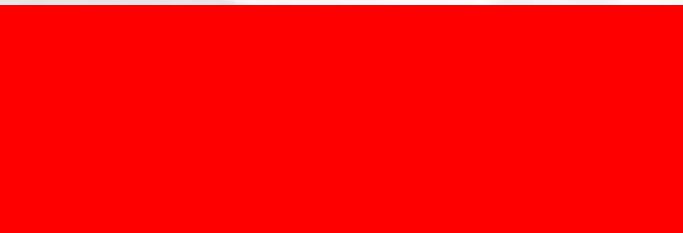
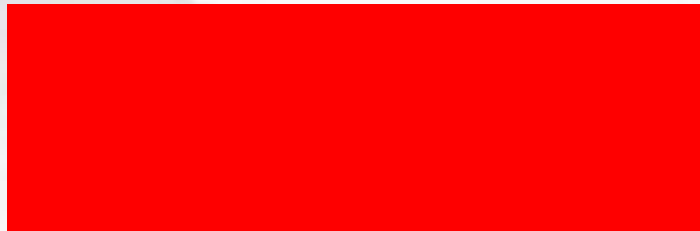


2025 Annual Report

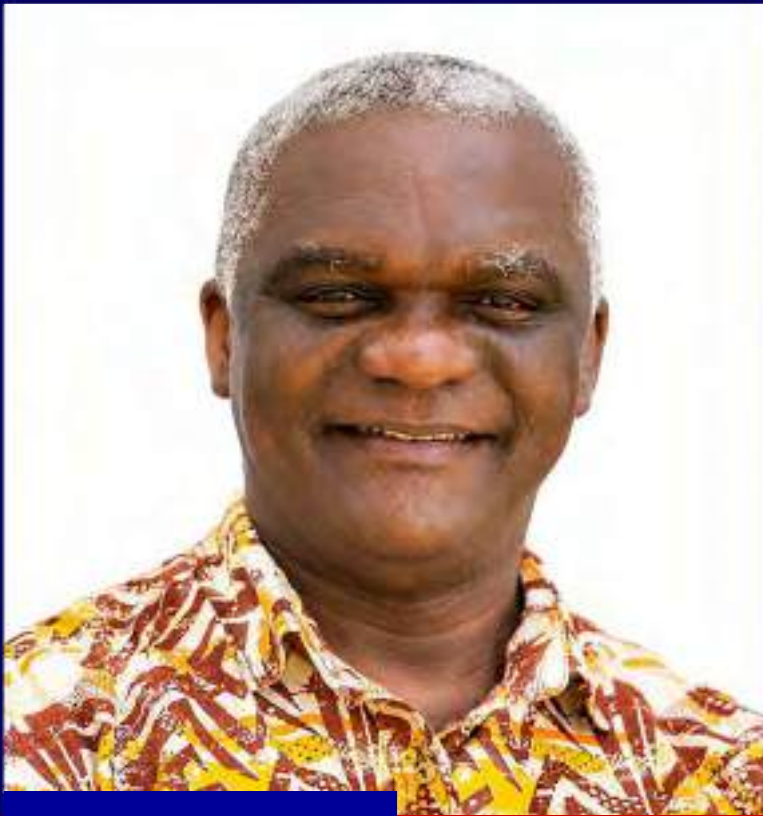


Jan - Dec 2025



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James Dorbor Jallah
Commissioner General / CEO
Liberia Revenue Authority

It is with great honor and appreciation that I present the FY2025 Annual Report of the Liberia Revenue Authority. This report highlights the Authority's performance, achievements, reforms, and challenges during a year marked by strong revenue growth, institutional progress, and continued modernization of revenue administration in Liberia. FY2025 was a significant year for the Authority and the Government of Liberia as we strengthened domestic resource mobilization and reinforced the foundation for fiscal sustainability and national development. Despite global economic uncertainties and domestic structural challenges, the Liberia Revenue Authority recorded one of its strongest revenue performances since its establishment. Total revenue collections for FY2025 amounted to approximately US\$885.1 million, exceeding the approved budget target and eliminating the projected financing gap for the fiscal year. Domestic revenue collections reached US\$847.1 million, surpassing target by 5 percent. These achievements reflect the growing effectiveness of our reforms, the dedication of our staff, and improved taxpayer compliance. Strong performance in income taxes and international trade taxes contributed significantly to revenue growth. Enhanced enforcement measures, expanded audit activities, and improved customs administration strengthened revenue mobilization across both the Domestic Tax and Customs Departments.

The Authority also made important progress in digital transformation and service modernization. During the year, we expanded the rollout of the Liberia Integrated Tax Administration System (LITAS) and ASYCUDA across additional offices and border locations. The deployment of Starlink internet connectivity improved operational efficiency, particularly in rural locations. We also strengthened integration with commercial banks and mobile money platforms to improve taxpayer convenience and transparency.

Additionally, the Authority completed the development of a pilot One-Stop-Shop Service Center and Toll-Free Call Center to improve taxpayer services and public engagement. Collaboration with technological partners such as N-Soft also enhanced our capacity to monitor high-risk sectors and reduce revenue leakages within the digital economy.

Institutional strengthening remained a key priority throughout the year. Through partnerships with organizations such as the African Tax Administration Forum, West African Tax Administration Forum, International Monetary Fund, and the World Bank, the Authority continued to enhance staff capacity, governance systems, and operational efficiency. While we celebrate these achievements, challenges remain.

Structural weaknesses in some revenue streams, informality, infrastructure constraints, and compliance gaps continue to affect revenue diversification and sustainability. Addressing these challenges will require sustained reforms, stronger stakeholder collaboration, and continued investment in technology and taxpayer education.

As we move forward, the Liberia Revenue Authority remains committed to professionalism, integrity, transparency, fairness, and service excellence. Our focus will remain on broadening the tax base, strengthening compliance, modernizing systems, and supporting Liberia's long-term development objectives.

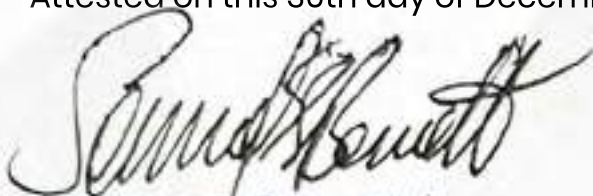
On behalf of the Management and Board of Directors of the Liberia Revenue Authority, I extend sincere gratitude to the Government of Liberia, our development partners, taxpayers, stakeholders, and the dedicated staff of the Authority for their continued support and commitment throughout FY2025.

Together, we will continue to strengthen domestic resource mobilization and contribute to a stronger and more prosperous Liberia.

Budget and Finance

The International Public Sector Accounting Standards (IPSAS-Cash Basis) set the basis for the financial information provided therein. The financials on page 108 do not contain material misstatements, are an adequate representation of the underlying economic and financial reality reported and completed in all material aspects.

Attested on this 30th day of December, 2025 A.D.



Samuel G. Bennett Jr.

Domestic Tax Department

Section 7(2) (g) of the LRA's Act provides that the data on pages 14-54 of this report contain no material misstatements; that revenue collection is a faithful representation of the underlying tax returns of the systems; and that the data is truthful, accurate and complete in all material aspects.

Attested on this 30th day of December, 2025 A.D.



Margaret Krote
Act. Commissioner/Domestic Tax Department

Customs Department

The data on revenue collection is presented in accordance with the section 7(2) (g) of LRA's Act and shows that the data on pages 55-77 of this report contain no material misstatements, data on revenue collection is a faithful representation of the underlying tax returns of the system and the data is truthful, accurate and complete in all material aspects.

Attested on this 30th day of December, 2025 A.D.



Saa Saamoi
Commissioner/Customs Department

LRA AT THE GLANCE



Establishment

- Semi-autonomous organ of the Executive Branch of the Government of Liberia
- Operationalized July 1, 2014 through an act ratified by the National Legislature in September 2013
- Formerly Department of Revenue under the former Ministry of Finance, which included the Bureau of Internal Revenue and the Bureau of Customs and Excise, as defined in Chapter 21 of the Executive Law of 1972
- Mandated 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 trade and customs border management-enforcement.

Roles and Responsibilities

- Enforce Revenue laws in accordance with the revenue 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 taxpayers
- Promote efficient and fair collection of revenue
- Ensure greater transparency and integrity of revenue administration
- Maintain and publish tax and trade statistics, among others

Acronyms

A-CIP	Anti-Corruption and Integrity Promotion
ASYCUDA	Automated System for Customs Data
BOTA	Board of Tax Appeal
BSC	Balance Scorecard
CG	Commissioner General
CIF	Cost Insurance & Freight
CMPA	Communication, Media and Public Affairs
CONS	Consolidated
CSP	Corporate Strategic Plan
CTP	Compliance Trader Program
DCGAA	Deputy Commissioner General for Adm. Affairs
DCGTA	Deputy Commissioner General for Tech. Affairs
DI	Destination Inspection
DRM	Domestic Resource Mobilization Strategy
DTD	Domestic Tax Department
EFD	Electronic Fiscal Device
EOI	Exchange of Information
ERMCD	Enterprise Risk management and Compliance Div.
ERMIF	Enterprise Risk Management Integrated Framework
GOL	Government of Liberia
HRD	Human Resource Division
IAD	Internal Audit Division
IPFMRP	Integrated Public Financial Management Reform Program
ISO	International Organization for Standard
ISORA	International Survey on Revenue Administration
LICPA	Liberia Institute of Certified Public Accountants
LITAS	Liberia Integrated Tax Administration System
LITP	Liberia Institute of Tax Practitioners
LNP	Liberia National Police
LRA	Liberia Revenue Authority
MFDP	Ministry of Finance and Development Planning
NORAD	Norwegian Agency for Development Cooperation
OSIWA	Open Society Initiative for West Africa
PED	Professional Ethics Division
PFMRIS	Public Financial Management Reform for Institutional Strengthening
PSSPD	Policy, Stats. And Strategic Planning Division
SIDA	Swedish International Development Agency
TAS	Tax Administration System
TATS	Tax Arrears Transaction System
TMD	Transformation and Modernization Division
TPSD	Taxpayer Service Division

Executive Summary

The FY2025 Annual Report of the Liberia Revenue Authority presents a comprehensive overview of the Authority's operational, financial, and institutional performance during the fiscal year.

The report highlights significant progress in domestic revenue mobilization, modernization of tax and customs administration, digital transformation, institutional strengthening, and enhanced service delivery, all aimed at supporting Liberia's fiscal sustainability and national development agenda.

During FY2025, the macroeconomic environment remained broadly favorable for revenue mobilization. Real GDP growth accelerated to 5.1 percent, driven primarily by strong performance in the mining sector, while inflation moderated significantly and exchange rate stability improved.

These developments created supportive conditions for domestic revenue growth, particularly in income taxation, international trade taxes, and extractive sector revenues. However, structural challenges such as a narrow tax base, high informality, weak manufacturing performance, and limited private sector credit expansion continued to constrain revenue diversification and sustainability.

Against this backdrop, the Liberia Revenue Authority delivered a strong revenue performance. Total revenue collection reached approximately US\$885.1 million, surpassing the approved budget target of US\$880.7 million. Domestic revenue collections amounted to US\$847.1 million, exceeding projections by US\$42.4 million or 5 percent.

Importantly, the Government successfully eliminated the budgeted financing gap of US\$16.0 million through stronger revenue performance, thereby reducing reliance on domestic borrowing and enhancing fiscal discipline.

Tax revenue remained the primary driver of fiscal performance, accounting for over 80 percent of total domestic revenue. Taxes on Income and Profits emerged as the strongest-performing category, generating US\$347.2 million and exceeding target by 13 percent.

Personal Income Tax and Corporate Income Tax both recorded significant growth due to improved compliance, stronger withholding mechanisms, and enhanced enforcement measures. Taxes on International Trade also performed exceptionally well, surpassing target by 13 percent, driven by increased import activity, improved customs valuation, enhanced border controls, and expanded deployment of digital customs systems.

Despite these achievements, some revenue categories underperformed. Taxes on Goods and Services fell below target due mainly to weaker maritime revenues and reduced activity in selected sectors. Property taxes and certain non-tax revenues also remained below expectations, reflecting persistent structural and administrative challenges in property valuation, enforcement, and sector-specific collections.

The Domestic Tax Department achieved commendable results, collecting US\$586.4 million and exceeding its target by 2 percent. This performance was largely supported by major digital reforms, including the rollout of the Liberia Integrated Tax Administration System (LITAS), integration with commercial banks and mobile money platforms, expansion of electronic payment systems, and improved taxpayer services.

The deployment of N-Soft monitoring solutions in telecommunications and banking sectors further strengthened compliance management and reduced revenue leakages.

Similarly, the Customs Department recorded one of its strongest performances in recent years, collecting US\$260.6 million, exceeding target by 12 percent and recording an 18 percent increase over FY2024. The nationwide rollout of ASYCUDA, supported by Starlink internet connectivity across customs business offices, significantly enhanced operational efficiency, transparency, customs clearance, and enforcement capabilities.

Strong growth in GST on imported goods and import duties on general merchandise contributed substantially to customs revenue gains. Institutionally, the LRA continued to strengthen corporate governance, strategic planning, and operational effectiveness.

The Authority maintained its commitment to professionalism, integrity, teamwork, and service excellence while deepening collaboration with key development partners, including the IMF, World Bank, ATAF, WATAF and other international institutions. Several strategic initiatives were advanced during the year, including modernization of ICT infrastructure, enhancement of taxpayer services, implementation of risk-based compliance systems, and improvement of internal controls and audit functions.



Significant progress was also made in infrastructure and service delivery modernization. The LRA completed the construction of a modern One-Stop-Shop Service Center and Toll-Free Call Center to improve taxpayer support and accessibility.

Additionally, approximately fifty Starlink satellite terminals were secured to expand internet connectivity in rural tax and customs offices, enabling broader deployment of digital revenue administration systems.

The report further highlights key operational challenges confronting the Authority, including limited revenue diversification, compliance gaps in certain tax categories, weaknesses in non-tax revenue streams, high informality, infrastructure constraints, and continued dependence on a narrow range of revenue sources.

Addressing these challenges will require sustained investment in technology, institutional capacity building, enforcement mechanisms, taxpayer education, and policy reforms.

Overall, FY2025 represents a year of strong fiscal and institutional performance for the Liberia Revenue Authority.

The achievements recorded demonstrate the growing effectiveness of ongoing reforms and digital transformation initiatives in strengthening domestic resource mobilization and public financial management. Going forward, the Authority remains committed to consolidating these gains, broadening the tax base, enhancing compliance, modernizing service delivery, and supporting Liberia's long-term economic growth and fiscal sustainability objectives.

LRA AT A GLANCE



THE LEGISLATIVE ENACTMENT AND RATIONAL

In September 2013, the Government of Liberia ratified the Liberia Revenue Authority Act which established the Liberia Revenue Authority (LRA). The LRA replaced the Department of Revenue under the erstwhile 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 LRA was established as a semi-autonomous organ of the Executive Branch of the Government of Liberia.

The core mandate of the LRA is to administer and enforce Liberia's revenue laws, including the Liberia Revenue Code of 2000 as amended in 2011, and now amended in 2018, and other related laws under which it is assigned responsibility, to assess, collect, audit and account for all national revenues and for facilitating legitimate international trade through customs border management and enforcement.

To achieve the objective for which the LRA was established, the Authority is also empowered to administer the assessment and collection of lawful revenues, account transparently, equitably, and fairly for all revenues to which the revenue laws apply, deposit all amounts assessed and collected into the government Consolidated Funds account and ensure compliance with the Code and concurrent regulations.

To be specific, the rationale for the establishment of the LRA is to render the institution the exclusive right to collect lawful revenue and to facilitate legitimate trade for the people of the Republic of Liberia. Solely administering revenue collection enables an ineffective tax administration system void of other tasks such as national budgetary formulation and allotment, payroll analysis and salary payment, as well as national debt assessment and payment administration which were combined functions of the then Ministry of Finance.

Our Vision

To be a model in revenue administration, promoting tax compliance and service delivery while leveraging advanced technologies.

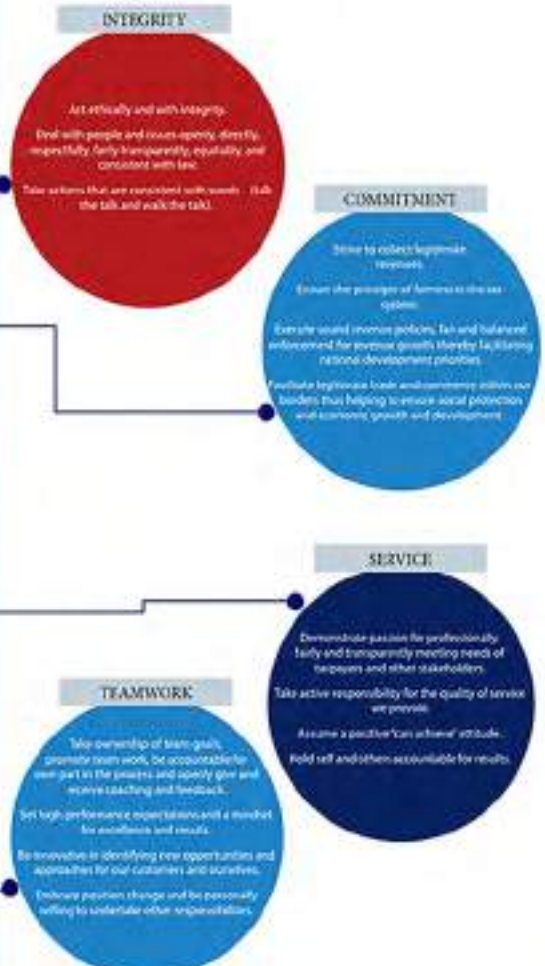
Our Mission

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

Our Core Values



Strategic Snapshot



Strategic Direction

GOAL 1

Administer Revenue legislation in an effective, fair, & transparent manner

GOAL 2

Strengthen Voluntary tax compliance

GOAL 3

Enhance institutional capacity through corporate governance, excellent leadership, human capacity, & infrastructure development

GOAL 4

Administer Revenue legislation in an effective, fair, & transparent manner

GOAL 5

Strengthen external collaboration & strategic partnership

LRA STRATEGY MAP 2025 – 2029

MISSION

To professionally, fairly, transparently, & effectively collect lawful revenues & to facilitate legitimate trade & social protection for the people of Liberia

CORE VALUES

Service, Commitment, Integrity & Teamwork

VISION

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

RESULTS

Achieve the revenue target

Increase voluntary compliance

STAKEHOLDERS

Enhance Taxpayer Knowledge

Adhere to Performance Benchmarks

Strengthen domestic & International Cooperation & Partnership

INTERNAL PROCESS

Facilitate Trade & Border Protection

Minimize ICT Risks

Improve ICT Governance

Implement Institutional Reforms

Promote Risks Based Compliance Management & Accountability

Build, Upgrade & Secure Infrastructure

Enhance Internal Support Functions

Implement an Effective Strategic Management System

Promote Integrated & Self-Service Systems

LEARNING & GROWTH

Enhance Enterprise Productivity

Organizational Structure



The Executive leadership of the LRA is comprised of five levels:

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 (DTD) and the Commissioner of the Customs Department (CD).

