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EXTRAORDINARY

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA ANNOUNCES THE APPROVAL OF THE LIBERIA REVENUE AUTHORITY ADMINISTRATIVE REGULATION PURSUANT TO PART II OF THE LIBERIA REVENUE CODE ON TRANSFER PRICING, (REGULATION NO. II. 211-1-11-01-16), HEREBY ISSUES THE REGULATION HEREIN UNDER.

LIBERIA INCOME TAX TRANSFER PRICING REGULATIONS 2016

BY ORDER OF THE PRESIDENT

MARJON V. KAMARA
MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
NOVEMBER 11, 2016

LRA

LIBERIA REVENUE AUTHORITY

REPUBLIC OF LIBERIA

REVENUE ADMINISTRATIVE REGULATION
PURSUANT TO PART II OF THE LIBERIA REVENUE CODE

REGULATION NO. II. 211-1-11-01-16

SUBJECT: TRANSFER PRICING

DATE: November 1, 2016

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1 PREAMBLE

WHEREAS, Part VII of the Transitional Provisions of the Liberia Revenue Authority (LRA) Act of 2013, Section 38(1), Repeals and consequential Amendments, transferred the administrative and operational powers and duties the code assigns to the Minister or Deputy Minister to the Commissioner General.

WHEREAS, section 21 of the LRA Act of 2013, outlines the responsibilities of the Commissioner General including inter alia:-

a. Ensure the effective and fair interpretation, application and implementation of the Code;
b. Ensure the proper and diligent implementation of this Act.

WHEREAS, Section 8(1) of the LRA Act of 2013 authorizes, the Authority to discharge its functions under Act and grants the Authority power to take necessary action to accomplish those functions in the manner and using the methods permitted under the code and other laws;

Whereas, the primary function of the LRA pursuant to Section 7(1)of the LRA Act of 2013 is to transparently, equitably and fairly administer collection of national revenues and to ensure the deposit of all amounts assessed and collected into the Consolidated Fund,

Now therefore, in accordance with law, the Government of Liberia through the LRA herewith sets forth the following Income Tax Transfer Pricing regulations.

2 LEGAL BASIS

This Regulation applies to, inter alia, Section 211 which provides that "In any transaction or arrangement between persons who are related persons within the meaning of Section 208, the Minister may distribute, apportion, or allocate amounts to be included or deducted in calculating income and credits granted under this Part between the persons, or determine the source of income, as is necessary to reflect the taxable income or tax payable which would have arisen for the persons if the arrangement had been conducted at arm's length". This transfer pricing regulation is intended to ensure that transactions between related parties are conducted at arm's length consistent with Section 211 of the Code.

PURSUANT to the powers conferred upon the Minister by Section 211 of the Liberia Revenue Code, these Transfer Pricing Regulations are issued and take effect on the 01st Day of July 2016

3 PART I-PRELIMINARY

3.1 Title and effective Date

These Regulations may be cited as the **Liberia Income Tax Transfer Pricing Regulations 2016**, and shall come into effect on July 1, 2016.

3.2 Introduction

a) The term Transfer Pricing (TP) means the prices at which an enterprise transfers physical goods and intangible property or provides services to a related enterprise.

b) The transfer prices adopted by Multinational Enterprises (MNEs) for transactions between their affiliates have a direct bearing on their income, expenses and therefore the taxable income in each of the jurisdictions they operate in. If a value that is not in accordance with the arm's length principle is paid for the transfer of goods or services between related persons, the income or expense reported in the respective jurisdictions may not be consistent with their relative economic contributions. This distortion will affect the tax revenues of the respective tax jurisdiction(s) in which they operate.

c) Over the years, there has been noticeable increase in volume and complexity of international trade and commerce in Liberia. A Large proportion of this international activity is carried on between members of Multinational Enterprises. As the globalization of business activity continues to accelerate, protecting the Liberian tax base is vital for wealth creation and socio-economic development.

d) Additionally, the existence of tax concessions, exemptions and incentives granted to or claimed by certain companies operating in Liberia have the tendency for related persons in these areas to enter into domestic arrangements or transactions which may be calculated to lower the total tax payable on the income of such persons.

e) It is, therefore, critical to institute measures to prevent profit shifting through transfer pricing abuse and manipulation that results in an allocation of profit to taxable persons in Liberia that departs from the arm's length principle.

