership Project	210	-	35	0%	0%
William V.S Tubman University	86	-	21	0%	0%
Ministry Of State For Presidential Affairs	49	-	20	0%	0%
O/W: Ricks Institute	49	-	20	0%	0%
University Of Liberia	64	0	12	0%	0%
West African Examination Council-Liberia	36	1	12	0%	0%
Grand Gedeh County Community College	58	-	10	0%	0%
Central Agriculture Research Institute (CARI)	35	-	8	0%	0%
Mother Patern College Of Health	36	1	5	0%	0%
Sinoe Community College	18	-	4	0%	0%
Booker Washington Institute	24	-	4	0%	0%
Catholic Archdiocese Of Monrovia	14	0	3	0%	0%
Agricultural Training Center	11	0	2	0%	0%
Steela Maris Polytechnic College	8	0	2	0%	0%
Bushrod Institute Of Technology	7	-	1	0%	0%
Bomi Community College	3	-	1	0%	0%
Ministry Of Health	4	-	1	0%	0%
O/W: Bridge Partnership Project	4	-	1	0%	0%
Ford-Madden Christian Academy	2	5	0	0%	0%
Hon. Dr. Bhofal Chambers	1	-	0	0%	0%
O/W: Team Liberia	1	-	0	0%	0%
LIBERIAN RETURNEES	311	14	88	0%	0%
Mrs. Jeanine Cooper	30	1	11	0%	0%
Amb. Jeremiah C. Sulunteh	18	-	8	0%	0%
Kemah Jatu Layfield	32	5	8	0%	0%
Mr. Cletus Wotorson	23	0	6	0%	0%
Robert C. Tubman	21	0	6	0%	0%
Prof. David N. Farhat	13	0	4	0%	0%
Mr. Henry W. Gray Jr.	9	0	3	0%	0%
Sirleaf R. Tyler	16	3	3	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Rev. Dr. Momolu A. Massaquoi	8	0	3	0%	0%
Shirley E. Allen	15	0	3	0%	0%
Dr. Rose Jallah Macauley	9	-	3	0%	0%
E.C Brown-Gate Of Heaven	10	0	3	0%	0%
Mr. Gon Myres	6	0	2	0%	0%
Mr. Gregory O.W. Coleman	9	0	2	0%	0%
Sonkarlay J.Y. Weamie	9	0	2	0%	0%
Farwen D. Jekepei	7	0	2	0%	0%
Jermiah T. Jargbo Jr.	6	0	2	0%	0%
Mr. Robert C. Tubman Jr.	10	0	2	0%	0%
Richard O. Tarpeh	5	0	2	0%	0%
Rahila Malaik Danjuma	8	0	2	0%	0%
Danies F. Korfeh	4	0	2	0%	0%
Joseph Crayton	10	0	2	0%	0%
Dr. Stephen Greene Howard	4	1	1	0%	0%
Siabo C. Johnson	4	0	1	0%	0%
Ms. Bendu M. Sherman	6	0	1	0%	0%
Prince Patrick Myers	4	0	1	0%	0%
Mohammed H. Bility	5	0	1	0%	0%
S. Karwulo Gbengein	3	0	1	0%	0%
Cpt. Preston M. Varkpeh	2	0	0	0%	0%
Omaru M. Sesay	2	0	0	0%	0%
Mameni V. Linga	1	0	0	0%	0%
Mr. Marcus B. Zarway	1	0	0	0%	0%
RELIGIOUS ORGANIZATIONS	616	17	76	0%	0%
Christian Congregation Of Jehovah's Witnesses	195	3	22	0%	0%
Catholic Archdiocese Of Monrovia	109	2	19	0%	0%
United Methodist Church	55	1	8	0%	0%
Great Commission Victory Ministry	54	3	5	0%	0%
Temple Baptist Church Ministries	48	1	5	0%	0%
Bible Society In Liberia	55	1	5	0%	0%
Mission Aviation Fellowship Int'l	28	1	4	0%	0%
Ministry Of Health	20	0	4	0%	0%
O/W: Great Commission Victory Ministry	20	0	4	0%	0%
Living Word Mission	8	3	2	0%	0%