The CG who heads the executive management team of the LRA is also the CEO and Secretary to the Board of Directors but retains functional accountability to the Minister of Finance and Development Planning (MFDP). The Board, which is the governing body of the LRA is appointed by the President.

The Deputy Commissioner General for Technical Affairs (DCGTA) is responsible for operational risk management, MIS and service delivery. The Deputy Commissioner General for Administrative Affairs (DCGAA) leads the LRA in the areas of corporate affairs and administration and covers HRD, GSD and Budget & Finance.

The two other positions at the Executive Management level are the Commissioner of Customs, responsible for the collection of border taxes, facilitation of legitimate trade and enforcement of border security and the Commissioner of Domestic Tax who leads in enhancing domestic revenue collection, ensuring voluntary compliance and enforcing the collection of tax debt.

The functional departments and agencies within the LRA include:

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 and the Internal Audit Agency (IAA) of the Government. In addition, there are four other functional areas, which fall directly under the CG's office: Professional Ethics Division (PED), Policy, Statistics & Strategic Planning Division (PSSPD), Legal and Board Affairs Department (LBA), Communication, Media & Public Affairs (CMPA), Fiscal Investigation Division (FID), Transformation & Modernization Division (TMD)

Pestel Analysis

Political Factors

Liberia continued to maintain relative political stability in FY2025 following the peaceful democratic transition of government. The Government remained committed to strengthening public financial management, domestic resource mobilization, and institutional reforms aimed at improving governance and economic management. However, governance challenges, public sector inefficiencies, and corruption perceptions continued to affect investor confidence and revenue administration. Policy reforms in customs modernization, tax administration, and digital governance positively supported the Liberia Revenue Authority's operational activities during the year.

Economic Factors

The Liberian economy recorded improved performance in FY2025, with real GDP growth estimated at approximately 5.1 percent, driven mainly by strong performance in mining, agriculture, and infrastructure-related activities. Inflation moderated significantly during the year, while exchange rate stability improved due to stronger export earnings and prudent monetary management. These developments created favorable conditions for domestic revenue mobilization, particularly in income taxes and international trade taxes. However, the economy remained vulnerable to external shocks, high public debt, a narrow production base, and limited fiscal space, all of which continue to constrain sustainable revenue growth.

Social Factors

Liberia continues to face significant social and developmental challenges, including high poverty levels, unemployment, and limited access to quality education, healthcare, and social services. A large proportion of the population operates within the informal sector, which limits tax compliance and narrows the domestic tax base. Nevertheless, increasing public awareness of civic responsibilities and improved taxpayer education initiatives by the Liberia Revenue Authority contributed positively to voluntary tax compliance during the year.

Technological Factors

FY2025 witnessed notable progress in technological modernization within the revenue administration system. The Liberia Revenue Authority expanded the deployment of the Liberia Integrated Tax Administration System (LITAS) and ASYCUDA to additional business offices and border locations. The deployment of Starlink internet connectivity significantly improved operations in rural offices, while increased integration with commercial banks and mobile money platforms enhanced electronic tax payments and taxpayer convenience. The Authority also advanced discussions and implementation efforts relating to digital monitoring solutions for high-risk sectors, including telecommunications and mobile money transactions. Despite these gains, Liberia's broader ICT infrastructure and digital literacy levels remain relatively underdeveloped.

Pestel Analysis

Environmental Factors

Liberia remains highly vulnerable to the effects of climate change, including flooding, coastal erosion, deforestation, and changing weather patterns. Environmental risks continue to pose challenges to infrastructure, agriculture, trade, and economic productivity, which indirectly affect revenue performance. During FY2025, the Government and development partners continued efforts toward environmental sustainability, climate resilience, and natural resource governance. Increased global attention on environmental compliance and sustainable resource management also continued to influence activities within the mining, forestry, and petroleum sectors.

Legal Factors

The legal and regulatory environment for revenue administration continued to improve during FY2025 through ongoing reforms in customs administration, trade facilitation, and tax enforcement frameworks. The Liberia Revenue Authority continued implementing provisions of the Liberia Revenue Code as amended, while also strengthening compliance, audit, and enforcement mechanisms. Progress was also made toward modernization of customs regulations and enhancement of digital governance systems. However, challenges relating to enforcement capacity, dispute resolution processes, informality, and regulatory compliance remain key concerns affecting the efficiency of revenue administration and private sector operations.



Corporate Governance

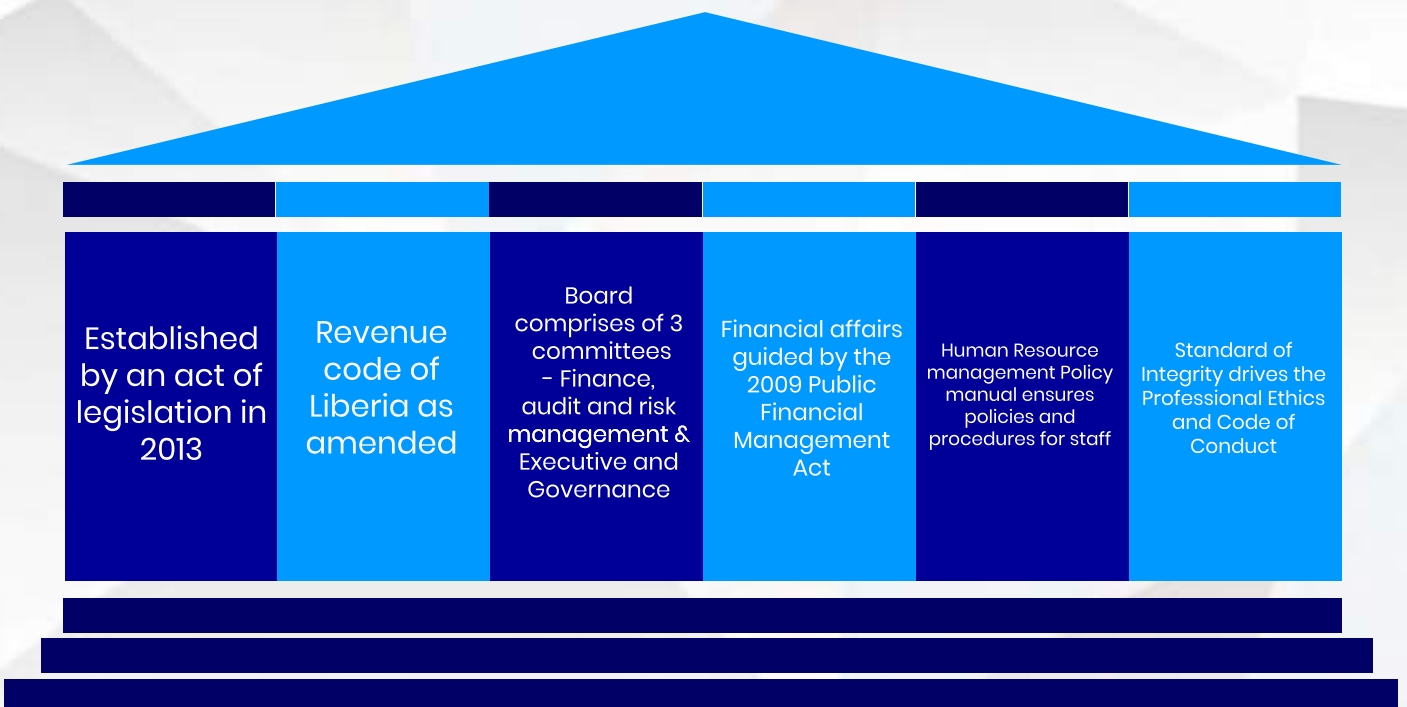
The LRA was established as a corporate semi-autonomous entity. Its corporate governance structure descends from a Board of Directors to an executive management team, senior managers and other supervisory levels.

The Board's Mandate

The Board of Directors is mandated to ensure that LRA fully complies with the Liberia Revenue Code in collecting lawful revenues and facilitates legitimate trade and social protection. It also drives 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 composition of the board includes: 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.

The LRA corporate governance structure is built on the following legal pillars:



1. MACROECONOMIC OUTLOOK AND IMPLICATIONS FOR REVENUE PERFORMANCE (FY 2025)

The macroeconomic environment in 2025 was broadly supportive of domestic revenue mobilization, underpinned by stronger economic growth, moderating inflation, exchange rate stability, and improved external sector performance. These developments created favorable conditions for revenue collection, particularly in income taxation, international trade, and the extractive sector.

Real GDP expanded by 5.1 percent in 2025, up from 4.0 percent in 2024, driven largely by a strong rebound in the primary sector. The mining and panning subsector grew by 17.0 percent, supported by a sharp increase in iron ore production to 14.9 million metric tons from 5.2 million metric tons in 2024, alongside sustained gold output. This expansion significantly strengthened corporate income tax, royalties, and concession-related revenues, while also improving foreign exchange inflows and macroeconomic stability.

The agriculture sector recorded moderate growth of 2.9 percent, supported by cocoa, fisheries, and palm oil production, although rubber output declined. The services sector, accounting for 38.1 percent of GDP, grew at a slower rate of 3.3 percent compared to 5.0 percent in 2024, reflecting moderation in trade, hospitality, and construction-related activities. This slowdown constrained consumption-based tax growth, including GST and withholding taxes. The manufacturing sector contracted by 2.8 percent, driven by declines in cement, beverages, and construction materials, thereby weakening domestic indirect tax performance.

Inflation dynamics were favorable during the year. Average inflation remained moderate at 8.5 percent, while end-period inflation declined significantly to 4.0 percent from 10.7 percent in 2024. Food inflation turned negative at -1.7 percent, reflecting improved domestic supply and lower import prices. This disinflation supported real household purchasing power and sustained consumption-based tax collections, particularly GST. However, it modestly constrained nominal revenue growth in ad valorem tax categories.

Monetary policy remained prudently tight to stabilize prices and the exchange rate. Broad money supply (M2) grew by 17.0 percent, while currency in circulation increased by 21.9 percent. Credit to the private sector remained low at 10.1 percent of GDP, limiting broader private sector expansion and associated tax base growth. Lending remained concentrated in trade and services, supporting import-related tax revenues.

The exchange rate remained broadly stable, with the Liberian dollar appreciating by 3.2 percent against the U.S. dollar. This stability was supported by strong export earnings, remittance inflows, and prudent monetary management. Exchange rate stability improved customs valuation predictability, reduced imported inflation, and strengthened business confidence. However, high dollarization (74.7 percent of broad money) continues to constrain monetary policy effectiveness and domestic revenue deepening.

The external sector recorded strong performance. Export earnings increased by 57.9 percent, driven by iron ore and gold, while imports grew by 55.4 percent due to higher demand for machinery, fuel, and manufactured goods. Remittances remained robust at US\$851.3 million (16.3 percent of GDP), supporting consumption and domestic demand. Despite a widening trade deficit, the current account remained in surplus at 1.5 percent of GDP, and the overall balance of payments improved to 2.6 percent of GDP.

Overall, the macroeconomic environment in 2025 provided a strong foundation for revenue mobilization. However, structural constraints—including weak manufacturing performance, limited credit expansion, and high dollarization—continue to pose risks to revenue diversification and sustainability.

2. FY2025 REVENUE OUTLOOK

The FY2025 revenue outlook was anchored on a moderately optimistic macroeconomic environment characterized by stronger economic growth, easing inflationary pressures, exchange rate stability, and improved external sector performance. These conditions were expected to support domestic revenue mobilization through increased economic activity, improved compliance, and expansion of the taxable base.

Revenue projections for the fiscal year were further supported by ongoing reforms in tax administration, customs modernization, and digitalization of revenue systems. However, the outlook also acknowledged persistent structural constraints, including high informality, a narrow tax base, dependence on a few dominant sectors, and volatility in external financing.

In lump, the FY2025 revenue framework anticipated a gradual strengthening of domestic revenue performance, driven primarily by income taxes, international trade taxes, and extractive sector activities, while non-tax revenue and external resources were expected to remain relatively volatile.

2.1 Overall Revenue Performance

The FY2025 overall revenue performance reflects a strong and resilient fiscal outcome, underpinned by improved domestic revenue mobilization, strengthened tax administration, and broadly supportive macroeconomic conditions. Total revenue collected amounted to US\$885.10 million, exceeding the approved budget of US\$880.66 million by US\$4.44 million (1 percent). When adjusted for the budgeted financing gap, total revenue exceeded the revised target by US\$20.48 million (2 percent), demonstrating improved fiscal capacity and stronger-than-expected revenue performance during the fiscal year.

A key highlight of FY2025 was the full elimination of the budgeted financing gap of US\$16.04 million, which was initially expected to be financed through domestic borrowing. The elimination of this gap through stronger revenue performance reflects enhanced fiscal discipline, improved budget credibility, and reduced reliance on short-term borrowing instruments.

The overall revenue outcome was primarily driven by strong domestic revenue performance, which offset the shortfall in external resources. While external inflows fell below expectations due to delays in disbursements and financing constraints, domestic revenue gains ensured that the Government largely met its fiscal objectives.

Performance across core revenue institutions was generally positive. The Domestic Tax Department recorded steady growth supported by improved compliance and digital reforms, while the Customs Department delivered exceptional performance driven by increased import activity, strengthened valuation systems, and enhanced border enforcement. Sector ministries and agencies also contributed positively, although performance remained uneven across institutions.

Overall, FY2025 revenue performance demonstrates a strengthening fiscal system characterized by improved efficiency, stronger compliance, and enhanced administrative capacity. However, challenges remain in broadening the revenue base and improving the predictability of external resources. Table 1 below show the total revenue performance for FY 2025.

Table 1: FY 2025 Total Revenue Performance (US\$ 000')

Tax Kind	Approved Budget	Actual	Var.+/-	% Var.+/-
Total Revenue (Incl. Financing Gap)	880,661	885,101	4,440	1%
Total Revenue (Excl. Financing Gap)	864,626	885,101	20,475	2%
Domestic Revenue	804,626	847,054	42,428	5%
Domestic Tax Department	572,536	586,413	13,876	2%
Customs Department	232,090	260,642	28,552	12%
Tax Revenues	645,012	692,618	47,606	7%
Taxes on Income & Profits	306,439	347,183	40,744	13%
OW Personal Income Tax (PIT)	167,026	194,724	27,698	17%
OW Corporate Income Tax (CIT)	64,691	71,658	6,967	11%
OW Other Income Taxes	74,721	80,801	6,080	8%
Taxes on Property	6,147	5,354	(794)	-13%
Taxes on Goods & Services	94,443	74,462	(19,982)	-21%
OW Maritime Revenue	20,000	14,000	(6,000)	-30%
Taxes on International Trade	228,733	259,051	30,318	13%
Other Taxes (SDCs)	9,250	6,569	(2,681)	-29%
Non-Tax Revenues	159,614	154,436	(5,178)	-3%
Property Income	128,673	112,895	(15,778)	-12%
OW Road Maintenance Fund	42,937	33,514	(9,423)	-22%
Administrative Fees	25,254	28,135	2,880	11%
Fines, Penalties & Forfeits	687	8,445	7,758	1130%
Voluntary Transfer and Other Grants	5,000	4,960	(40)	-1%
Miscellaneous & Unidentified	-	1	1	0%
External Resources	60,000	38,047	(21,953)	-37%
FINANCING GAP	16,035	-	(16,035)	-100%

Source: Tax Administration System (TAS)

When FY 2025 is compared against the preceding five years, it outperforms all previous periods and represents the highest level of revenue collected in a single fiscal year.

The Figure below shows a generally upward trend in LRA total revenue from FY 2020 to FY 2025, increasing from US\$664.4 million to US\$885.1 million—an overall growth of approximately 33%. Revenue growth was steady between FY 2020 and FY 2022, followed by a slight decline in FY 2023 and a modest recovery in FY 2024.

The most notable development is observed in FY 2025, which recorded a sharp increase of 19.7% over FY 2024, making it the strongest-performing year within the period under review. This performance reflects significant improvements in revenue mobilization, driven by enhanced compliance measures, administrative reforms, and improved economic activity.



2.2 Domestic Revenue Performance

2.2.1 Overview of Domestic Revenue Performance

The FY 2025 domestic revenue performance reflects a broadly positive fiscal outcome, with total collections slightly surpassing the approved budget target. Domestic revenue reached US\$847.1 million against a budget of US\$804.6 million, resulting in a surplus of US\$42.4 million or 5 percent above projection.

This outturn indicates an overall improvement in revenue mobilization capacity during the fiscal year, driven primarily by stronger-than-anticipated tax revenue performance, even though this was partially offset by shortfalls in non-tax revenue streams and weaknesses within selected tax categories.