3.3 Purpose of the Regulations

These Regulations apply to the provisions of:-

a) Section 10 (cc) of the Liberia Revenue Code 2000 as Amended 2011

b) Section 18 of the Liberia Revenue Code 2000 as Amended 2011

c) Sections 56, 207, 208, 209 and 210 of the Liberia Revenue Code 2000 as Amended 2011

d) Sections 603 (C) and 620 of the Liberia Revenue Code 2000 as Amended 2011

e) Sections 703 (g) and 713 of the Liberia Revenue Code 2000 as Amended 2011

3.4 Objective of the Regulations

a) Ensure that Liberia is able to tax on an appropriate taxable basis corresponding to the economic activities deployed by taxable persons in Liberia, including in their transactions and dealings with related parties;

b) Provide the Liberian authorities the tools to fight tax avoidance through over or underpricing of controlled transactions between related parties;

c) Reduce the risk of economic double taxation;

d) Provide a level playing field between multinational enterprises and independent Enterprises doing business within Liberia; and

e) Provide taxable persons with certainty of transfer pricing treatment in Liberia.

3.5 Scope of the Regulations

a) These Regulations shall apply to controlled transactions carried on in a manner not consistent with the arm's length principle and includes:

(i) Sale and purchase of goods and services;

(ii) Sales, purchase or lease of tangible assets;

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(iii) Transfer, purchase, license or use of intangible assets;

(iv) The provision of management, technical and/ or other intra group services;

(v) Lending or borrowing of money;

(vi) Manufacturing and distribution arrangement; and

(vii) Any transaction which may affect profit and loss or any other matter incidental to, connected with, or pertaining to the transactions referred to in (i) to (vi) of this regulation.

b) For purposes of applying these Regulations, Permanent Establishments (―PEs‖) are treated as separate entities, and any transaction between a Permanent Establishment (―PE‖) and its head office or other related taxable persons shall be considered to be a controlled transaction.

c) These Regulations shall be applied in a manner consistent with the arm's length principle in Articles 9 of the OECD Model Tax Convention on Income and Capital and the United Nations Model Tax Convention in place at the time the relevant controlled transaction is conducted, as elaborated in the latest edition of the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations in place at the time the relevant controlled transaction is conducted.

However, in case of any inconsistency between these Regulations and Article 9 of the OECD Model Tax Convention on Income and Capital; the United Nations Model Tax Convention and the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, these Regulations as well as statutes of similar nature enshrined in the Liberia Revenue Code shall prevail.

3.6 Interpretation

In these Regulations, unless the context otherwise requires –

"Arm's length principle" in relation to a related party transaction, is the principle where the results of the transaction are consistent with the results that would have been realized in a transaction between unrelated persons dealing under the same conditions;

"Commissioner" means the Commissioner General of Liberia Revenue Authority

"Comparable uncontrolled transaction" in relation to the application of a transfer pricing method to a controlled transaction, means an uncontrolled transaction that meets the comparability conditions contained in Regulation 4.1

"Controlled transaction" means a transaction between related persons;

"Cost plus method" means comparing the mark up on the costs directly and indirectly incurred in the supply of property or services in a controlled transaction with the mark up on those costs directly or indirectly incurred in the supply of property or services in a comparable uncontrolled transaction;

"Financial indicator" means—

(i) in relation to the comparable uncontrolled price method, the price;
(ii) in relation to the cost plus method, the mark up on costs;
(iii) in relation to the resale price method, the resale margin;
(iv) in relation to the transaction net margin method, the net profit margin; or
(v) in relation to the transactional profit split method, the division of profit and loss;
(vi) in relation to any other method approved in writing by the Commissioner, another financial indicator approved in writing by the Commissioner.

"Permanent establishment" has a meaning given to it in section 803 of the Liberia Revenue Code.

"Related person" has the meaning given to it in section 208 of the Liberia Revenue Code of 2000 as amended;

"Resale price method" means comparing the resale margin that a purchaser of property in a controlled transaction earns from reselling the property in an uncontrolled transaction with the resale margin that is earned in a comparable uncontrolled purchase and resale transaction;

"Transactional net margin method" means comparing the net profit margin relative to the appropriate base including costs, sales or assets that a person achieves in a controlled transaction with the net profit margin relative to the same basis achieved in a comparable uncontrolled transaction;

"Transactional profit split method" means comparing the division of profit and loss that a person achieves in a controlled transaction with the division of profit and loss that would be achieved when participating in a comparable uncontrolled transaction;

"Transfer pricing method" means—

(i) The comparable uncontrolled price method;
(ii) The cost plus method;
(iii) The resale price method;
(iv) The transaction net margin method;
(v) The transactional profit split method; or
(vi) Any other method approved in writing by the Commissioner

"Uncontrolled transaction" means a transaction that is not a controlled transaction.