SECTOR DESCRIPTION	CIF VALUE	DUTY PAID	DUTY WAIVED	CIF %	WAIVER %
Catholic Archdiocese Of Gbarnga	7	0	2	0%	0%
United Pentecostal Church Of Liberia	23	1	2	0%	0%
Supreme Islamic Assembly	8	0	1	0%	0%
Christ Embassy Church	5	0	1	0%	0%
Turning Point Liberia	6	0	0	0%	0%
Harvest Christian Church Int'l	13	0	1	0%	0%
JUDICIARY	38	0	11	0%	0%
Justice Sie-A-Nyene Yuoe Snowe (Personal Effects)	38	0	11	0%	0%

APPENDIX B: Detailed Petroleum Products Duty Exemption (Thousands of US Dollars)

CATEGORY	QTY OF AGO	QTY OF PMS	QTY OF HFO	DUTY WAIVED	% OF WAIVER
TOTAL EXEMPTION	15,017,450	1,444,000	290,000	5,707,844	100%
TOTAL EXEMPTION EXCL. GOL PROJ.	13,183,450	1,444,000	290,000	4,974,244	87%
DIPLOMATIC MISSIONS	3,527,100	14,500	-	1,417,365	25%
UNMIL	2,086,500	4,000	-	836,400	15%
US Embassy	898,000	2,000	-	360,100	6%
Supreme Food	295,500	-	-	118,200	2%
Chinese Embassy	51,000	-	-	20,400	0%
World Food Program	40,000	-	-	16,000	0%
UNICEF	35,300	-	-	14,120	0%
UNDP	25,500	-	-	10,200	0%
UNHCR	20,500	-	-	8,200	0%
European Union	18,000	-	-	7,200	0%
Lebanese Embassy	11,000	4,500	-	6,425	0%
French Embassy	15,000	-	-	6,000	0%
Qatar Embassy	12,300	-	-	4,920	0%
Egyptian Embassy	7,000	4,000	-	4,600	0%
UN Women	9,500	-	-	3,800	0%
Libyan Embassy	1,500	-	-	600	0%
Cuba Embassy	500	-	-	200	0%
CONCESSIONS	5,454,850	-	-	1,203,004	21%
Bea Mountain Mining	3,241,750	-	-	648,350	11%
Golden Veroleum	727,000	-	-	189,020	3%
Liberia Agriculture Company	438,000	-	-	175,200	3%
Sime Darby	431,500	-	-	86,300	2%
Arcelor Mittal	548,100	-	-	76,734	1%
Salala Rubber	68,500	-	-	27,400	0%
EXECUTIVE ORDER	2,412,000	-	290,000	994,800	17%
Liberia Electricity Corporation	2,148,500	-	290,000	889,400	16%
National Transit Authority	121,000	-	-	48,400	1%
Liberia Water & Sewer Corporation	84,000	-	-	33,600	1%
Liberia Broadcasting System	58,500	-	-	23,400	0%
LEGISLATURE	414,500	1,429,500	-	809,075	14%
House of Representatives	189,500	1,084,000	-	563,600	10%
House of Senate	225,000	345,500	-	245,475	4%
GOL PROJECTS	1,834,000	-	-	733,600	13%
Ministry Of Public Works	1,114,000	-	-	445,600	8%
Mt. Coffee Hydro Project	510,000	-	-	204,000	4%
Liberia Airport Authority	210,000	-	-	84,000	1%
INVESTMENT INCENTIVES	1,334,500	-	-	533,800	9%
CEMENCO	708,500	-	-	283,400	5%
Dura Plast	626,000	-	-	250,400	4%
INGOs	40,500	-	-	16,200	0%
Peace Corps	24,000	-	-	9,600	0%
ICRC	16,500	-	-	6,600	0%



PUBLICATION INFORMATION

This publication was compiled by the Policy, Statistics & Strategic Planning Division of the Liberia Revenue Authority, Monrovia, Liberia

LRA Mission

To Professionally, Fairly, Transparently and Effectively Collect Lawful Revenue; Facilitate Legitimate Trade and Social Protection for the People of Liberia

LRA Vision

To be a Professional Revenue Administrator Adhering to International Standards and to Serve as a Model for Revenue Collection and Service Delivery

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Or

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www.lra.gov.lr