Table 2: FY 2025 Domestic Revenue Performance (000' US\$)

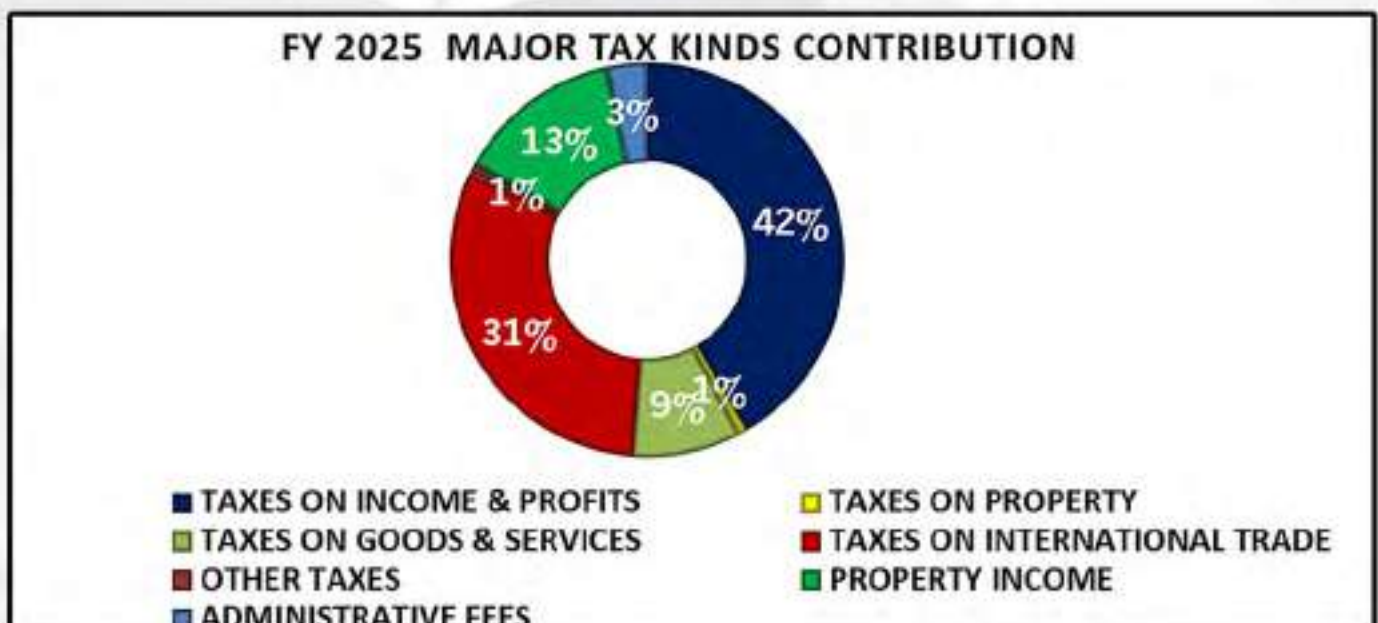
Tax Kind	Approved Budget	Actual	Var.+/-	% Var.+/-
Domestic Revenue	804,626	847,054	42,428	5%
Tax Revenues	645,012	692,618	47,606	7%
Taxes on Income & Profits	306,439	347,183	40,744	13%
O/W Personal Income Tax (PIT)	167,026	194,724	27,698	17%
O/W Corporate Income Tax (CIT)	64,691	71,658	6,967	11%
O/W Other Income Taxes	74,721	80,801	6,080	8%
Taxes on Property	6,147	5,354	(794)	-13%
Taxes on Goods & Services	94,443	74,462	(19,982)	-21%
O/W Maritime Revenue	20,000	14,000	(6,000)	-30%
Taxes on International Trade	228,733	259,051	30,318	13%
Other Taxes (SDCs)	9,250	6,569	(2,681)	-29%
Non-Tax Revenues	159,614	154,436	(5,178)	-3%
Property Income	128,673	112,895	(15,778)	-12%
O/W Road Maintenance Fund	42,937	33,514	(9,423)	-22%
Administrative Fees	25,254	28,135	2,880	11%
Fines, Penalties & Forfeits	687	8,445	7,758	1130%
Voluntary Transfer and Other Grants	5,000	4,960	(40)	-1%
Miscellaneous & Unidentified	-	1	1	0%

Source: Tax Administration System (TAS)

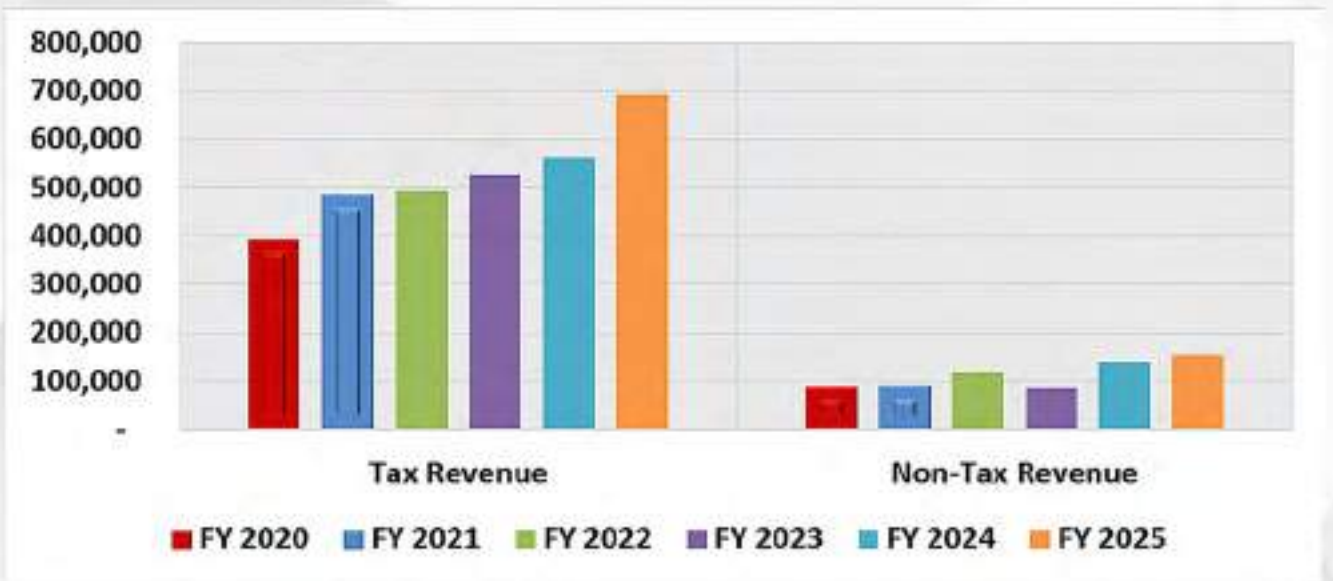
2.2.2 Revenue Composition and Structure

The FY 2025 revenue structure is highly concentrated in a few key tax sources. Taxes on Income & Profits (42%) and Taxes on International Trade (31%) dominate, jointly accounting for about 73% of total revenue, making them the main drivers of domestic revenue performance.

Other contributors are relatively small, including Taxes on Goods & Services (9%), Property Income (13%), Administrative Fees (3%), and marginal shares from Property Taxes (1%) and Other Taxes (1%). Overall, the chart below shows a narrow revenue base heavily reliant on income and trade taxes, with limited contribution from property and other tax categories, highlighting the need for greater diversification.



Tax revenue remained the dominant source of fiscal buoyancy and the main driver of the overall surplus. Collections amounted to US\$692.6 million compared to a budgeted figure of US\$645.0 million, reflecting an excess of US\$47.6 million or 7 percent above target. See below chart showing trend analysis for tax and non-tax revenue performance from FY 2020 to FY 2025.



2.2.3 Tax Revenue Performance

Within this tax revenue category, taxes on income and profits emerged as the strongest contributor. The FY 2025 performance of Taxes on Income and Profits was strong overall, with collections reaching US\$347.2 million against a budget of US\$306.4 million, exceeding projections by US\$40.7 million or 13 percent. This positive outcome was mainly driven by strong performance in Personal Income Tax (PIT) and Corporate Income Tax (CIT), while taxes on non-residents weakened.

PIT was the leading contributor, generating US\$194.7 million compared to a budget of US\$167.0 million, an overperformance of 17 percent. This was largely supported by strong withholding tax collections, which reflect improved payroll compliance and effective tax deduction at source. Taxes on residents as a whole also performed strongly, indicating a solid and expanding domestic taxable income base.

Corporate Income Tax recorded US\$71.7 million against a budget of US\$64.7 million, surpassing expectations by 11 percent, suggesting improved corporate profitability and stronger compliance. Other income taxes also exceeded targets, driven by a sharp increase in presumptive taxes on small businesses, although from a low base. In contrast, taxes on non-residents underperformed by 10 percent, reflecting weaker cross-border income taxation and possible enforcement or structural challenges in taxing foreign entities. See table and figure below for details.

Table 3: FY 2025 Domestic Revenue Performance (000' US\$)

Tax Kind	Approved Budget	Actual	Var.+/-	% Var.+/-
TAXES ON INCOME & PROFITS	306,439	347,183	40,744	13%
PERSONAL INCOME TAX (PIT)	167,026	194,724	27,698	17%
Taxes on Residents	270,028	314,249	44,221	16%
PIT Section 200A (Residents)	397	481	84	21%
Withholding Taxes (Residents)	204,799	241,680	36,881	18%
Taxes on Non-Residents	36,411	32,934	(3,477)	-10%
CORPORATE INCOME TAX (CIT)	64,691	71,658	6,967	11%
OTHER INCOME TAXES	74,721	80,801	6,080	8%
Presumptive Section 200c (Small Tax)	141	430	289	205%
GSM Annual Gross Margin Tax	-	-	-	0%

Source: Tax Administration System (TAS)



Taxes on international trade also contributed significantly to the revenue overperformance, exceeding budget projections by 13 percent and generating an additional US\$30.3 million. This outcome is generally consistent with increased import activity, improved customs administration efficiency, enhanced valuation practices, or strengthened border enforcement mechanisms. The performance in this category underscores the continued importance of trade-related taxes as a key revenue pillar and reflects improved extraction of revenue from cross-border transactions. Import duties performed moderately well overall, generating US\$122.7 million against a budget of US\$111.2 million, an increase of 10 percent. However, performance within this category was mixed. Import duties on goods excluding rice and petroleum

import volumes or improved valuation and compliance. In contrast, petroleum-related import duties declined by 13 percent, while other import duties fell sharply by 60 percent, indicating weaknesses in specific import streams, possible policy exemptions, or reduced taxable import volumes in those categories.

Charges on imports were the strongest contributor within the trade tax category, collecting US\$118.5 million against a budget of US\$94.6 million, a surplus of 25 percent. This was largely driven by GST on imported goods (excluding petroleum), which grew by 29 percent, and GST on imported petroleum, which increased by 22 percent. These results point to improved consumption-based taxation at the border and stronger customs enforcement in value-added tax collection on imports.

Excise taxes also performed positively overall, reaching US\$17.5 million against a budget of US\$13.6 million, a 29 percent increase. This was supported by strong growth in excise on non-traditional imported goods and new collections from alcohol and tobacco products. However, excise on non-alcoholic beverages declined by 11 percent, suggesting either reduced imports, substitution effects, or compliance gaps in that segment.

Fees and other levies on exports recorded modest but positive growth, reaching US\$321,000 against a budget of US\$243,000, an increase of 32 percent. This was driven mainly by other export fees, while cocoa and coffee exports showed minimal but positive movement from a very low base. See table below for details.

Table 4: FY 2025 Taxes on International Trade Collections (000' US\$)

Description	Approved Budget	Actual	Var.+/-	% Var.+/-
TAXES ON INTERNATIONAL TRADE	228,733	259,051	30,318	13%
IMPORT DUTIES	111,232	122,743	11,511	10%
O/W: Import duties on goods other than rice and petroleum	64,642	79,882	15,239	24%
Import duties on petroleum products	28,609	24,998	(3,610)	-13%
Other Import duties	17,976	7,164	(10,811)	-60%
CHARGES ON IMPORTS	94,610	118,477	23,868	25%
O/W: GST on Imported Goods (Exc. Petroleum)	64,388	82,992	18,604	29%
GST on Imported Petroleum	18,265	22,258	3,994	22%
EXCISE	13,583	17,509	3,926	29%
O/W: Excise tax on Other Imported Goods n.e.c	4	42	38	1036%
Excise Tax On Alcoholic Beverages (Imp.)	-	61	61	0%
Excise Tax On Tobacco and Tobacco Products	-	12	12	0%
Excise Tax On Non-Alcoholic Beverages (Imp.)	7,249	6,439	(810)	-11%
FEES AND OTHER LEVIES ON EXPORTS	243	321	78	32%
O/W: Other Exports	241	279	38	16%
Cocoa and Coffee	0	1	1	506%

Source: Tax Administration System (TAS)

Despite these gains, several tax subcomponents exhibited notable underperformance, which tempered the overall strength of the tax revenue outcome. Taxes on Goods and Services underperformed significantly in FY 2025, collecting US\$74.5 million against a budget of US\$94.4 million, a shortfall of US\$20.0 million or 21 percent.

The main driver of this decline was weak performance in maritime revenue, which fell by 30 percent below target. Although a contingent US\$6 million was projected from the Liberia–China shipping agreement during budget preparation, the expected inflows did not fully materialize due to supply chain constraints and lower-than-expected shipping activity.

Other components also weakened overall performance. GST excluding motor vehicles declined by 18 percent, domestic excise fell by 26 percent, and motor vehicle taxes dropped by 9 percent. Fees related to the use of goods and permissions to use goods recorded a sharp 54 percent decline, reflecting weak compliance and enforcement challenges.

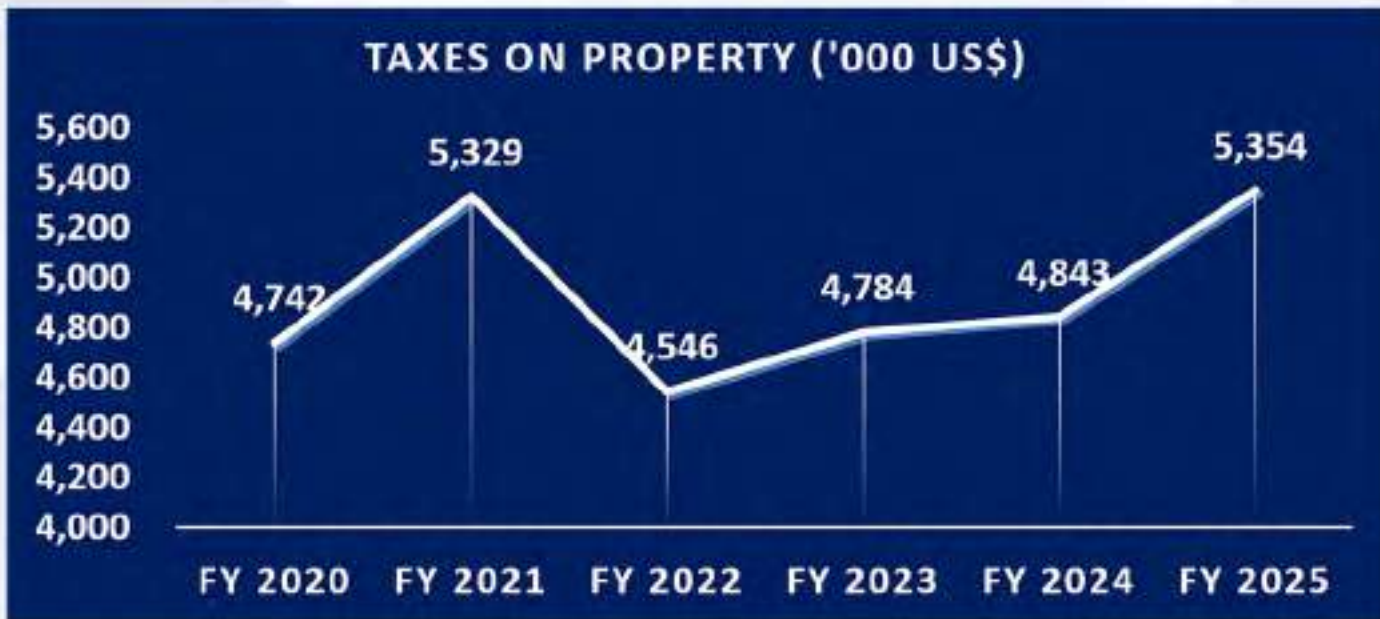
Table 5: FY 2025 Taxes on Goods and Services Collections (000' US\$)

Tax Kind	Approved Budget	Actual	Var. +/-	% Var. +/-
Total Goods & Service Tax	94,443	74,462	(19,982)	-21%
GST Excluding Motor Vehicle	51,705	42,545	(9,159)	-18%
Domestic Excise	7,658	5,657	(2,001)	-26%
Motor Vehicle Taxes	11,146	10,088	(1,058)	-9%
Use of Goods & Permission to use Goods	3,903	1,779	(2,124)	-54%
Maritime	20,000	14,000	(6,000)	-30%
Other Taxes on Goods & Services	32	393	361	1120%

Source: Tax Administration System (TAS)



Property taxes also underperformed by 13 percent, which may reflect persistent challenges in property valuation systems, weak enforcement of property tax obligations, or administrative bottlenecks in collection processes. The figure below show the trend of property tax collection from FY 2020 to FY 2025.



Other taxes, particularly the social development contributions, fell short by 29 percent, further highlighting compliance and enforcement gaps within this category. Collectively, these underperforming areas point to structural weaknesses in specific tax bases that remain less responsive to administrative improvements compared to income and trade-related taxes

2.2.4 Non-Tax Revenue Performance

Non-tax revenue, by contrast, exerted a mild drag on overall performance. Collections amounted to US\$154.4 million against a budget of US\$159.6 million, reflecting a shortfall of US\$5.2 million or 3 percent below target. The main source of this underperformance was property income, which declined by 12 percent, largely driven by a 22 percent shortfall in the Road Maintenance Fund.

Property Income (excluding the Road Maintenance Fund) slightly exceeded expectations in FY 2025, collecting US\$77.2 million against a budget of US\$72.9 million, a surplus of 6 percent. However, this overall performance masks strong disparities across subcomponents. Mineral Mining was the main driver of growth, generating US\$60.4 million against a budget of US\$40.7 million, an increase of 48 percent, reflecting stronger mineral-related receipts and improved compliance or production performance.

In contrast, Dividends (SOEs contributions) severely underperformed, collecting only US\$1.3 million against a budget of US\$14.1 million, a 91 percent shortfall, indicating weak SOE payments. Forestry, agriculture, petroleum mining, and intangible asset revenues also declined below expectations, reflecting broader weaknesses in resource-based income streams.

2.2.1 Overview of Domestic Revenue Performance

Table 5: FY 2025 Taxes on Goods and Services Collections (000' US\$)

Tax Kind	Approved Budget	Actual	Var.+/-	% Var.+/-
PROPERTY INCOME (EXCL.ROAD MAINTENANCE FUND)	72,936	77,163	4,227	6%
Interest Income	-	-	-	0%
Dividend	14,074	1,335	(12,739)	-91%
Forestry	6,070	4,583	(1,487)	-24%
Agriculture	977	595	(383)	-39%
Mineral Mining	40,720	60,434	19,713	48%
Petroleum Mining	351	180	(171)	-49%
Intangible Non-Produced Assets	10,591	9,711	(880)	-8%
Rent & Rate- Other Non-Produced Assets	-	88	88	0%
Other	152	238	85	56%

Source: Tax Administration System (TAS)



Sector Ministries and Agency Fees recorded a mixed but overall positive performance. Total collections reached US\$28.1 million against a budget of US\$25.3 million, a surplus of US\$2.9 million or 11 percent. However, these aggregate hides significant disparities across institutions. Strong overperformers included the Ministry of Labor (25%), Liberian Business Registry (37%), Public Works Ministry (35%), and Temple of Justice (129%). Extremely high growth was also recorded by the Environmental Protection Agency and Ministry of Health, though from very small bases.

In contrast, several agencies significantly underperformed, including the Liberia National Police (-94%), National Commission on Higher Education (-92%), Industrial Property Office (-90%), and National Fire Service (-67%). These declines reflect weak enforcement, structural inefficiencies, or overestimated budget projections.

Overall, non-tax revenue from ministries is highly concentrated in a few agencies—particularly Labor, Immigration, and Business Registry—indicating vulnerability to shocks and limited diversification of revenue sources.