4 PART II- TRANSFER PRICING METHODS AND PRINCIPLES OF COMPARABILITY

4.1 Principles of Comparability

a) Comparability is an important element in applying the arm's length principle. Arm's length methods are based on the concept of comparing the prices or margins achieved by related persons in their dealings to those that would be achieved by independent persons for the same or similar dealings in the same circumstances. In order for such comparisons to be useful, the economically relevant characteristics of the situations being compared must be comparable.

b) An uncontrolled transaction is comparable to a controlled transaction within the meaning of the arm's length principle when:

(i) There are no significant differences between them that could materially affect the financial indicator being examined under the appropriate transfer pricing method, or

(ii) If such differences exist, a reasonably accurate comparability adjustment is made to the relevant financial indicator of the uncontrolled transaction in order to eliminate the effects of such differences on the comparison.

c) To determine whether two or more transactions are comparable, the following factors shall be considered to the extent that they are economically relevant to the facts and circumstances of the transactions:

(i) The characteristics of the goods, property or services transferred and or received

(ii) The relative importance of the functions performed by the parties to the transactions with respect to those transactions, taking into account assets used and risks assumed;

(iii)The contractual terms and conditions of the transactions;

(iv)The economic and market circumstances in the transactions take place including whether the market is geographically different; and

(v) The business strategies pursued by the parties to the transactions in relation to those transactions.

d) In determining whether two or more transactions are comparable, the allocation of risk in the controlled transaction should be based on the arm's length principle, and must take into account how economically significant risk is allocated in contracts between the parties, and which parties in fact:
(i) bear the risk;
(ii) perform the relevant risk control functions and risk mitigation functions;
(iii) Have the financial capacity to assume the risk.

In cases where the contractual allocation of risk diverges from these factors, risk must be allocated to the party that performs the relevant risk control and risk mitigation functions, and has the capacity to assume the risk.

Economically significant risks may include, but are not limited to, financial risks arising from exchange rate and interest rate variability; credit risk; market risks such as input cost and price fluctuation; risks associated with the investment in and use of property, plant and equipment; the success or failure as a result of research and development.

4.2 Transfer Pricing Methods

a) The arm's length remuneration of a controlled transaction shall be determined by applying the most appropriate transfer pricing method to the circumstances of the case.

b) The most appropriate transfer pricing method shall be selected from among the approved transfer pricing methods set out in paragraph 4.2(e), taking into consideration the following criteria –

(i) the respective strengths and weaknesses of the approved methods;
(ii) the appropriateness of an approved method in view of the nature of the controlled transaction, determined in particular through an analysis of the functions undertaken by each person in the controlled transaction, taking into account assets used and risks assumed;
(iii) the availability of reliable information needed to apply the selected transfer pricing method or other methods; and
(iv) the degree of comparability between the controlled and uncontrolled transactions, including the reliability of comparability adjustments, if any, that may be required to eliminate differences between them.

c) It shall not be necessary to apply more than one method to determine whether the conditions of a given controlled transaction are consistent with the arm's length principle.

d) Where a taxpayer has used an approved transfer pricing method and the selection of that method is consistent with this regulation, the examination by the Commissioner of whether the conditions of the taxpayer's controlled transactions are consistent with the arm's length principle shall be based on that transfer pricing method applied by the taxpayer.

e) The following shall be the approved transfer pricing methods for purposes of paragraph 4.2(b)

(i) Comparable Uncontrolled Price (CUP) method.
(ii) Resale Price Margin (RPM)
(iii) Cost Plus Method(CPM)
(iv) Transactional Net Margin Method (TNMM)
(v) Transactional Profit Method(PSM)

(vi) Such other method as may be approved in writing by the Commissioner, where in view of the nature of the transactions, an arm's length price cannot be determined appropriately using one of the other methods contained in this Regulation.

f) A person may apply to the Commissioner in writing of his/her intention to apply a transfer pricing method other than the approved methods contained in **4.1**(e)(i)- 4.1(e)(v) above where it can be demonstrated that:-

(i) None of the methods can be reasonably applied to determine arm's length conditions for the controlled transaction; and

(ii) Such other method yields a result consistent with that which would be achieved by independent persons engaging in comparable uncontrolled transactions under comparable circumstances.