Table 7: FY 2025 Sector Ministries and Agency Fees Collections (000' US\$)

Tax Kind	Approved Budget	Actual	Var. +/-	% Var. +/-
		28,13		
SECTOR MINISTRIES & AGENCY FEES	25,254	5	2,880	11%
AGRICULTURE MINISTRY	29	57	28	97%
CENTER FOR NATIONAL DOCUMENTS AND RECORDS	311	364	53	17%
COMMERCE AND INDUSTRY MINISTRY	78	48	(30)	-38%
EDUCATION MINISTRY	205	393	189	92%
ENVIRONMENTAL PROTECTION AGENCY	9	276	268	3138%
FOREIGN AFFAIRS MINISTRY	2,974	3,073	98	3%
FORESTRY DEVELOPMENT AUTHORITY	42	-	(42)	-100%
GENDER, SOCIAL & CHILDREN PROTECTION MINISTRY	-	67	67	0%
HEALTH AND SOCIAL WELFARE MINISTRY	5	43	37	727%
INDUSTRIAL PROPERTY OFFICE	422	43	(379)	-90%
INFORMATION MINISTRY	65	22	(43)	-66%
INTERNAL AFFAIRS MINISTRY	100	72	(28)	-28%
JUSTICE MINISTRY	98	85	(13)	-14%
LABOR MINISTRY	10,200	5	2,545	25%
LANDS, MINES AND ENERGY MINISTRY	107	7	(100)	-93%
LIBERIA COPYRIGHT OFFICE	0	0	(0)	-84%
LIBERIA ELECTRICITY CORPORATION	-	-	-	0%
LIBERIA IMMIGRATION SERVICE	6,142	6,235	93	2%
LIBERIA LAND AUTHORITY	97	72	(24)	-25%
LIBERIA NATIONAL POLICE (LNP)	420	26	(394)	-94%
LIBERIAN BUSINESS REGISTRY	2,332	3,184	851	37%
NATIONAL COMMISSION ON HIGHER EDUCATION (CHE)	86	7	(80)	-92%
NATIONAL FIRE SERVICE (NFS)	500	167	(333)	-67%
NATIONAL PUBLIC HEALTH INSTITUTE OF LIBERIA	-	-	-	0%
NATIONAL IDENTIFICATION REGISTRY	-	5	5	0%
OTHER MINISTRIES AND AGENCIES (OMA)	29	1	(28)	-95%
POST AND TELECOMMUNICATIONS MINISTRY	200	135	(65)	-32%
PUBLIC WORKS MINISTRY	565	763	198	35%
TEMPLE OF JUSTICE	37	84	47	129%
TRANSPORT MINISTRY	188	159	(28)	-15%
YOUTH AND SPORTS MINISTRY	14	1	(14)	-96%

Source: Tax Administration System (TAS)

A notable feature of the non-tax category was the extraordinary performance of fines, penalties, and forfeits, which increased by over 1,100 percent. However, this surge reflects exceptional enforcement actions and arrears recovery rather than a sustainable revenue base.



FY 2025 OPERATIONAL ACTIVITES

3. OPERATIONAL ACTIVITIES (CORE BUSINESS FUNCTIONS)

The Operational Activities represent the core revenue-generating and enforcement functions of the Liberia Revenue Authority. These functions directly determine the Authority's ability to mobilize domestic revenue, ensure compliance, and facilitate trade. This pillar is primarily delivered through two key departments: Domestic Tax and Customs.

3.1 Domestic Tax

This function is responsible for the assessment, collection, and enforcement of domestic tax revenues. It covers major tax heads including income tax, Goods and Services Tax (GST), and other internal revenue streams. Key activities include taxpayer registration, filing and payment administration, audits, compliance monitoring, and taxpayer education. The focus is on broadening the tax base, improving voluntary compliance, and enhancing revenue yield from the domestic economy.

2.3 Customs Department

This function manages the collection of import and export-related revenues while facilitating legitimate trade. It includes valuation of goods, classification, clearance processing, border enforcement, and anti-smuggling activities. Customs operations also play a critical role in trade facilitation through the implementation of modern clearance systems and risk-based inspection procedures. Together, these two operational arms form the backbone of revenue mobilization and economic regulation within the Authority.

3.1 DOMESTIC TAX DEPARTMENT (DTD)

The Domestic Tax Department, a core arm of the Liberia Revenue Authority, is tasked with the meticulous collection of "Lawful Revenue" with utmost professionalism and integrity. Among its primary objectives are augmenting domestic revenue collections to facilitate human and economic development, fostering public trust in revenue administration to bolster voluntary compliance, and rigorously enforcing tax debt collection.

While the main objective of the Department is focused on legitimate revenue collection, its strategic objectives are fixed on: increasing the number of taxpayers and enhancing compliance; quality service delivery; sound and robust enforcement mechanism; and the conduct of appropriate tax audits.

The department comprises of many divisions including, Large Tax, Medium Tax, Small and Micro Tax, Natural Resource Tax, Government Not-For-Profit and Real Estate. Others include, Registration and Return Processing, International Tax, Business Policy Unit as well as Tax Business Offices.



3.1.1 DTD REVENUE PERFORMANCE

The Domestic Tax Department (DTD) recorded a commendable performance in FY2025, achieving and surpassing its revenue target despite notable weaknesses in some tax categories. Total collections amounted to US\$586.4 million, exceeding the approved budget of US\$572.5 million by US\$13.9 million, or 2 percent. While the overall surplus appears modest, it reflects a resilient and improving domestic revenue system, particularly in light of ongoing structural challenges and uneven performance across tax handles. The outturn was strongly supported by administrative reforms and digital transformation initiatives, which enhanced compliance, broadened the tax base, and improved efficiency in revenue collection.

Tax revenue, which constitutes the core of domestic revenue, performed strongly, exceeding its target by 4 percent (US\$17.3 million). This growth was driven primarily by Taxes on Income and Profits, which recorded a substantial 13 percent increase above target (US\$40.7 million). This category emerged as the backbone of domestic tax performance, reflecting both improved enforcement and better taxpayer compliance. Within this, Personal Income Tax (PIT) stood out with an impressive 17 percent overperformance, suggesting enhanced payroll compliance, likely due to improved monitoring and the expansion of electronic filing and payment systems.

Corporate Income Tax (CIT) also recorded a solid 11 percent increase above target, pointing to stronger compliance among corporate entities and possibly improved profitability in key sectors of the economy. Other income taxes contributed positively as well, growing by 8 percent, further reinforcing the strength of income-based taxation during the year.

Despite these gains, performance across other tax categories was less favorable and partially offset the strong growth in income taxes. Taxes on Goods and Services underperformed significantly, falling short of the target by 21 percent, largely due to a sharp decline in maritime revenue, which dropped by 30 percent.

This suggests sector-specific challenges, including weaker activity in maritime services or inefficiencies in collection mechanisms within that segment. Similarly, Taxes on Property declined by 13 percent, indicating persistent challenges related to property valuation, administration, and enforcement. Other taxes, including SDCs also underperformed by 29 percent. See table below for details.

Table 8: DTD FY 2025 Revenue Performance

Tax Kind	Approved Budget	Actual	Var.+/-	% Var.+/-
Domestic Tax Department	572,536	586,413	13,876	2%
Tax Revenues	416,279	433,567	17,288	4%
Taxes on Income & Profits	306,439	347,183	40,744	13%
O/W Personal Income Tax (PIT)	167,026	194,724	27,698	17%
O/W Corporate Income Tax (CIT)	64,691	71,658	6,967	11%
O/W Other Income Taxes	74,721	80,801	6,080	8%
Taxes on Property	6,147	5,354	(794)	-13%
Taxes on Goods & Services	94,443	74,462	(19,982)	-21%
O/W Maritime Revenue	20,000	14,000	(6,000)	-30%
Other Taxes (SDCs)	9,250	6,569	(2,681)	-29%
Non-Tax Revenues	156,257	152,845	(3,412)	-2%
Property Income	125,316	111,304	(14,011)	-11%
O/W Road Maintenance Fund	42,937	33,514	(9,423)	-22%
Administrative Fees	25,254	28,135	2,880	11%
Fines, Penalties & Forfeits	687	8,445	7,758	1130%
Voluntary Transfer and Other Grants	5,000	4,960	(40)	-1%
Miscellaneous & Unidentified	-	1	1	0%

Source: TAS

On the non-tax revenue side, the department recorded a slight shortfall of 2 percent, with total collections of US\$152.8 million against a target of US\$156.3 million.

This underperformance was primarily driven by a decline in property income, which fell by 11 percent, largely due to a significant shortfall in the Road Maintenance Fund, which declined by 22 percent. This continues to highlight structural weaknesses in certain earmarked revenue streams.

However, there were notable improvements in other components of non-tax revenue. Administrative fees exceeded their target by 11 percent, reflecting improved service delivery and collection efficiency. Even more striking was the performance of fines, penalties, and forfeits, which increased dramatically by over 1,100 percent, signaling a marked strengthening of enforcement measures and compliance monitoring during the year.

The overall performance of the Domestic Tax Department was significantly influenced by key reforms implemented during FY2025, particularly in the area of digitalization. The deployment of Starlink devices across tax business offices greatly improved internet connectivity, especially in previously underserved locations, enabling real-time processing of taxpayer information.

At the same time, the rollout of the Liberia Integrated Tax Administration System (LITAS) to two additional tax business offices expanded the department's operational coverage and strengthened its capacity for taxpayer registration, filing, payment, and reporting. The integration of LITAS with commercial banks, mobile money platforms, and Orange Money services further simplified the tax compliance process, reduced transaction costs for taxpayers, and increased the convenience and accessibility of payment channels.

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The integration of LITAS with commercial banks, mobile money platforms, and Orange Money services further simplified the tax compliance process, reduced transaction costs for taxpayers, and increased the convenience and accessibility of payment channels.

In conclusion, the Domestic Tax Department's FY2025 performance demonstrates that sustained investment in administrative reforms and digital infrastructure can yield tangible improvements in revenue mobilization.

While the department successfully exceeded its overall target, the uneven performance across tax categories underscores the need for targeted policy and administrative interventions, particularly in underperforming areas such as goods and services taxes, property taxes, and specific non-tax revenue streams.

Strengthening these areas, while continuing to expand and deepen digital compliance systems, will be essential for sustaining revenue growth and enhancing the overall effectiveness of domestic tax administration in the years ahead.

3.1.1 DTD REVENUE PERFORMANCE

The Large Tax Division (LTD) is one of the divisions within the Domestic Tax Department and is responsible for administering taxpayers with an annual turnover of LRD 50 million and above, including entities operating in the banking, finance, insurance, and telecommunications sectors.

The Division functions as a public service arm charged with the domestic tax administration of all large taxpayers. Its core operational responsibilities encompass Assessment, Analysis and Accounting (Validation), Audit, and Legal Collections and Enforcement.

The Division's oversight responsibility includes ensuring that all Large Taxpayers comply with the Liberia Revenue Code, associated regulations, other applicable tax laws, and established Standard Operating Procedures (SOPs). The Division also maintains continuous engagement with taxpayers to facilitate the efficient and timely collection of targeted revenue.

During the period under review (January–December 2025), the Large Tax Division monitored and collaborated with more than 320 taxpayers across twelve (12) major sectors, including manufacturing, construction, wholesale and retail trade, finance and insurance, professional and scientific services, transportation, real estate, accommodation, administrative and support services, state-owned enterprises (SOEs), and arts and entertainment.

Table 9: Main LTD Sectors

Sectors	Beginning of the year	Newly
Manufacturing	38	4
Construction	24	
Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	120	2
Transportation And Storage	21	
Accommodation And Food Service Activities	14	
Information And Communication	14	1
Financial And Insurance Activities	35	1
Real Estate Activities	2	
Professional, Scientific And Technical Activities	10	
Administrative And Support Service Activities	11	
Public Administration And Defence; Compulsory Social Security	12	
Human Health And Social Work Activities	1	
Arts, Entertainment And Recreation	10	
Total	312	8

Source: Large Tax Division

3.1.2.1 UNCOLLECTABLE AMOUNTS FROM SOES (2025)

During the period under review (January–December 2025), the Large Tax Division monitored and collaborated with more than 320 taxpayers across twelve (12) major sectors, including manufacturing, construction, wholesale and retail trade, finance and insurance, professional and scientific services, transportation, real estate, accommodation, administrative and support services, state-owned enterprises (SOEs), and arts and entertainment.

A total amount of sixteen million, seven hundred twenty-eight thousand, three hundred eighty-six United States dollars and twenty-five cents (US\$16,728,386.25) remained uncollectable from various State-Owned Enterprises (SOEs) during the reporting period.

Table 10: Outstanding SOEs collections

Sectors	Projections	Outstanding
Transfers from other regulatory authorities (NOCAL)	2,000,488	2,000,488
Dividends from shares in banks and insurance companies	1,223,512	1,223,512
Dividends from shares in NPA	5,850,000	5,850,000
Dividends from shares in LPRC	5,000,000	4,118,928
Road Maintenance Fund	40,436,902	1,092,484
Road Maintenance Fund-Arrear	2,500,000	2,352,118
VSAT	90,857	90,857
Total	57,101,758.87	16,728,386

Source: LTD

In addition to the amounts reflected above, further revenue projections incorporated into the 2025 budget could not be realized. These mainly relate to uncollected signature bonuses from petroleum and mining agreements, as presented below.

Table 11: Uncollected Signature Bonuses for Petroleum Mining

Other Uncollectables	
LPRA	8,000,000
Signature Bonus (Offshore Oil Blocks 6,7,16,& 17)	12,800,000
Total Outstanding	20,800,000

Source: LTD

3.1.2.2 ENFORCEMENT ACTIVITIES

The Assessment, Analysis and Accounting (AAA) Section intensified enforcement efforts during the year by serving two hundred seventy-seven (277) delinquent tax bills on non-compliant taxpayers. The total assessed amount, inclusive of penalties and interest, was US\$3.3 million.

Table 11: Uncollected Signature Bonuses for Petroleum Mining

Tax Type	# Of Bills	Principal Tax	Penalty	Interest	Total Tax
Corporate Income Tax	23	365,641	63,622	29,921	459,184
Goods Tax	6	21,043	879	225	22,147
Service Tax	35	176,386	2,004	405	178,794
Wh Board Mgt Fees & Res	1	6,150	-	-	6,150
Wh On Rent Resd	1	700	35	9	744
Wh On Payment By Gol Agency Resd	2	11,718	-	-	11,718
Wh On Salaries Wages Usd	121	2,282,409	8,275	2,141	2,292,825
Wh On Service Rendered Resd	30	144,416	44	11	144,471
Wh On Service Rendered Non Resd	8	191,468			191,468
Total	227	3,199,930	74,858	32,712	3,307,500

Source: LTD

3.1.2.3 FILERS AND NON-FILERS

In furtherance of efforts to improve timely filing and payment compliance, the Domestic Tax Department continued the rollout of the Liberia Integrated Tax Administration System (LITAS). The platform has experienced steady growth in taxpayer enrollment throughout the reporting period, reflecting increased taxpayer participation in electronic tax administration and compliance processes.

Table 13 presents the monthly filing compliance trend for taxpayers administered by the Large Tax Division during the 2025 fiscal year. The data indicate a generally positive compliance trend, as the number of taxpayers filing returns increased steadily throughout most of the year, rising from 245 filers in January to a peak of 299 filers in October 2025.

Despite the improvement in filing compliance, the Division continued to record notable levels of non-compliance, reflected by the number of bills raised against non-filers. A total of 823 bills were raised during the year against taxpayers that failed to meet their filing obligations within the statutory deadlines. The highest level of non-filing was recorded in October 2025, when 98 bills were issued, suggesting increased enforcement actions or seasonal filing challenges during that period.

Table 13: Filers and Non-Filers under LTD

Period	Filers	Bills Raised (Non-Filers)
January 2025	245	74
February 2025	253	70
March 2025	260	68
April 2025	261	67
May 2025	271	60
June 2025	268	65
July 2025	275	63
August 2025	277	61
September 2025	285	62
October 2025	299	98
November 2025	265	73
December 2025	285	62
Total	3,244	823

Source: Large Tax Division

Overall, the data demonstrate gradual improvement in taxpayer participation and compliance under the LITAS platform while also highlighting the continued need for enforcement interventions, taxpayer education, and compliance monitoring to reduce the incidence of non-filing among large taxpayers.

3.1.2.4 EXEMPT TAXPAYERS

The Large Tax Division tax register includes taxpayers benefiting from tax exemptions under investment agreements executed with the Government of Liberia. A significant proportion of these exemptions are concentrated within the manufacturing and construction sectors.

Analysis of the 2025 exemption profile indicates that the manufacturing sector received the largest share of exempt Goods and Services Tax (GST), along with substantial Corporate Income Tax (CIT) exemptions. This suggests a policy orientation toward supporting industrial production primarily through indirect tax relief mechanisms while extending more moderate CIT incentives to selected firms.

Overall, exempt GST in 2025, estimated at approximately US\$27.1 million, substantially exceeded total CIT exemptions of approximately US\$1.2 million. This indicates that forgone revenue during the period was driven predominantly by GST relief rather than income tax holidays.

3.1.2.5 KEY TAXPAYERS FOR LTD

Analysis of the top twenty (20) taxpayers within the Large Tax Division demonstrates a high concentration of revenue among a relatively small number of entities and sectors. The largest single taxpayer in the information and communications sector contributed approximately US\$28.8 million during the reporting period, followed by a taxpayer in the construction sector contributing roughly US\$16.5 million, and a leading SOE remitting approximately US\$15.0 million.

Collectively, these three taxpayers alone contributed more than US\$60 million in tax revenue. Several additional entities operating in the information, finance, manufacturing, and transportation sectors each contributed between approximately US\$1 million and US\$14 million, further confirming that a narrow group of large firms continues to dominate the domestic tax base.

3.1.2.6 AUDIT ACTIVITIES

The Large Tax Audit Section (LTAS) plays a critical role in promoting voluntary compliance and safeguarding government revenue through the examination of the tax affairs of large taxpayers. The Section is responsible for conducting risk-based and targeted audits of tax returns to verify the accuracy, completeness, and consistency of reported income, expenses, and tax liabilities in accordance with the Liberia Revenue Code and related regulations.

Through desk audits, field audits, and issue-focused reviews, the Audit Section identifies instances of under-reporting, non-compliance, and aggressive tax practices while also providing guidance to taxpayers on the appropriate tax treatment of transactions and reporting obligations.

3.1.2.6.1 AUDIT CASE INVENTORY

At the beginning of the reporting period, the Large Tax Audit Section carried forward twenty-seven (27) incomplete audits from 2024. In addition, the Compliance Risk Management Section identified sixty-six (66) additional taxpayers for audit through its risk-based case selection platform. Consequently, the total audit inventory for 2025 amounted to ninety-three (93) taxpayers.

Of this total inventory, thirty-five (35) audit cases were rolled over to 2026, fifteen (15) remained at the fieldwork stage, and twenty (20) had not yet commenced as of the end of the reporting period.

Table 14: Audit Case Inventory and Status (2025)

Audit Activity	Number of Cases
Audits Carried Forward from 2024	27
Additional Audits Selected in 2025	66
Total Audit Inventory	93
Audits Completed	52
Audits Rolled Over to 2026	35
Audits at Fieldwork Stage	15
Audits Not Yet Started	20

Source: Large Tax Audit Section (LTAS)

3.1.2.6.1 AUDIT CASE INVENTORY

During fiscal year 2025, the Large Tax Audit Section completed fifty-two (52) audit cases and issued corresponding audit assessments to taxpayers. None of the completed audits resulted in tax credits or nil assessments. Two of the completed audits were assessed in Liberian dollars totaling L\$119.6 million and were converted for reporting purposes at an exchange rate of L\$195 to US\$1.00.

The total audit assessments issued for the fifty-two completed cases amounted to approximately US\$26.3 million, of which US\$11.3 million represented penalties and interest for late filing, late payment, and failure to file taxes due. Out of the total assessment amount, four audit bills valued at US\$17.66 million were formally protested by taxpayers, leaving a collectible balance of approximately US\$8.60 million.

The Division achieved full recovery from seventeen (17) taxpayers amounting to approximately US\$886.9 thousand, while twenty-two (22) taxpayers made partial payments totaling approximately US\$2.48 million. Consequently, total recoveries during the period amounted to approximately US\$3.4 million.

Table 15: Summary of Audit Assessments and Recovery (2025)

Description	Amount (US\$)
Total Audit Assessments Issued	26,300,000
Penalties and Interest	11,300,000
Protested Assessments	17,660,000
Collectible Assessments	8,600,000
Full Recovery Amount	886,900
Partial Recovery Amount	2,480,000
Total Recovery	3,400,000

Source: Large Tax Audit Section (LTAS)

3.1.2.6.3 AUDIT RECOVERY CLASSIFICATION

Table 16 classifies completed audit assessments according to their recovery status, including fully recovered, partially recovered, unrecovered, and protested cases. The analysis provides insight into the effectiveness of post-audit enforcement and collection efforts undertaken by the Division. While a number of audit bills were successfully recovered, the table also indicates the persistence of collection challenges and disputes arising from audit assessments.

Table 16: Audit Recovery Classification (2025)

Recovery Status	Number of Audit Bills
Fully Recovered	17
Partially Recovered	22
Not Recovered	9
Protested Audit Bills	4
Total Completed Audit Cases	52

Source: Large Tax Audit Section (LTAS)

3.1.2.6.4 LOSSES OVERTURNED THROUGH AUDIT ACTIVITIES

Table 17 presents the extent to which reported taxpayer losses were overturned through audit interventions during the reporting period. The audit process identified substantial artificial losses arising from overstated expenses and understated revenues. The reversal of these losses resulted in significant additional tax assessments, demonstrating the importance of audit activities in protecting the integrity of the tax base and combating aggressive tax reporting practices.

Table 17: Losses Overturned through Audit Activities

Description	Amount (US\$ Million)
Total Reported Losses by Taxpayers	93.1
Losses Overturned through Audit	75.8
Additional Assessments Raised	22.0

Source: Large Tax Audit Section (LTAS)

3.1.2.6.5 COMMON COMPLIANCE ISSUES IDENTIFIED DURING AUDITS

Table 18 summarizes the major compliance issues identified during audit examinations conducted by the Large Tax Audit Section. Common findings included under-declaration of income, overstatement of expenses, non-remittance of withholding taxes, GST non-compliance, poor record keeping, and taxpayer resistance during audits. The table highlights recurring weaknesses in taxpayer compliance behavior and identifies critical areas requiring targeted enforcement and taxpayer education initiatives.

Table 18: Common Compliance Issues Identified During FY 2025 Audits

Compliance Issue	Description
Under-Declaration of Income	Failure to declare all income and revenue streams
Overstatement of Expenses	Inflated expenses and unsupported deductions
Failure to Withhold and Remit Taxes	Non-remittance or late remittance of withholding taxes
GST Non-Compliance	Under-reporting and non-remittance of GST
Poor Record Keeping	Inadequate accounting records and supporting documents
Obstruction During Audit	Delayed submission of documents and incomplete responses

Source: Large Tax Audit Section (LTAS)

3.1.2.6.6 HIGH RISK SECTORS IDENTIFIED:

Table 19 identifies sectors considered high-risk based on audit findings and compliance trends observed during the reporting period. The construction, wholesale and retail trade, manufacturing, and information technology sectors recorded the highest incidences of under-reporting, persistent tax losses, and weak compliance practices. The table provides important guidance for future compliance risk management, sector-focused audits, and revenue mobilization strategies.

Table 19: High-Risk Sectors Identified through Audit Activities

Sector	Key Risk Identified
Construction	Under-reporting of liabilities and persistent losses
Wholesale and Retail Trade	Cash transaction under-reporting
Manufacturing	Artificial losses and overstated expenses
Information Technology	Revenue under-declaration and GST inconsistencies

Source: Large Tax Audit Section (LTAS)

3.1.3 MEDIUM TAX DIVISION (MTD)

The Medium Tax Division (MTD) is a key operational arm of the Department of Revenue responsible for ensuring compliance among medium-category taxpayers. Taxpayer classification within the Division is primarily based on gross annual turnover. Accordingly, medium taxpayers are defined as entities with annual gross turnover exceeding LRD 3 million but not exceeding LRD 50 million. The Division oversees compliance for taxpayers within this category, excluding those operating in the extractive and natural resource sectors, as well as not-for-profit organizations.

The Division currently comprises three operational sections: the Accounting, Assessment and Analysis (AAA) Section, the Audit Section, and the Enforcement Section. The Division is headed by an Assistant Commissioner who is supported by three Section Managers responsible for overseeing the respective functional areas.

During Fiscal Year 2025, the Medium Tax Division implemented several compliance interventions across multiple sectors of the economy. Within the Administrative and Support Services sector, the Division initiated stakeholder consultations and enforcement planning activities aimed at improving compliance levels, although operational continuity was temporarily affected by leadership transitions at the Ministry of Justice.

In the construction sector, the Division collaborated with the Ministry of Public Works to develop an electronic billing platform intended to strengthen compliance monitoring and improve certification-based tax administration for construction and engineering firms. Additionally, the Division undertook a comprehensive tax roll cleansing exercise aimed at improving the integrity and accuracy of taxpayer records. The exercise involved the suspension of inactive taxpayer accounts, correction of inaccurate sector classifications, and closure of inappropriate or duplicate taxpayer profiles.

To support the implementation of the Value Added Tax (VAT) regime and improve taxpayer compliance under the Liberia Integrated Tax Administration System (LITAS), staff members received specialized VAT implementation training. Furthermore, taxpayer education and training materials were developed covering key compliance procedures, including LITAS registration and subscription, return filing, generation of bank payment slips, and withholding tax certificate processing.

3.1.3.1 WITHHOLDING TAXES

The analysis of withholding tax credits for the period under review indicates that total withholding tax credits amounted to approximately US\$10.9 million. The largest component was withholding taxes on services rendered by resident taxpayers, which accounted for approximately US\$6.6 million, representing well over half of the total withholding credits recorded during the year.

Withholding taxes on services rendered by non-residents contributed approximately US\$2.6 million, confirming that service-related transactions remain the dominant source of withholding tax collections within the medium taxpayer segment. In addition, withholding taxes on government payments to residents contributed approximately US\$1.0 million. In contrast, withholding tax credits related to rent (approximately US\$267.3 thousand), salaries and wages (approximately US\$344.0 thousand), and annual corporate income tax payments constituted relatively smaller shares of the overall withholding tax portfolio.

Table 20: Withholding Tax Collection Credits

Tax Types	WH Credit USD
Corporate Income Tax Annual	874
Withholding On Payment By Government To Resident	1,049,540
Withholding On Rent To Resident	267,326
Withholding On Salaries And Wages To Resident	344,039
Withholding On Services Rendered By Non-Resident	2,645,024
Withholding On Services Rendered By Resident	6,670,632
Grand Total	10,977,436

Source: LITAS Report

3.1.3.2 ACCOUNTING, ASSESSMENT AND ANALYSIS (AAA)

3.1.3.2.1 TREND OF TAX RETURNS FILED IN LITAS

The analysis of filing trends under the Liberia Integrated Tax Administration System (LITAS) indicates that total tax return filings across major tax categories amounted to 23,405 in 2025 compared to 25,046 in 2024, representing a modest decline in overall filings during the reporting period.

The largest volume of filings was concentrated in withholding taxes on salaries and wages, quarterly corporate income tax filings, and service tax returns, which collectively accounted for the majority of tax transactions processed through the system.

Despite the reduction in total filings, filing compliance improved during the year. On-time filings increased from 8,696 in 2024 to 9,506 in 2025, while late filings declined from 16,350 to 13,899 over the same period. These improvements suggest gradual enhancement in taxpayer compliance behavior, likely influenced by increased taxpayer awareness, improved system functionality, and ongoing compliance enforcement measures.

The tables and figures below further present the breakdown of walk-in versus online filings, as well as on-time versus late filing trends.

Table 21. Walk-in versus online filings/ On-time versus late filing trends

Major Tax Types	2024			2025		
	Walk in	Online	Total	Walk in	Online	Total
Annual Personal Income Tax	9	50	59	2	47	49
CIT For Residents (200B2C) Regular (R)	3		3	2		2
Corporate Income Tax Annual	243	463	706	13	694	707
Corporate Income Tax Quarterly	4,704	1,487	6,191	2,779	2,712	5,491
Domestic Goods Tax	285	192	477	210	338	548
Excise Tax	51	22	73	24	58	82
Quarterly Personal Income Tax	213	105	318	74	173	247
Service Tax	1,097	590	1,687	768	1,015	1,783
Withholding On Salaries And Wages To Resident	10,511	5,021	15,532	5,213	8,933	14,146
Grand Total	17,116	7,930	25,046	9,085	13,970	23,055

Major Tax Types	2024		2024 Total	2025		2025 Total
	On-time	Late		On-time	Late	
Annual Personal Income Tax	34	25	59	33	16	49
Cit For Residents (200B2C) Regular (R)	2	1	3	1	1	2
Corporate Income Tax Annual	282	424	706	218	489	707
Corporate Income Tax Quarterly	1,814	4,377	6,191	1,940	3,551	5,491
Domestic Goods Tax	308	169	477	296	252	548
Excise Tax	50	23	73	55	27	82
Quarterly Personal Income Tax	124	194	318	110	137	247
Service Tax	692	995	1,687	837	946	1,783
Withholding On Salaries And Wages To Resident	5,390	10,142	15,532	6,016	8,130	14,146
Grand Total	8,696	16,350	25,046	9,506	13,549	23,055

Source: MTD

3.1.3.2.2 AUDIT PROGRAM

During the period under review, a total of 400 audit cases were approved for examination under the Medium Tax Division audit program, of which 259 cases were subsequently published and assigned for audit action.

The audit program focused on risk-based taxpayer selection and sectoral compliance monitoring across multiple sectors of the economy. The completed audits contributed significantly to compliance enforcement and revenue assurance within the medium taxpayer category. The figure below presents the distribution of completed audit cases by sector.

Audit Cases Published Per Sector



Source: MTD

3.1.3.2.3 LOSSES OVERTURNED

Of the 259 audit cases completed during the reporting period, 110 taxpayers declared tax losses either for all or part of the years under review. The total declared losses amounted to approximately US\$14.40 million and L\$410.02 thousand.

Audit examinations determined that a substantial portion of these reported losses were either unsupported or artificially created through the overstatement of expenses and understatement of revenues. As a result, the audit process overturned losses amounting to approximately US\$20.77 million and L\$5.14 million, producing a net adjustment of approximately US\$6.37 million and L\$4.73 million.

Consequently, additional tax assessments totaling approximately L\$397.06 thousand were raised against affected taxpayers following the completion of audit reviews.

3.1.3.3 ENFORCEMENT SECTION DEBT PORTFOLIO

The Enforcement Section continued its efforts to recover outstanding tax liabilities and strengthen debt management processes during Fiscal Year 2025. As of the end of the reporting period, the Division's unreconciled debt portfolio stood at approximately US\$19.939 million.

During the fiscal year, tax bills amounting to approximately US\$4.63 million and L\$6.26 million were raised against delinquent taxpayers. Of these amounts, collections totaling approximately US\$1.15 million and L\$6.26 million were successfully recovered during the year.

The Division noted that the current enforcement registry includes several tax bills pending write-off approval. A comprehensive debt reconciliation exercise is currently underway to validate and reconcile outstanding balances, after which a more accurate and reliable debt stock position will be established.

Additionally, tentative active debt balances brought forward from 2023 and prior fiscal periods amounted to approximately US\$935.82 thousand and L\$5.28 million, respectively.

3.1.4 SMALL & MICRO TAX DIVISION(SMTD)

The Small and Micro Tax Division (SMTD) is responsible for administering taxpayers with annual turnovers ranging from LRD200 thousand to LRD3 million (small taxpayers), as well as taxpayers with annual turnovers below LRD200 thousand, primarily micro businesses and natural persons.

The Division comprises four operational sections: Analysis, Assessment and Accounting (AAA); Audit; Enforcement; and the Micro Tax Unit. In addition, the Division supervises five Urban Tax Business Offices (TBOs), namely Bushrod Island, Bensonville, Paynesville, Freeport 4 Percent, and the proposed Central Monrovia TBO, along with the Bentol Service Center. During Fiscal Year 2025, SMTD recorded total collections of approximately US\$6.06 million against a projected target of US\$7.15 million, resulting in a negative variance of approximately US\$1.09 million.



3.1.4.1 ANALYSIS, ASSESSMENT AND ACCOUNTING (AAA) SECTION

The Analysis, Assessment and Accounting (AAA) Section is responsible for ensuring taxpayer compliance with registration, filing, payment, and reporting obligations within the Small and Micro Tax Division.

The Division's tax roll currently contains approximately 130,000 registered taxpayers, of which about 82,000 are considered active taxpayers. The Section is staffed by eighteen (18) compliance officers and one Officer-in-Charge (OIC), organized into three operational teams designated as Teams A, B, and C.

The Section's primary responsibility includes monitoring taxpayer compliance and issuing assessments against taxpayers who fail to file returns or make payments within the statutory deadlines. However, the high taxpayer-to-staff ratio continues to constrain the Section's ability to effectively monitor taxpayer compliance on a monthly basis.

During the reporting period, the AAA Section conducted extensive compliance checks and desk reviews of taxpayer declarations. Additional assessments were issued where discrepancies or non-compliance were identified. The Section also routinely updated taxpayer records to reflect changes in business locations, ownership structures, and contact information.

One of the major operational challenges affecting the effectiveness of the Section remains the inadequate availability of desktop and laptop computers for compliance officers, thereby limiting operational efficiency and monitoring capacity.

3.1.4.2 AUDIT SECTION

The SMTD Audit Section consists of seven (7) two-person audit teams, supported by two Officers-in-Charge (OIC) Supervisors and one OIC Manager, bringing the total staffing strength of the Section to seventeen (17) personnel.

During the reporting period, the Section implemented several quality improvement measures, including regular Key Performance Indicator (KPI) updates, enhanced audit reporting processes, and the compilation of a database of unidentified businesses for follow-up actions in collaboration with the AAA and Enforcement Sections.

A total of four hundred (400) audit cases were assigned during Fiscal Year 2025, including cases carried forward from prior periods and an additional fifty (50) cases introduced during the fourth quarter. Audit recovery performance during the year resulted in total assessments amounting to approximately LRD43.93 million and US\$222.05 thousand. Of these assessed amounts, recoveries totaled approximately LRD28.23 million and US\$121.12 thousand respectively.

Table 22: SMTD Completed and Outstanding Audit Cases

Quarter	Cases Completed
Q1	73
Q2	85
Q3	75
Q4	72
Total Completed	305
Outstanding	95 (42 not started; 53 in progress)

Source: SMTD

The table above indicates that the Audit Section completed 305 audit cases during the reporting period, while 95 cases remained outstanding at year-end. The outstanding cases comprised both uninitiated audits and cases that were still under active review and field examination.

3.1.4.3 ENFORCEMENT SECTION

The Enforcement Section is responsible for ensuring taxpayer compliance with registration, filing, payment, and reporting obligations through enforcement and debt recovery activities. The Section consists of twenty-two (22) enforcement officers organized into operational teams responsible for five tax districts covering the seventeen electoral

districts within Montserrado County, as follows:

- Bushrod Island: Districts 14–17
- Central Monrovia: Districts 7–8
- Sinkor to Boulevard: Districts 8–10
- Paynesville: Districts 1 and 3–6
- Somalia Drive: Districts 2 and 11–13

The Section is managed by one Enforcement Manager and two Supervisors. Operational activities include joint enforcement exercises with Urban Tax Business Offices (TBOs), intelligence gathering aimed at reducing informality within the tax system, delivery and monitoring of assessment notices, and enforcement of payment obligations relating to tax arrears.

Additionally, the Enforcement Section processes assessments generated by the AAA Section as well as audit case reports referred for debt recovery actions.

3.1.4.3.1 TOTAL RECEIVABLES: AAA & AUDIT

The table below presents outstanding receivables arising from both AAA assessments and audit activities involving 328 taxpayers during the reporting period. The analysis indicates that aggregate receivables carried forward after collections amounted to approximately US\$622.06 thousand.

The receivables position originated from overdue tax balances brought forward totaling approximately US\$704.20 thousand. During the period, collections from old arrears cases amounted to approximately US\$390.82 thousand, while recoveries from current cases totaled approximately US\$29.51 thousand.

Table 23: Total Receivables: AAA & Audit

	Item	# of Taxpayers	Amount		Aggregate (USD)
			LD	USD	
Total Receivables (AAA & Audit)	Over Due Tax B/F	147	48,741,404	436,109	704,204
	Add: Current Amount	396	18,139,418	238,399	338,163
	Less: Amount Collected From B/F	132	17,213,820	296,156	390,822
	Less: Amount Collected From Current	83	2,080,446	18,062	29,505
	Less: Amount Waived	-	-	-	-
	Balance Carried Forward	328	47,586,557	360,290	622,057

Source: SMTD

The table demonstrates ongoing enforcement and recovery efforts undertaken by the Division while also highlighting the persistent challenge of outstanding tax arrears within the small and micro taxpayer segment.

3.1.4.3.2 AUDIT BILLS RECEIVED BY THE ENFORCEMENT SECTION

The table below provides an update on audit bills referred to the Enforcement Section for recovery action during the reporting period. Total collections from audit-related enforcement activities amounted to approximately US\$193.53 thousand and LRD40.73 million. However, the collections represented less than half of the total assessed audit liabilities, which aggregated approximately US\$417.62 thousand.

While the Enforcement Section achieved notable recoveries during the year, significant challenges remain with respect to the recovery of assessed audit liabilities, particularly among small and micro taxpayers with weak financial capacity and limited compliance histories.