(iii) The taxpayers asserting the use of a method other than an approved method shall bear the burden of demonstrating that the requirements listed above have been met.

g) For avoidance of doubt, no person shall be permitted to use a Transfer Pricing method other than the methods listed in sub regulation 4.1(e) (i) - 4.1(e) (v) without the written express authority of the Commissioner.

h) A person may apply in writing to the Commissioner to enter into an advance pricing agreement to establish an appropriate set of criteria for determining whether the person has complied with the arm's length principle for certain future controlled transactions to be undertaken by the person as provided for under Section 18, and Sections 603 (c) and 703 (d) of the Liberia Revenue Code.

5 PART III- ARM'S LENGTH PRINCIPLE AND ARM'S LENGTH RANGE

5.1 Arm's Length Principle and Arm's Length Range

a) Where a person engages in one or more commercial or financial transactions with a related person, such person shall determine the amount of its taxable profits in a manner that is consistent with the arm's length principle. Such transactions between related persons should not be distorted by special relationship that exists between the parties.

b) Where the application of the most appropriate method identifies a number of comparable uncontrolled transactions which are all equally comparable to the relevant controlled transaction, then the financial results derived from those uncontrolled transactions, expressed in terms of the relevant financial indicator, shall constitute an arm's length range, provided that the highest point in the range is no more than 25% greater than the lowest point in the range.

c) Where the application of the most appropriate method identifies a number of comparable uncontrolled transactions, giving rise to a range of financial results expressed in terms of the relevant financial indicator, and the degree of comparability of each of the uncontrolled transactions to the controlled transaction, and to each other, is uncertain, or the highest point in the range exceeds 25% of the lowest point in the range, a statistical approach shall be used. Where such an approach is used, the interquartile range shall be considered to be an arm's length range.

d) Where the relevant financial indicator resulting from a transaction between related enterprises falls outside the arm's length range, then the taxable profit of the taxpayer shall be computed on the basis that the relevant indicator is the median of the arm's length range.

5.2 Evaluation of a Taxpayer's Combined Controlled Transactions

a) If a taxpayer carries out, under the same or similar circumstances, two or more controlled transactions with the same related person that are economically and closely linked to one another, or that form a continuum such that they cannot reliably be analyzed separately, those transactions may combined to:
   (i) perform the comparability analysis set out above; and
   (ii) apply the transfer pricing methods listed above

5.3 Services between related persons

a) A service charge between a taxpayer and a related person shall be considered consistent with the arm's length principle where –

   (i) it is charged for a service that is actually rendered, and does not duplicate services carried out by the taxpayer or for the taxpayer by a third party,

   (ii) the service provides, or when rendered was expected to provide, the recipient with economic or commercial value to enhance its commercial position,

(iii) it is charged for a service that an independent enterprise in comparable circumstances would have been willing to pay for if performed for it by an

(iv) independent enterprise, or would have performed in-house for itself, and

(v) its amount corresponds to that which would have been agreed between independent enterprises for comparable services in comparable circumstances.

b) A service charge made to a person shall not be consistent with the arm's length principle where it is made by a related person in respect only of benefits that are incidental of belonging to the same group of companies, or solely because of the shareholder's ownership interest in one or more other group members, including for any of the following costs incurred or activities undertaken by such related person -

(i) costs or activities relating to the juridical structure of the parent company of the first-mentioned person, such as meetings of shareholders of the parent, issuing of shares in the parent company and costs of the parent company's supervisory board;

(ii) costs or activities relating to reporting requirements of the parent company of the first-mentioned person, including the consolidation of reports; and

(iii) Costs or activities related to raising funds for the acquisition of participations, unless those participations are directly or indirectly acquired by the first-mentioned person and the acquisition benefits or is expected to benefit that first-mentioned person.

c) Where it is possible to identify specific services provided by a taxpayer to a related person, the determination whether the service charge is consistent with the arm's length principle shall be made for each specific service, subject to the provisions of Paragraph 5.3 (e) below.