Table 24: Audit Bills

	Item	# of Taxpayers	Amount		Aggregate (USD)
			LD	USD	
Update of Audit Bills Received (Enforcement)	Audit A/A brought Forward 1ST QUARTER- 4TH QUARTER 2025	74	40,627,695	178,650	402,137
	*Due		32,502,156	142,920	321,710
	*P & I		8,125,539	35,730	80,427
	Add: Current Bills raised during the month	72	10,766,119	66,541	125,764
	* Due		8,612,895	53,233	100,611
	* P & I		2,153,224	13,308	25,153
	Cumulative Total Audit Bills	146	51,393,814	245,192	527,901
	*Due		41,115,051	196,153	422,321
	*P & I		10,278,763	49,038	105,580
	Less: Total Amount <u>Collected</u> From B/F:	59	9,100,111	38,697	88,755
	*Due		7,280,089	30,958	71,004
	*P & I		1,820,022	7,739	17,751
	Less: Total Amount Collected from Current	29	1,555,787	12,959	21,517
	*Due		1,244,630	11,234	18,081
	*P & I		311,157	1,725	3,436
Less: Total Amount <u>Waived</u> as at the reporting period					
	Balance Carried Forward	58	40,737,916	193,536	417,629

Source: SMTD

3.1.4.4 URBAN TAX BUSINESS OFFICES (TBOS) COLLECTION PERFORMANCE

The Urban Tax Business Offices (TBOs) collectively exceeded their annual revenue target during Fiscal Year 2025. Total collections amounted to approximately US\$690.82 thousand against an approved projection of US\$660.0 thousand, representing an overall performance rate of 105 percent and a positive variance of approximately US\$30.82 thousand.

The strong performance of the Urban TBOs reflects improved taxpayer compliance, intensified enforcement activities, enhanced field monitoring, and increased taxpayer engagement within the small and micro taxpayer segment. The results further demonstrate the growing contribution of decentralized tax administration to domestic revenue mobilization efforts.

Table 25: Urban TBO’s Collection.

Urban TBO'S Annual Collection US\$				
Urban Tax Business Offices	Projection	Actual	Variance +/-	Variance %
Bushrod Island	216,000	270,346	54,346	125%
Paynesville	240,000	194,521	-45,479	81%
Bensonville	120,000	130,286	10,286	109%
Freeport 4%	84,000	95,666	11,666	114%
Total	660,000	690,820	30,820	105%

The Natural Resource Tax Division (NRTD) is a specialized division within the Domestic Tax Department of the Liberia Revenue Authority responsible for administering and enforcing taxes within Liberia's natural resource sectors, including mining, petroleum, forestry, and agriculture. The Division plays a critical role in safeguarding government revenue from high-value extractive and resource-based industries through compliance monitoring, audits, risk assessments, and taxpayer enforcement activities.

3.1.5.1 COMPLIANCE MONITORING AND DATA ANALYTICS

During FY2025, the NRTD intensified its use of data analytics and inter-agency information matching to identify and address taxpayer non-compliance. The Division analyzed Customs and Domestic Tax data to detect cases of Corporate Income Tax (CIT) underpayment in targeted sectors and initiated focused audit interventions accordingly.

In addition, Customs and Forestry Development Authority (FDA) export data were utilized to verify taxpayer compliance with the statutory 2% advance income tax requirement under the Liberia Revenue Code. ASYCUDA data were also employed to validate assets declared in annual tax returns for purposes of capital allowance and depreciation deductions.

However, the Division continued to face legal and administrative challenges arising from issue-oriented audits conducted in previous years. Several administrative hearing decisions were partly ruled against the LRA, thereby limiting the Division's ability to apply similar audit findings across other taxpayers with related compliance issues, particularly within the gold and diamond mining sectors. Resolution of these matters in FY2026 will be critical to strengthening the Division's enforcement capacity and expanding compliance coverage across the sector.

3.1.5.2 AUDIT ACTIVITIES

Audit operations during the year remained constrained by inadequate staffing and the incomplete structure of the audit section. The absence of key personnel — including an Audit Manager, supervisors, senior auditors, and additional audit officers — significantly limited the Division's ability to effectively examine the complex and high-value transactions characteristic of the natural resource sector.

To mitigate these capacity gaps, staff from other divisions were temporarily redeployed to support ongoing multinational audits. The Division also benefited from technical assistance provided by the African Tax Administration Forum (ATAF) under its South-South Cooperation Initiative. Nonetheless, targeted recruitment and internal promotions remain essential to strengthening the Division's audit function, improving operational efficiency, and enhancing staff morale.

3.1.5.3 RISK ASSESSMENTS AND AUDIT PLANNING

The Division completed risk analyses for two multinational companies operating within the mining and agricultural sectors in anticipation of outstation audit funding approval. Subsequently, Management approved a joint budget request submitted by the NRTD and the International Tax Section to conduct comprehensive tax and Transfer Pricing audits of six multinational entities operating within the mining and agriculture sectors.

To facilitate these audits, two specialized audit teams were established:

- *Team 1: Assigned to audit two mining companies and one agricultural company.*
- *Team 2: Assigned to audit two agricultural companies and one mining company.*

In addition, all audit cases carried forward from FY2024 underwent finalized risk assessments. The Division also completed a desk review of an entity seeking a Tax Clearance Certificate for dissolution purposes.

3.1.5.4 ONGOING AUDITS

A significant number of audit cases carried over from FY2024 showed minimal activity within the Liberia Integrated Tax Administration System (LITAS), largely due to incomplete taxpayer records, inactive registrations, and inaccurate contact information. As a result, fifty-six (56) cases were recommended for suspension, while ninety-seven (97) cases were carried forward into FY2026 for further action.

The NRTD intends to conclude the majority of these outstanding audits, including multinational audit engagements, during FY2026.

3.1.5.5 CASES COMPLETED AND PUBLISHED

During the reporting period, twelve (12) audit cases were completed and submitted to the Legal, Collections and Enforcement Section of the Large Tax Division for publication.

These cases comprised:

- Eleven (11) mining companies; and
- One (1) forestry company.

3.1.5.6 ONGOING AUDITS NEARING COMPLETION

As of year-end, the Division had twenty (20) comprehensive tax audits and one (1) desk audit in progress. Of these:

- Ten (10) cases are expected to be completed and submitted for publication before the end of Q1 FY2026;
- Three (3) case files have been printed and submitted for Quality Assurance (QA) review; and
- Six (6) cases are currently undergoing divisional review.

3.1.5.7 COMPREHENSIVE AUDITS OF MULTINATIONAL TAXPAYERS (INCLUDING TRANSFER PRICING)

The Division requested logistical support from the Acting Commissioner General to facilitate the commencement of comprehensive audits of nine multinational companies operating in the mining and agricultural sectors. These audits are being conducted jointly with the International Tax Section and supported by a seconded Quality Assurance officer. Two audit teams were established to execute these assignments.

At the close of the reporting period:

- One (1) assessment bill had been served;
- Two (2) audits had reached the draft/reconciliation stage; and
- Two (2) audits remained at the planning stage.

3.1.5.8 AUDIT CHALLENGES

The Division continued to experience several operational and enforcement challenges during FY2025. Key among these were persistent delays caused by taxpayers' failure to provide requested documentation within statutory timelines, as well as limited inter-agency cooperation from relevant ministries and agencies.

The Division noted that the Ministry of Mines and Energy should require confirmation of tax compliance from the LRA before approving the closure or dissolution of mining companies. Such a measure would help protect the tax base and reduce opportunities for tax evasion. The NRTD also encountered significant difficulties locating taxpayers due to inaccurate or outdated contact information in LITAS. In many cases, registered addresses belonged to expeditors or tax advisors who no longer represented the taxpayers concerned.

Residual effects of the COVID-19 pandemic continued to affect international trade activities, particularly log exports to China, thereby impacting the operations and profitability of some taxpayers within the forestry sector.

Operationally, the Division continued to face logistical constraints, including inadequate office space, insufficient office furniture, unstable internet connectivity, lack of laptops, limited access to Microsoft 365 applications, and inadequate access to reliable sector-specific databases required for effective audit analysis and benchmarking.

3.1.5.8 AUDIT CHALLENGES

The table below shows that comprehensive audit assessments were heavily concentrated within the mining sector, which accounted for total assessments of approximately US\$12.99 million. The agriculture sector recorded the lowest assessment value. While most mining sector assessments have already been published, two cases remain pending publication.

Table 26: Published Cases: Summary of Cases Published through the Legal Collections & Enforcement Division, January 1 – December 31, 2025

Sector	Year	Audit Type	Assessment US\$	Comment
Mining	2016-2024	Comprehensive	29,807	Published
Mining	2019	Comprehensive	11,299,204	Published
Mining	2017-2021	Comprehensive	75,237	Was returned, not published
Mining	Jan. 1, 2023-May 31, 2024	Comprehensive	42,584	The Tax Advisor signed for the audit assessment
Mining	2018-2022	Comprehensive	613,578	Published
Mining	2019-2023	Comprehensive	3,659	Published
Mining	2017-2021	Comprehensive	99,918	Published
Mining	2021-2023	Comprehensive	55,996	Published
Mining	2020-2022	Comprehensive	362,306	Published
Mining	2014-2021	Comprehensive	200,716	Protested
Mining	2019-2023	Comprehensive	206,129	Published
Agriculture	2023	Desk Audit	365	Published
			12,989,500	

Source: Natural Resource Tax Division

The following table presents the status of ongoing comprehensive audits involving multinational taxpayers in the agriculture and mining sectors covering the period 2019–2024.

The data indicate that:

- Two agricultural cases remain in fieldwork;
- One major mining case has completed fieldwork;
- Another mining case is awaiting fieldwork; and
- Most remaining cases are at either the draft review or draft issuance stage.

This suggests that the audit portfolio is progressing through the audit cycle; however, the majority of potential assessments have not yet reached the final issuance and collection phase.

Table 27: Multinational Cases – Ongoing Audits

Tax Payer	Sector	Year	Audit Type	Status
Mano Palm Oil Plantation	Agriculture	2020-2024	Comprehensive	Fieldwork ongoing
Mano Palm Oil Industries	Agriculture	2019-2024	Comprehensive	Fieldwork ongoing
Arcelor Mittal Holding	Mining	2019-2024	Comprehensive	Fieldwork completed
Bea Mountain Mining Company	Mining	2020-2024	Comprehensive	Pending audit fieldwork
Arcelor Mittal Liberia Ltd.	Mining	2019-2024	Comprehensive	Pending draft review by AC pending issuance to the taxpayer.
Liberia Agricultural Company (LAC)	Agriculture	2019-2024	Comprehensive	Draft issued to Taxpayer

Source: Natural Resource Tax Division

The next table summarizes ongoing comprehensive audits within the forestry, mining, mining/dealership, and agriculture sectors covering the period 2015–2023. Most cases are currently at the draft review stage, including Quality Assurance review, reconciliation meetings, or pending issuance to taxpayers, indicating a substantial pipeline of audit cases nearing completion.

Table 27: Multinational Cases – Ongoing Audits

SECTOR	FISCAL YEAR(S)	AUDIT TYPE	PROGRESS STATUS
Forestry	2021-2023	Comprehensive	Draft at AC QA review
Forestry	2021-2023	Comprehensive	Printing case file, pending QA review and publication
Forestry	2019-2023	Comprehensive	Printing case file, pending QA review and publication
Forestry	2021-2023	Comprehensive	Printing case file, pending QA review and publication
Mining	2015-2023	Comprehensive	Additional documents reviewed post-draft meeting; pending revised draft
Mining / Dealership	2015-2021	Comprehensive	Draft meeting held with taxpayer; revised draft under review
Mining / Dealership	2015-2022	Comprehensive	Revised draft under review; pending reconciliation meeting with taxpayer
Agriculture	2020-2023	Comprehensive	Draft report under review with Asst. Comm.; pending issuance to taxpayer
Mining	2020-2022	Comprehensive	Draft under review; pending issuance to Tax Advisor
Forestry	2019-2023	Comprehensive	Draft under review; pending issuance to Tax Advisor
Agriculture	2020-2024	Comprehensive	Draft under review; pending issuance to taxpayer
Mining	2019-2021	Comprehensive	Draft under review; pending issuance to Tax Advisor
Forestry	2019-2023	Comprehensive	Draft under review; pending issuance to Tax Advisor
Mining	2020-2023	Comprehensive	Draft under review; pending issuance to taxpayer
Forestry	2021-2023	Comprehensive	Draft under review; pending issuance to Tax Advisor
Mining	2018-2023	Comprehensive	Draft under review by Audit Supervisor
Agriculture	2018-2023	Comprehensive	Draft under review by Audit Supervisor

Source: Natural Resource Tax Division

The final table highlights cases closed before audit completion. These cases primarily involve taxpayers within the mining/dealership and forestry sectors covering periods between 2015–2023. Enforcement efforts in these cases were significantly constrained because many taxpayers had either ceased operations and exited the country, experienced ownership-related issues such as the death of proprietors, or re-emerged under new business entities after previously obtaining Tax Clearance Certificates.

These developments underscore the significant compliance and enforcement risks associated with highly mobile or short-lived operators within the natural resource sector.

Table 29: Taxpayers Closed Before Audit Completion

Taxpayer	Taxpayer	Taxpayer	Taxpayer
Mining / Dealership	2015-2022	Comprehensive	Taxpayer closed (observed another entity in the same building with one of the Partners).
Forestry	2019-2022	Comprehensive	The taxpayer closed and left the country, according to the Tax Advisor.
Forestry	2021-2023	Comprehensive	The taxpayer closed and left the Country.
Mining	2018-2023	Comprehensive	The taxpayer closed and left the Country.
Forestry	2018-2023	Comprehensive	The taxpayer closed and left the Country.
Forestry	2018-2022	Comprehensive	The taxpayer closed, and the owner passed.
Mining / Dealership	2018-2021	Comprehensive	The taxpayer closed and left the Country.
Mining / Dealership	2015-2021	Comprehensive	Taxpayer closed and open new business (AB Conteh) after receiving TCC from MTD.
Mining / Dealership	2015-2021	Comprehensive	The taxpayer closed and left the Country.

Source: Natural Resource Tax Division

3.1.6 TAX BUSINESS SECTION (TBO)

The Tax Business Office (TBO) is responsible for the administration and collection of taxes from small and micro businesses across Liberia’s fourteen (14) sub-political divisions. During FY 2025, the TBO recorded strong revenue performance, significantly exceeding its approved revenue target.

Against an approved budget target of US\$ 1.521 million, the TBO collected a total of US\$ 3.513 million, resulting in a positive variance of US\$ 1.992 million. This performance reflects improved compliance monitoring, enhanced taxpayer outreach, and strengthened collection mechanisms across the decentralized offices.

Of the total collections, US\$ 1.178 million was processed directly through the Liberia Integrated Tax Administration System (LITAS); US\$ 600.13 thousand was collected through mobile money platforms; and US\$ 1.73 million was deposited through commercial banks into the Government's Transitory Account.

Table 30: TBO Collections by Payment Channel

LITAS	Direct Bank Transfer	Transitory Account	Mobile Money	Total Collection
1,179,119		1,734,157	600,127	3,513,403

Source: Tax Business Section

3.1.6.1 TBO COLLECTIONS BY TAX TYPES

Revenue performance by tax category also surpassed projections. Total collections amounted to approximately US\$ 3.47 million against an original projection of US\$ 1.52 million, generating a favorable variance of approximately US\$ 1.95 million.

The overperformance was driven primarily by strong collections from Taxes on income and profits, which contributed approximately US\$ 1.16 million; Property taxes; Goods and services taxes; and Non-tax revenues, particularly administrative and registration fees, which generated an additional US\$ 284.76 thousand.

Table 31: TBO Collections by Tax Types

	Projection		Collection		Variance
	US\$	US\$	LR\$	Cons'	US\$
Total	1,521,000	2,357,762	213,394,818	3,470,906.54	1,949,907
Tax Revenue	1,521,000	2,249,835	179,493,894	3,186,140	1,665,140
Taxes on Income & Profits	1,290,000	1,865,563	112,546,843	2,452,648	1,162,648
Taxes on Property		160,978	19,112,604	260,676	260,676
Taxes on Goods & Services	231,000	70,512	45,205,632	306,321	75,321
Others Taxes	-	152,782	2,628,815	166,495	166,495
Non-Tax Revenue		107,927	33,900,924	284,766	284,766
Property Income	-				
Administrative Fees	-	107,927	33,900,924	284,766	284,766
Penalty in Interest	-				
Miscellaneous	-				

Source: Tax Business Section

3.1.6.2 TOP-PERFORMING TAX CATEGORIES

The highest-performing tax categories during the reporting period included Withholding Tax (WHT) on Salary and Wages, which accounted for approximately 75 percent of total collections; Business Registration Fees, contributing 24 percent; Four Percent (4%) Presumptive and Border Taxes, contributing 30 percent; and Real Estate Taxes, contributing 20 percent.

In absolute terms, the TBO collected: US\$ 1,414,080 from WHT on Salary and Wages; US\$ 199,638 from Business Registration Fees; US\$ 247,650 from the 4 percent Presumptive and Border Taxes; and US\$ 210,345 from Real Estate Taxes.

3.1.6.3 TAXPAYER REGISTRATION AND COMPLIANCE ACTIVITIES

As at the end of CY 2025, the TBO tax roll stood at approximately 5,300 registered taxpayers. Monthly taxpayer verification and data clean-up exercises continued throughout the year under the supervision of senior collectors and compliance officers, with staff performance benchmarked against the active tax roll.

In support of the Government’s Decentralization Policy, the TBO also issued approximately 250 Tax Clearance Certificates (TCCs) to taxpayers across rural Liberia during the reporting period.

3.1.7 GOVERNMENT NON-FOR-PROFIT-DIVISION (GNFPD)

The Government and Non-For-Profit Division (GNFPD) is a key revenue-generating arm of the Domestic Tax Department within the Liberia Revenue Authority (LRA). Operating under the LRA’s mandate, it focuses on tax enforcement, compliance, and revenue collection across the public and non-profit sectors.

3.1.7.1 OVERVIEW OF TAX ROLL PERFORMANCE

During the period under review, the Government Non-For-Profit Division (GNFPD) recorded notable growth in its tax roll and sustained improvements in revenue performance. The division’s tax roll increased from 8,378 to 10,511 active taxpayers, representing 1,189 new registrations and an overall growth rate of 11.31 percent.

This expansion was largely driven by the reclassification of taxpayers, including the separation of schools from parent church enterprises with newly assigned TINs, as well as the re-segmentation of previously misclassified taxpayers. For consistency, only taxpayers with active business registrations of at least three (3) years were included in the final tax roll analysis.

Table 32: GNFPD Tax Roll Management (January–December 2025)

GNFPD Tax-Roll Management January-December, 2025				
Sectors	Beginning of Q3, 2025	New Registrants	Growth Percentage	End of Period
Human Health	3,901	650	14.28%	4,551
Education	2,502	209	7.709%	2,711
Other Service Activities	1,153	248	10.57%	2,345
Public Administration	180	4	2.17%	184
Non-Primary GNFPD Sectors	642	78	10.83%	720
TOTAL	8,378	1,189	11.31%	10,511

Source: GNFPD

3.1.7.2 REVENUE PERFORMANCE (FY 2024–FY 2025)

The GNFPD recorded strong revenue performance, with collections exceeding projections in both FY 2024 and FY 2025. In FY 2024, actual collections amounted to US\$ 117.48 million against a projection of US\$ 95.48 million, resulting in a positive variance of US\$ 21.99 million and a performance rate of 123 percent.

Similarly, in FY 2025, collections increased to US\$ 138.80 million against a projection of US\$ 120.59 million, yielding a positive variance of US\$ 17.21 million and a performance rate of 114 percent. This reflects continued improvement in compliance enforcement, taxpayer segmentation, and administrative efficiency.

Table 33: Annual Projections and Collections Comparison

Semester 1	Projections	Collections	Variance	% of Collection
FY 2024	95,478,000	117,477,471	21,999,471	123%
FY 2025	120,585,000	138,799,313	17,214,313	114%
Positive Variance	25,107,000	21,321,842	-4,107,529	

Source: GNFPD

3.1.7.3 TAX CLEARANCE CERTIFICATE (TCC) MANAGEMENT

Under tax clearance administration, the GNFPD processed a total of 937 requests during FY 2025. This included 222 carry-forward requests from FY 2024 and 715 new requests received during the year.

Out of the total requests, 689 (73.53 percent) were reviewed, processed, and approved, while 248 (26.47 percent) were carried forward into Q1 FY 2026. Comprehensive compliance reviews were conducted for all applications prior to approval.

As a result of these compliance checks, 157 assessment bills were raised, amounting to USD 25,246.69, all of which were fully settled prior to issuance of Tax Clearance Certificates. Please see tables below for details.

Table 34: Tax Clearance Request Management (FY 2025)

GNFPD 2025 Fiscal Year Tax Clearance Request Management							
Tax Period	BBF	New Request	Number Available for Process	Number Processed & Approved	Balance	Percentage Processed	
January-December	222	715	937	689	248	73.53%	
TOTAL	222	715	937	689	248	73.53%	

Table 35: Assessments Raised from TCC Tax Compliance Review

Period	Tax Type	Bill	Currency		Rate	Consolidated USD	Comment
			USD	LRD			
Jan-Dec	W/H Wages	\$157.00	\$19,434.11	1,106,425	\$190.35	\$25,246.69	Paid in full
Total		\$157.00	\$19,434.11	1,106,425	\$190.35	\$25,246.69	Paid in full

Table 36: Outstanding Debt Details

Quarters	Tax Kind	# of Bills	US\$ Principal	US\$ Penalty	US\$ Interest	Total Tax Due US\$
BBF	Audit	2	3,665,252	30,972	23,455	3,719,679
BBF	Desk Audit	19	37,995	4,208	3,112	45,315
BBF	AAA	2,633	5,311,935	363,490	42,508	5,717,933
ADD	Current Desk Audits	157	25,247			25,247
ADD	Current Audit	1	2,744,471	1,819,673	716,421	5,280,565
ADD	Current AAA Bills	2,210	5,509,653	319,281	120,193	5,949,128
	Total	5,022	17,294,552	2,537,625	905,690	20,737,866
Less P & I Waived (CG Approved)						-189,961
	Collections	2,221				-9,790,202
Total Balance For The Period			Outstanding Including Principals + Penalties			10,757,704
Less P & Inclusive			27.88 % of Total Tax including P & I			-3,000,026
Net Realizable Principal Tax			72.12% of Total Tax Due is Principal			7,757,678

Source: GNFPD

3.1.7.4 JOINT ENFORCEMENT AND COMPLIANCE ACTIVITIES

During FY 2025, the GNFPD conducted two major joint enforcement operations aimed at strengthening compliance, expanding the non-tax revenue base, and improving regulatory enforcement across key sectors.

The objectives of these exercises included:

ensuring registration and plating of motorcycles and tricycles; verifying valid driver's licenses; confirming vehicle registration and fire safety compliance; collecting compliance data; enforcing resident and work permit requirements; and maximizing enforcement coverage during the dry season, particularly in the southeastern counties before the rainy season restricted access.

3.1.7.4.1 MOTOR VEHICLE REGISTRATION AND DRIVER'S LICENSE ENFORCEMENT

Conducted in Montserrado County over 21 days (April 7–May 5, 2025) in collaboration with the Ministry of Transport, Liberia National Police, Liberia National Fire Service, and MDMC.

3.1.7.4.2 RESIDENT AND WORK PERMIT ENFORCEMENT

Conducted across Rivercess, Sinoe, Grand Gedeh, Grand Kru, River Gee, and Maryland counties over 14 days (March 8–20, 2025) in collaboration with the Liberia Immigration Service (in partnership with Contec Global) and the Ministry of Labor (CETIS Liberia).

Collectively, these operations generated US\$ 962,488.55. However, fines associated with the Ministry of Labor component remain pending enforcement, as the Ministry maintains that enforcement authority is subject to ministerial discretion.

Table 37: Revenue Generated from Joint Enforcement Operations (LRA/Partner Agencies)

Fees Type	USD	LRD	Rate	Consolidated
Ministry of Transport	567,225	-	199	567,225
Vehicle Registration	135,505	8,848,665	199	180,036
Drivers' License	26,175	2,105,480	199	36,771
Motorbike/Tricycle	-	501,931	199	2,526
Subtotal	728,905	11,456,075	199	786,557
Liberia Fire Service				
Fire Safety Certificates	25,055	25,056	199	25,181
Subtotal	25,055	25,056	199	25,181
Liberia Immigration Service				
Resident Permit	2,750	-	199	2,750
Subtotal	2,750	-	199	2,750
Ministry of Labor				
Work Permit	43,000	-	199	43,000
Fines	105,000	-	199	105,000
Subtotal	148,000	-	199	148,000
Grand Total	904,710	11,481,131	199	962,489

Source: GNFPD

3.1.7.5 REVENUE IMPACT: USAID FUNDING SUSPENSION

The suspension of United States Government USAID funding globally had indirect but significant implications for Liberia's domestic revenue performance. The exit and scaling down of international and local NGOs led to workforce reductions, lower payroll volumes, and consequently a decline in Pay-As-You-Earn (PAYE) withholding tax remittances.

Although the immediate revenue impact was partially offset by severance-related payments, the broader effects became more pronounced in the second half of FY 2025 and are expected to continue into subsequent fiscal periods as NGO operations further contract.

Table 38: Monthly Revenue Impact of USAID Funding Drawdown

Description	Enterprise	Monthly Impact	Annual Impact
INGOs	28	295,122	3,541,462
Local NGOs	33	82,641	991,693
Total	61	377,763	4,533,155

Source: GNFPD

3.1.8 REAL ESTATE TAX DIVISION

The Real Estate Tax Division (RETD) is responsible for the assessment, valuation, enforcement, collection, and accounting of taxes on land and buildings, as well as ensuring compliance with the Revenue Code of Liberia, associated regulations, and other applicable laws governing real property taxation.

3.1.8.1 ENFORCEMENT SECTION

During the fiscal year, the Enforcement Section conducted targeted compliance and enforcement operations across Montserrado County, including Paynesville City, Sinkor, Central Monrovia, and Bushrod Island. These activities focused on the verification, identification, registration, and collection of Real Property Tax.

A total of 719 properties were captured and registered in the Liberia Integrated Tax Administration System (LITAS), comprising:

- 312 commercial properties
- 8 commercial properties on public land
- 19 industrial properties
- 239 residential properties
- 4 farmlands outside urban areas
- 137 vacant lots within city/town limits

In addition to property registration, joint enforcement exercises were undertaken to strengthen the assessment and collection of real property and other domestic taxes, contributing to improved compliance outcomes.

3.1.8.2 ACCOUNTS AND RECORDS SECTION

The Accounts and Records Section continued to strengthen taxpayer registration and billing processes. During the reporting period:

- 3,981 new properties were registered through walk-in taxpayers, as well as referrals from the Valuation and Enforcement Sections.
- Compliance checks were conducted on 31,960 properties.
- A total of 31,960 tax bills were generated and issued to taxpayers, supporting both voluntary compliance and enforcement activities.

3.1.8.3 VALUATION SECTION

The Valuation Section recorded significant progress in improving the accuracy and integrity of the real property tax base during FY 2025:

3.1.8.3.1 AUDIT AND REVIEW

- 12 commercial properties were audited in Montserrado County, with a cumulative assessed value of USD 3.15 million, generating total tax liabilities of USD 47.18 thousand.

3.1.8.3.2 VERIFICATION

- 27 properties (26 commercial and 1 residential) were verified, resulting in a cumulative reassessed value of USD 4.80 million.
- Total tax assessed amounted to USD 71.78 thousand.
- The exercise identified a valuation variance of USD 3.02 million from a declared value of USD 17.11 million, highlighting under-declaration risks.

3.1.8.3.3 VALUATION

- 160 properties were newly valued across Montserrado, Margibi, Nimba, Gbarpolu, Maryland, Grand Kru, and Grand Bassa Counties, with a total value of USD 17.98 million, comprising:

- 79 commercial properties (USD 12.66 million)
- 63 residential properties (USD 4.13 million)
- 13 vacant lots (USD 187.05 thousand)
- 5 developed farmlands (USD 128.01 thousand)

- Total tax generated from these valuations amounted to USD 212.57 thousand.

Overall, the Valuation Section generated USD 331.54 thousand in assessed taxes during the reporting period.

3.1.8.4 IMPLEMENTATION OF PRESIDENTIAL DIRECTIVE

The RETD is actively implementing the Presidential Directive issued by Joseph Nyuma Boakai, Sr. on September 8, 2025, mandating all appointed public officials, directors, and mid-level managers to regularize their real property tax obligations.

The directive requires affected officials to:

1. Settle all outstanding real property tax liabilities on privately owned properties
2. Pay their FY 2025 tax obligations in full
3. Clear prior-year arrears or enter into binding payment arrangements with the LRA
4. Obtain and submit a valid Tax Clearance Certificate within 60 days

3.1.8.4.1 PERFORMANCE UNDER THE DIRECTIVE

- A total of US\$ 85.85 thousand was collected from 188 taxpayers
 - US\$ 82.45 thousand from taxpayers complying within the directive period
 - US\$ 3.40 thousand from taxpayers who complied prior to the directive
- Outstanding obligations projected for collection in 2026 amount to US\$ 332.54 thousand, bringing the total expected collections to US\$ 414.99 thousand for the period September 2025–December 2026.

3.1.8.2 COMPLIANCE ASSESSMENT

Out of 65,429 civil servants and political appointees covered under the directive: Only 188 individuals (0.29%) complied; 15 fully compliant and 173 partially compliant. The level of delinquency reflects accumulated unpaid liabilities over multiple years, indicating persistent compliance challenges within this taxpayer segment.

3.1.9 REGISTRATION AND RETURNS PROCESSING SECTION

The Registration and Returns Processing Section oversees taxpayer enrollment, maintains tax records, and processes submitted tax filings. It manages the onboarding of taxpayers into the tax system and validates the returns filed.

During the year under review, the section achieved 92% of planned activities, with eight activities ongoing as rolling targets. Registration performance specifically achieved 176.% of its annual target.

3.1.9.1 OVERALL REGISTRATION PERFORMANCE

The Registration Unit registered 29,545 new taxpayers against a target of 16,800, an achievement rate of 175.9 percent, exceeding the target by 75.9 percent. Breakdown: Individuals: 13,743 (46.5 percent) – Enterprises: 15,689 (53. percent%), of which small tax enterprises represent 78.7 percent – Trusts: 113 (0.4 percent)

Table 39: Overall New Registration Performance

Category	Actual	Target	% Achievement Against Target
Total New Registrations	29,545.00	16,800	176%

Table 40: Breakdown of Total New Registrations (29,545)

Category	Number	% of Total Registrations
Individuals	13,743	47%
Enterprises	15,689	53%
Trust	113	0.4%
Total	29,545	100%

Table 41: Enterprise Classification Breakdown (15,689)

Tax Category	Number	% of Total Enterprises
Large Tax	106	1%
Medium Tax	1,387	9%
Small Tax	12,351	79%
GNFP	1,610	10%
Natural Resources	235	2%
TOTAL	15,689	100%

Source: Registration and Returns Processing Section

3.1.9.2 RETURNS PROCESSING

During the period under review, the Registration and Returns Processing Section facilitated the processing and reconciliation of tax payments and returns through multiple payment channels, including commercial banks, mobile money platforms, and electronic payment systems.

A total of 8,923 direct transfer transactions were processed through commercial banks, with a combined value of LRD 6.20 billion and US\$ 163.76 million. Additionally, 20,123 transactions valued at LRD 49.22 million and USD 11.67 million were recorded in the Liberia Integrated Tax Administration System (LITAS). These transactions comprised 14,362 mobile money payments totaling LRD 7.41 million and US\$ 248,637, as well as 5,951 Liberia Integrated System (LIS) transactions valued at USD 1.99 million. Furthermore, payments amounting to LRD 460.11 million and US\$ 113,796.64 were successfully posted into the ASYCUDA system.

As part of routine reconciliation activities, variances were identified between mobile money transactions reflected on commercial bank statements and those recorded in LITAS. Bank records reflected mobile money payments totaling US\$ 4.91 million and LRD 1.31 billion, while corresponding LITAS records reflected US\$ 30.46 million and LRD 182.45 million. These discrepancies require further investigation and reconciliation.

In addition, 3,813 LIS transactions valued at US\$ 1.89 million exhibited inconsistencies between bank payment dates and recorded transaction dates. Similar discrepancies were observed in 416 ECOAPI transactions valued at US\$ 4.52 million and LRD 106.01 million, necessitating further verification and reconciliation.

3.1.9.2.1 TRANSACTION PROCESSING AND RECONCILIATION

During the reporting period, the Tax Business Office (TBO) processed 69,510 payments with a total value of USD 3.06 million and LRD 320.90 million. The Customs Business Office (CBO) processed 6,721 transactions valued at US\$ 3.35 million and LRD 4.40 million.

3.1.9.2.2 BILL PROCESSING

A total of 118,913 bills were generated through LITAS, of which 106,127 bills were successfully paid, representing collections of US\$ 22.96 million and LRD 2.23 billion. During the period, 889 bills were cancelled, resulting in a low cancellation rate of 0.74 percent. Similarly, the Tax Administration System (TAS) processed 70,490 bills, of which 59,578 bills were paid, generating revenues of LRD 8.72 billion and US\$ 38.16 million.

3.1.9.2.3 TAX CLEARANCE CERTIFICATES

A total of 11,313 Tax Clearance Certificates (TCCs) were issued during the reporting period. The distribution of certificates issued by division is presented in the table below.

Table 42: Tax Clearance Certificates Issued

LTD	MTD	STD	NGOs	REAL Estate	Western Region	Eastern Region
895	2,421	7,206	709	82	307	365

3.1.9.2.4 KEY ACCOMPLISHMENTS

The Section recorded several notable achievements during the year, including:

- Reduction of the taxpayer registration error rate by approximately 40 percent.
- Conducting rural taxpayer registration exercises to expand tax coverage.
- Implementing registration drives targeting Government of Liberia ministries, agencies, commissions, and non-governmental organizations.
- Ensuring accurate capture and processing of taxpayer returns within LITAS and TAS.
- Strengthening second-level review procedures for bill processing to enhance data quality and accuracy.
- Implementing routine daily service quality assurance checks.
- Securing twenty-five (25) document storage bags to improve records management and document preservation.

3.1.9.3 OUTSTANDING ACTIVITIES AND OPERATIONAL CHALLENGES

Despite significant progress during the reporting period, several administrative and logistical requests remained unresolved as of December 31, 2025, notwithstanding repeated follow-up communications through memoranda and emails to the General Services Department (GSD) and Administration. Addressing these logistical constraints will improve operational efficiency, strengthen service delivery, enhance staff productivity, and enable the Section to achieve its performance targets more effectively.

3.1.10 MODERNIZATION AND TRANSFORMATION SECTION

The Modernization and Transformation Section continued to drive key initiatives aimed at strengthening domestic revenue mobilization, enhancing taxpayer compliance, improving data quality, supporting decentralization, and accelerating the digital transformation of tax administration.

3.1.10.1 REAL PROPERTY TAX EXPANSION PROJECT

In partnership with the Ministry of Internal Affairs, the Grand Bassa County Administration, and the United Nations Development Programme (UNDP), the Liberia Revenue Authority continued the implementation of the Real Property Tax Expansion Project in Grand Bassa County.

3.1.10.1.1 OBJECTIVES OF THE PROJECT

The project was designed to:

- Test the implementation of the Local Government Act.
- Test the implementation of the Revenue Sharing Law.
- Improve the efficiency of decentralized real property tax administration.
- Enhance taxpayer compliance and transparency.
- Expand the tax base through increased taxpayer and property registration.
- Increase revenue generation for both central and local government development initiatives.

3.1.10.1.2 STAKEHOLDER ENGAGEMENT AND PROJECT COORDINATION

On January 28, 2025, the Project Implementation Team convened representatives of the Ministry of Internal Affairs, Grand Bassa County Administration, the Real Property Division, the Domestic Tax Department, and UNDP to review project implementation progress and coordinate activities for the next phase.

Particular emphasis was placed on strengthening collaboration among stakeholders, building local government capacity, and ensuring compliance with the Revenue Sharing Law.

3.1.10.1.3 DATA REVIEW AND QUALITY ASSURANCE

A comprehensive review of data collected during previous phases was conducted to ensure completeness, accuracy, and readiness for the generation of Tax Identification Numbers (TINs) and Property Identification Numbers (PINs).

The exercise identified incomplete records, duplicate records, and registered properties requiring further compliance actions. It also reinforced the importance of maintaining high-quality taxpayer and property information to support revenue forecasting and enforcement activities.

3.1.10.1.4 TRAINING AND CAPACITY BUILDING

Forty (40) Tax Agents, comprising thirty-five (35) field enumerators and five (5) data processors, were recruited and trained in customer service, taxpayer engagement, real property administration, property valuation methodologies, and the use of KOBO Collect and EMAAS platforms.

The training equipped participants with the technical and operational skills required to support field data collection and property registration activities.

3.1.10.1.5 PROJECT RESULTS

At the close of the project phase:

- 2,354 properties were captured.
- 1,552 properties were registered and assigned both TINs and PINs.
- 866 properties were pending quality assurance review.
- 336 properties had completed review and were awaiting registration into LITAS.

These achievements contributed significantly to expanding the national property tax database and strengthening future compliance activities.

3.1.10.2 TAX ADMINISTRATION MODERNIZATION AND DIGITAL TRANSFORMATION

The Liberia Revenue Authority continued implementing modernization initiatives aimed at improving taxpayer data quality, strengthening compliance management, and expanding the use of technology in tax administration.

3.1.10.2.1 TAXPAYER DATA CLEANSING INITIATIVE

In September 2025, the LRA established a multidisciplinary Data Cleansing Team to address taxpayer data integrity issues identified during previous TADAT assessments.

The team developed a draft work plan and Terms of Reference (TOR) and submitted both documents to the consultant for technical review and feedback.