d) Where services are rendered by a taxpayer jointly to various related persons and it is not possible to identify specific services provided to each of them, the total service charge shall be allocated among the related persons that benefit or expect to benefit from the services according to reasonable allocation criteria.

e) For the purpose of this sub-regulation, allocation criteria shall be viewed as reasonable where they are based on a variable or variables that -

(i) take into account the nature of the services, the circumstances under which they are provided and the benefits obtained or that were expected to be obtained by the persons for which the services are intended;

(ii) relate exclusively to uncontrolled, rather than controlled, transactions; and

(iii)Are capable of being measured in a reasonably reliable manner.

6 PART IV- TRANSFER PRICING DOCUMENTATION, ADJUSTMENTS AND PENALTIES

6.1 Information and Documentation

a) Any person with related party transactions in a year of income who is eligible to file an Income Tax return shall be required to file a transfer pricing return for the year of income along with the annual income tax return for the year. In the case of a small taxpayer, defined in Section 200(c) of the Liberia Revenue Code of 2000 as amended, the documentation requirement will be the transfer pricing documentation packet for Small Taxpayers which will contain accompanying instructions affording them a safe harbor for compliance with these regulations.

b) The Commissioner shall prescribe a transfer pricing return form for purposes of bringing sub regulation 6.1(a) into effect.

c) Any person who is eligible to file a transfer pricing return under sub regulation 6.1(a) is required to document and keep sufficient and adequate information and analysis to verify that their transactions with related persons are in accordance with the relevant provisions of this Regulation.

d) The documentation referred to in sub regulation 6.1(c) for a year of income shall be in place prior to the due date for filing the income tax return for that year

e) The Commissioner shall have discretion to prescribe by published notice that a person referred to in sub regulation 6.1. (a) (referred to as 'the person' in this sub regulation) provide information including but not limited to books of accounts and other documents relating to transactions where transfer pricing is applied. The documents referred to include a 'Masterfile', which shall contain the documents described in categories (i) to (xvi) below, and a 'local file' which shall contain the documents described in categories (xvii) to (xxxv) below.

(i) Where the person is a company that is a member of a group of companies, a chart illustrating the group's legal and ownership structure and geographical location of operating entities.

(ii) A general written description of the business of the group of companies to which the person belongs (referred to as 'the group' in this sub regulation), including: important drivers of business profit; a description of the supply chain for the group's five largest products and/ or service offerings by turnover plus any other products and/or services amounting to more than 5 percent of group turnover. The required description could take the form of a chart or a diagram.

(iii) A list and brief description of important service arrangements between members of the group, other than research and development services, including a description of the capabilities of the principal locations providing important services and transfer pricing policies for allocating services costs and determining prices to be paid for intra-group services.

(iv) A description of the main geographic markets for the group's products and services that are referred to in sub regulation 6.1. e) (ii).

(v) A brief written functional analysis describing the principal contributions to value creation by individual members of the group, i.e. key functions performed, important risks assumed, and important assets used.

(vi) A description of important business restructuring transactions, acquisitions and divestitures occurring during the fiscal year.

(vii) A general description of the group's overall strategy for the development, ownership and exploitation of intangibles, including the location of principal research and development facilities and location of research and development management.

(viii) A list of intangibles or groups of intangibles of the group that are important for transfer pricing purposes and which entities legally own them.

(ix) A list of important agreements among the members of the group related to intangibles, including cost contribution arrangements, principal research service agreements and license agreements.

(x) A general description of the group's transfer pricing policies related to research and development and intangibles.

(xi) A general description of any important transfers of interests in intangibles among the members of the group during the fiscal year concerned, including the entities, countries, and compensation involved.

(xii) A general description of how the group is financed, including important financing arrangements with unrelated lenders.

(xiii) The identification of any members of the group that provide a central financing function for the group, including the country under whose laws the entity is organized and the place of effective management of such entities.

(xiv) A general description of the group's general transfer pricing policies related to financing arrangements between associated enterprises.

(xv) The group's annual consolidated financial statement for the fiscal year concerned if otherwise prepared for financial reporting, regulatory, internal management, tax or other purposes.

(xvi) A list and brief description of the group's existing unilateral advance pricing agreements (APAs) and other tax rulings relating to the allocation of income among countries.

(xvii) A description of the management structure of the person including a local organization chart, and a description of the individuals to whom local management reports and the country (ies) in which such individuals maintain their principal offices.

(xviii) A detailed description of the business and business strategy pursued by the person including an indication whether the person has been involved in or affected by business restructurings or intangibles transfers in the present or immediately past year and an explanation of those aspects of such transactions affecting the person.

(xix) For each material category of controlled transactions in which the person is involved, a description of the controlled transactions (e.g. procurement of manufacturing services, purchase of goods, provision of services, loans, financial and performance guarantees, licenses of intangibles, etc.) and the context in which such transactions take place.

(xx) The amount of intra-group payments and receipts for each category of controlled transactions involving the person (i.e. payments and receipts for products, services, royalties, interest, etc.) broken down by tax jurisdiction of the payor or recipient.

(xxi) An identification of related persons involved in each category of controlled transactions, and the relationship amongst them.

(xxii) Copies of all material intercompany agreements concluded by the person.

(xxiii) A detailed comparability and functional analysis of the person and relevant related person with respect to each documented category of controlled transactions, including any changes compared to prior years.

(xxiv) An indication of the most appropriate transfer pricing method with regard to the category of transaction and the reasons for selecting that method.

(xxv) An indication of which related person is selected as the tested party, if applicable, and an explanation of the reasons for this selection.

(xxvi) A summary of the important assumptions made in applying the transfer pricing methodology.

(xxvii) If relevant, an explanation of the reasons for performing a multi-year analysis.

(xxviii) A list and description of selected comparable uncontrolled transactions (internal or external), if any, and information on relevant financial indicators for independent enterprises relied on in the transfer pricing analysis, including a description of the comparable search methodology and the source of such information.

(xxix) A description of any comparability adjustments performed, and an indication of whether adjustments have been made to the results of the tested party, the comparable uncontrolled transactions, or both.

(xxx) A description of the reasons for concluding that relevant transactions with related persons were priced on an arm's length basis based on the application of the selected transfer pricing method.

(xxxi) A summary of financial information used in applying the transfer pricing methodology.

(xxxii) A copy of existing unilateral and bilateral/multilateral APAs and other tax rulings to which the Liberia Revenue Authority is not a party and which are related to controlled transactions described above.

(xxxiii) Annual financial accounts of the person for the fiscal year concerned. If audited statements exist they should be supplied and if not, existing unaudited statements should be supplied.

(xxxiv) Information and allocation schedules showing how the financial data used in applying the transfer pricing method may be tied to the annual financial statements.

(xxxv) Summary schedules of relevant financial data for comparables used in the analysis and the sources from which that data was obtained.

6.2 Transfer Pricing Adjustments, Corresponding Adjustments and Penalties

a) Where a person fails to comply with sub regulation 5.1, and the result of that failure is that the person's taxable profit is less than would have been the case in the absence of that failure, or tax loss is more than would have been the case, the Commissioner may make necessary adjustments to ensure that the income and expenditures resulting from the transaction or transactions are consistent with the arm's length principle.

b) The transfer pricing adjustment under this Regulation may be made at the discretion of the Commissioner where the effect of the related party transactions does not reflect the true taxable income of the taxpayer in Liberia.

c) Corresponding Adjustments

Where –

(i) an adjustment is made to the taxation of a transaction or transactions of a related taxable person by a competent authority of another country with which Liberia has a Double Taxation Treaty; and

(ii) the adjustment results in taxation in that other country of income or profits that are also taxable in Liberia; the Commissioner may, upon request by the related taxable person subject to tax in Liberia, determine whether the adjustment is consistent with the arm's length principle and where it is determined to be consistent, the Commissioner may make a corresponding adjustment to the amount of tax charged in Liberia on the income so as to avoid double taxation.

d) The provisions of the Liberia Revenue Code relating to fraud, failure to furnish returns/information, penalty, underpayment of tax, and offense provisions shall apply with respect to transfer pricing.

e) Any tax due and unpaid in a transfer pricing arrangement shall be deemed to be additional tax for Purposes of section 211 of the Liberia Revenue Code of 2000 as Amended 2011.

f) Any person who fails to maintain adequate records as specified in this regulation is liable to the penalty stipulated under section 55(e) of the Liberia Revenue Code.

Signed:

Elfrieda Stewart Tamba
Commissioner General
Liberia Revenue Authority