3.1.10.2.2 CAPACITY BUILDING AND DATA MANAGEMENT SUPPORT

To support modernization activities, seventy (70) contractors were recruited, with ten (10) assigned to support the Data Cleansing Project.

The contractors received training on LITAS, including taxpayer registration, suspension and reactivation procedures, TIN generation, and system navigation. Subsequently, they updated taxpayer information for 323 taxpayers across the Large Tax and Natural Resource Tax Divisions. See table below.

Table 43: Taxpayer suspension, segmentation, and reactivation for the period.

Divisions/Sections	Reactivation	Segmentation	Suspension	Grand Total
GNFPD			5,020	5,020
LTD	3		96	99
LTD to MTD		2		2
LTD to STD		21		21
MTD	2		1,624	1,626
NRTD	5		100	105
Grand Total	10	23	6840	6873

Source: Modernization and Transformation section

3.1.10.2.3 ELECTRONIC FISCAL DEVICE (EFD) IMPLEMENTATION

The Electronic Fiscal Device (EFD) Program continued to support the Authority's digital transformation agenda by enabling the real-time capture and transmission of taxpayer sales data to LRA servers.

During the reporting period, seventy-five (75) contractors supported EFD implementation activities, while thirty-five (35) Electronic Fiscal Devices were approved for deployment. The initiative continues to strengthen revenue assurance, compliance monitoring, audit selection, and economic analysis through technology-driven tax administration.

3.1.11 INTERNATIONAL TAX SECTION

The International Tax Section (ITS) is a specialized unit within the Domestic Tax Department responsible for administering international tax matters affecting Liberia. Established in 2021, the Section plays a critical role in addressing tax issues arising from cross-border transactions, multinational enterprises, transfer pricing arrangements, exchange of information, tax treaty matters, and emerging global tax reforms.

As Liberia continues to integrate into the global economy and attract foreign direct investment, particularly in the telecommunications, mining, petroleum, and financial sectors, the importance of effective international tax administration continues to increase. During FY 2025, the Section focused on strengthening staff capacity, advancing Liberia's Exchange of Information (EOI) framework, supporting the implementation of Automatic Exchange of Information (AEOI), and conducting transfer pricing compliance and audit activities.

3.1.11.1 CAPACITY BUILDING AND PROFESSIONAL DEVELOPMENT

The International Tax Section maintained an active Continuous Professional Development (CPD) program aimed at strengthening staff competencies in emerging international tax issues, including Transfer Pricing (TP), Exchange of Information (EOI), Base Erosion and Profit Shifting (BEPS), tax treaty negotiations, and the OECD Global Minimum Tax framework.

During the reporting period, the former Knowledge Sharing Platform for Tax Authorities (KSP.TA) was migrated to the OECD Academy Global Relations Platform, providing staff with enhanced access to international tax learning resources. In addition, staff participated in numerous virtual training sessions facilitated by international partners through Zoom and Microsoft Teams, focusing on related-party transactions in the telecommunications and extractive sectors.

Two experts from the Tax Inspectors Without Borders (TIWB) initiative, in partnership with the African Tax Administration Forum (ATAF), conducted two technical missions to Liberia during FY 2025. The missions provided hands-on support to the Transfer Pricing Team in conducting audits of multinational enterprises operating in the telecommunications sector.

Furthermore, two World Bank experts visited Liberia to introduce the Global Minimum Tax framework and provide technical guidance on emerging international tax developments. International Tax Section staff also participated in regional seminars, workshops, and technical meetings organized by ECOWAS, ATAF, the OECD Global Forum, the International Monetary Fund (IMF), and the World Bank. These engagements provided opportunities for peer learning and knowledge exchange on international tax administration practices and transfer pricing compliance strategies across Africa and beyond.

Although a department-wide auditor refresher training program could not be conducted during FY 2025 due to budgetary constraints, the Section continued to organize internal knowledge-sharing sessions. These sessions focused on active audit cases, application of the Liberia Revenue Code, transfer pricing regulations, audit methodologies, and recent legislative amendments. Weekly peer-review discussions were also held to improve audit quality, strengthen technical consistency, and enhance staff performance.

In addition, three staff members were selected through ATAF and the LRA Human Resources Division to undertake an online Transfer Pricing Certification Program through the OECD Academy platform. While all three officers successfully completed the online component, funding constraints prevented participation in the associated in-person workshop. The Authority intends to address this gap in future training cycles.

3.1.11.2 EXCHANGE OF INFORMATION AND INTERNATIONAL COOPERATION

During FY 2025, the International Tax Section continued to advance Liberia's commitments to international tax transparency and exchange of information standards under the OECD Global Forum framework.

3.1.11.2.1 OECD SUPPLEMENTARY REVIEW PREPARATIONS

Following Liberia's 2018 OECD Global Forum Peer Review rating of "Partially Compliant," significant efforts have been undertaken to address identified deficiencies and improve compliance with international standards on transparency and exchange of information.

Key achievements during FY 2025 included:

- Finalization of the Beneficial Ownership Regulation applicable to domestic legal entities.
- Continued development of the Beneficial Ownership Regulation for foreign non-resident legal entities following stakeholder consultations.
- Collaboration with the Global Forum on Beneficial Ownership Guidelines for financial institutions.
- Adoption and dissemination of beneficial ownership guidelines by the Central Bank of Liberia to licensed financial institutions.

These reforms form an important component of Liberia's preparations for the forthcoming OECD Global Forum Supplementary Review.

3.1.11.2.2 AUTOMATIC EXCHANGE OF INFORMATION (AEOI)

Liberia continued making substantial progress toward implementing Automatic Exchange of Information (AEOI) under the OECD Common Reporting Standard (CRS).

A major milestone was achieved in December 2024 when the National Legislature enacted domestic legislation incorporating the Common Reporting Standard into Liberian law. This legislation establishes the legal basis for the collection and exchange of financial account information with partner jurisdictions.

Following enactment of the legislation, draft implementation regulations were prepared and submitted to the OECD Global Forum for technical review and feedback. Finalization and publication of the regulations are expected during the next implementation phase. Current discussions with the Global Forum indicate a tentative implementation target of 2027, subject to the completion of technical infrastructure, stakeholder readiness, data security requirements, and institutional capacity-building measures.

3.1.11.2.3 INFORMATION SECURITY MANAGEMENT ASSESSMENT

In February 2025, the OECD Global Forum conducted an Information Security Management (ISM) Maturity Assessment of the Liberia Revenue Authority. The assessment evaluated the Authority's readiness to protect confidential taxpayer information, a critical prerequisite for participation in international information exchange arrangements.

The assessment report was delivered in April 2025 and identified both strengths and areas requiring improvement. The Exchange of Information Team continues to work closely with the Global Forum to develop and implement corrective measures designed to address identified gaps before the anticipated commencement of AEOI exchanges in 2027.

3.1.11.2.4 WORLD BANK TECHNICAL ASSISTANCE

The LRA continued to engage development partners to support the implementation of international tax transparency initiatives.

During the second quarter of FY 2025, the Authority formally engaged the World Bank to explore technical and financial support opportunities for AEOI implementation. Following an initial virtual consultation, a World Bank technical mission visited Liberia in September 2025 to:

- Assess Liberia's operational readiness for AEOI implementation;
- Develop an implementation roadmap;
- Evaluate infrastructure and capacity-building requirements;
- Identify resource needs and inter-agency coordination mechanisms; and
- Align AEOI implementation with Liberia's broader domestic revenue mobilization strategy.

Following the mission, the World Bank prepared and submitted a technical report containing recommendations and implementation priorities. The International Tax Section continues to monitor progress and work toward achieving the timelines outlined in the roadmap.

Overall, Liberia made significant progress during FY 2025 in strengthening its legal, regulatory, institutional, and technical frameworks for international tax transparency and exchange of information.

3.1.11.3 TRANSFER PRICING ADMINISTRATION AND COMPLIANCE

Transfer Pricing remains one of the International Tax Section's primary areas of responsibility. During the reporting period, the Section continued efforts to strengthen compliance monitoring, taxpayer registration, filing compliance, risk assessment, and audit activities involving related-party transactions.

3.1.11.3.1 TRANSFER PRICING RETURN FILING AND COMPLIANCE

Under the Liberia Transfer Pricing Regulations (2016), taxpayers engaged in related-party transactions as defined under Section 208 of the Liberia Revenue Code are required to file annual Transfer Pricing Returns.

Following the migration from SIGTAS to LITAS, the Transfer Pricing filing module became operational during the first quarter of 2024. However, challenges remain because the system does not automatically generate Transfer Pricing return forms within taxpayer portals. Instead, forms must be manually assigned upon request.

As a result, filing compliance remains below expected levels, creating a significant compliance risk. To preserve historical records and facilitate analysis, the International Tax Section downloaded Transfer Pricing return information from LITAS and consolidated the data into Excel-based databases covering fiscal years 2017 through 2020.

The Section intends to develop strategies during FY 2026 to improve filing compliance and address system-related limitations.

3.1.11.3.2 EXPECTED TRANSFER PRICING FILER MONITORING

Given that the International Tax Section does not maintain a separate taxpayer register, an Updated Expected Filer List was first developed in 2022 to identify taxpayers likely to have related-party transactions.

Maintaining this list remains challenging because filing obligations are triggered only when related-party transactions occur. In addition, the transition to LITAS temporarily affected the identification and monitoring of potential Transfer Pricing filers.

Efforts continue to strengthen monitoring processes and improve identification of taxpayers subject to Transfer Pricing requirements.

3.1.11.3.3 TRANSFER PRICING AUDIT ACTIVITIES

The Compliance Risk Management Unit conducted risk assessments during FY 2025 and identified taxpayers presenting elevated transfer pricing risks for audit consideration. Following the risk assessment process, the International Tax Section performed detailed analyses of selected taxpayers, developed audit plans, and identified specific risk areas requiring examination. In addition to newly selected cases, several audits initiated in previous fiscal years were carried forward and incorporated into the FY 2025 audit program.

The Section continued conducting Transfer Pricing audits involving multinational enterprises operating in Liberia. Particular attention was given to high-risk sectors, including telecommunications and extractive industries, where cross-border related-party transactions are prevalent.

Taxpayers selected for audit were required to provide documentation and supporting evidence in accordance with the Liberia Revenue Code and the Transfer Pricing Regulations. Several audits initiated in prior periods were completed during FY 2025, while others remained ongoing at year-end.

One of Liberia's major telecommunications companies was also selected for Transfer Pricing audit during the reporting period, with technical support provided by experts from the Tax Inspectors Without Borders (TIWB) program.

The continued expansion of Transfer Pricing compliance activities reflects the Authority's commitment to protecting the Liberian tax base from profit shifting, base erosion, and other forms of international tax avoidance.

3.1.12 BUSINESS POLICY AND RESEARCH SECTION (BPRS)

The Business Policy and Research Section (BPRS) is responsible for developing, reviewing, and maintaining operational policies across the Domestic Tax Department. The Section provides technical guidance through the formulation of administrative regulations, policy directives, rulings, standard operating procedures (SOPs), and Memoranda of Understanding (MoUs). In addition, the Section undertakes policy research and collaborates with internal and external stakeholders to strengthen tax administration processes and improve operational efficiency.

During FY 2025, the Section focused on strengthening operational governance through policy development and standardization while also supporting the Liberia Revenue Authority's preparations for the transition from the Goods and Services Tax (GST) regime to a Value Added Tax (VAT) system.

3.1.12.1 OPERATIONAL POLICY DEVELOPMENT AND PROCESS IMPROVEMENT

Recognizing that well-defined operational procedures are critical to effective tax administration, the Business Policy and Research Section undertook a comprehensive review of existing Standard Operating Procedures (SOPs) across the Domestic Tax Department.

The review identified several SOPs that required updating to reflect changes in legislation, organizational structures, business processes, and technological systems. To address these gaps, the Section collaborated closely with the Enterprise Design, Quality Assurance and Results Division (DQARD) to revise outdated procedures and develop new SOPs covering key operational functions within the Department.

The initiative aimed to:

- Strengthen operational consistency across tax administration functions;
- Improve service delivery standards and accountability;
- Enhance compliance with established business processes;
- Support institutional knowledge management; and
- Align departmental operations with modernization and digital transformation initiatives.

The review and update of SOPs represent an important step toward institutionalizing best practices and strengthening the overall effectiveness of domestic tax administration. Please see table for details.

Table 44: Types of SOPs Developed

Description	Owner	Approving Authority
SOP for AAA	Manager- AAA	Management
SOP for Filing & Payment of Taxes	Manager-RPS	Management
SOP for Reversal of Tax Payment Receipt	Manager-RPS	Management
SOP for Taxpayer Registration & Segmentation	Manager-RPS	Management
SOP for Enforcement of Tax Collection	Manager-Enf.	Management
SOP for Domestic Audit	Audit Manager	Management
SOP for Web Application of Tablets	Rural Tax Manager	Management
SOP for TCCs (Website & Rural TBOs)	Rural Tax Manager	Management
SOP for 4% Payment at Port of Entry	4% Supervisor	Management
SOP for Real Estate Tax Division	Manager-RETD	Management
SOP for DTD Risk Management Section	Manager-Risk	Management

3.1.12.2 VALUE ADDED TAX (VAT) TRANSITION PREPARATIONS

As part of Liberia's planned transition from the Goods and Services Tax (GST) to a Value Added Tax (VAT) system effective January 1, 2027, the Business Policy and Research Section played a key role in supporting capacity-building and implementation preparedness activities.

3.1.12.2.1 VAT TRAINER-OF-TRAINERS (TOT) PROGRAM

Between August 19 and December 10, 2025, the Liberia Revenue Authority implemented a comprehensive VAT Trainer-of-Trainers (ToT) Program designed to strengthen institutional readiness for VAT administration.

The program sought to equip participants with the technical knowledge and operational skills required to effectively administer, enforce, and support the implementation of the new VAT regime.

A total of approximately 468 LRA staff participated in the training program, including the Commissioner General, Deputy Commissioners General, Commissioners, Assistant Commissioners, Senior Managers, and technical staff from various departments.

Most training sessions were conducted at LRA Headquarters, while specialized sessions for senior management were held at the Farmington Hotel.

The program also extended beyond the LRA to include key external stakeholders, such as:

- Tax practitioners;
- Customs brokers;
- Representatives of the private sector;
- Multi-sector taxpayers;
- The Liberia Chamber of Commerce; and
- The Liberia Business Association.

The first phase of the training program was delivered with technical assistance from Dr. Rup Khadka, a World Bank Value Added Tax expert, working alongside a team of local trainers.

Key topics covered included:

- Fundamental principles of Value Added Tax;
- VAT legal and administrative frameworks;
- Registration and compliance requirements;
- VAT filing and payment procedures;
- Input tax credit mechanisms;
- **GST-to-VAT transition arrangements;**
- International VAT best practices; and
- Administrative and enforcement considerations.

The program significantly enhanced institutional awareness and preparedness for the successful implementation of VAT.

3.1.12.2.2 NATIONWIDE VAT SENSITIZATION AND EDUCATION CAMPAIGN

Building on the successful completion of the Trainer-of-Trainers Program, the Liberia Revenue Authority developed plans for a nationwide VAT Sensitization and Education Campaign to be implemented between January and June 2026.

The campaign is intended to raise public awareness and improve taxpayer understanding of the new VAT system prior to its implementation in January 2027.

3.1.12.2 VALUE ADDED TAX (VAT) TRANSITION PREPARATIONS

Planned outreach activities include:

- Town hall meetings across the country;
- Radio and television awareness programs;
- Stakeholder consultations;
- Sector-specific workshops;
- Community engagement initiatives; and
- Taxpayer education seminars.

The campaign will focus on educating taxpayers and stakeholders on:

- VAT registration requirements;
- VAT invoicing procedures;
- Filing and payment obligations;
- Input tax credit mechanisms;
- Record-keeping requirements; and
- Taxpayer rights and obligations under the VAT regime.

To support implementation, a draft budget of approximately US\$2.084 million has been developed to cover training materials, public awareness activities, stakeholder engagement, media outreach, logistics, and travel to counties and districts nationwide. The planned sensitization campaign represents a critical component of Liberia's VAT implementation strategy and is expected to contribute significantly to taxpayer readiness, voluntary compliance, and the successful transition from GST to VAT.



3.2 CUSTOMS DEPARTMENT

3.2.1 OVERVIEW

The Department of Customs is one of 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 collecting border taxes, facilitating legitimate trade and enforcing border security.

3.2.2 REVENUE PERFORMANCE

Despite pressures from rising tax expenditures and fluctuating trade, the Department of Customs exceeded its FY-2025 revenue target, collecting US\$260.49 million against a budget of US\$232.09 million, an over performance of US\$28.40 million (12%).

Growth was driven by International Trade taxes (+13%), particularly charges on imports (+25%) and excise taxes (+29%), while import duties grew modestly (+2%). Increased collections on non-petroleum goods (+24%) offset declines in petroleum duties (-13%) and other import duties (-34%), with GST on imports also improving.

Fees on exports rose by 32%, while non-tax revenue declined by 53%, mainly due to lower collections from log export fees and bonded warehouses.

Overall, the outturn reflects stronger revenue mobilization driven by import-related taxes. Table 45 presents the FY-2025 budget versus actual performance, while Table 46 provides a comparative analysis between FY 2024 and FY 2025.

Table 45: Revenue Contribution by Major Tax Kind (Thousands of US Dollars)

Description	As At 31st Dec 2025			
	BUD	ACT	VAR (+/-)	ACT/BUD
Total Customs	262,696	260,494	(2,202)	99%
International Trade	188,816	188,816	0	100%
ESTIMATED AND OTHER REVENUE	73,880	71,678	(2,202)	97%
Import Duty	128,241	128,559	318	2%
D/W Fees On Goods Other Than Rice and Peas	68,640	70,000	1,371.98	20%
Import Duties on Petroleum Products	33,606	34,980	1,373.78	41%
Other Import Duties	27,346	27,011	(335.85)	-12%
Charges on imports	34,619	33,424	(1,195)	-3%
D/W GST on Imported Goods (Exc. Petroleum)	44,388	82,995	38,606.66	239%
GIT on Imported Petroleum	18,205	22,245	4,040.00	22%
Other Charges Imports	11,867	12,227	360.81	3%
Fees	13,597	17,491	3,894.00	29%
D/W Excise Tax on Other Imported Goods (Exc. Beer)	-	42	42.00	100%
Excise Tax on Alcohol, Beverages Imported	-	81	81.00	0%
Excise Tax on Tobacco and Tobacco Products	-	12	12.00	0%
Excise Tax on Non-Alcoholic Beverages	7,248	6,439	(809.00)	-11%
Excise Tax on Domestic	78	1,447	1,368.74	174%
Excise Tax on other imported Goods	6,253	6,491	238.00	4%
Fees on exports	241	317	76.00	32%
D/W Other Exports	241	279	37.67	16%
Rubber	-	21	21.11	0%
Other Exports & Excise	237	258	21.45	10%
Other Non-Tax Revenue	4,227	4,191	(36)	-1%
Log and wood product export fee	3,205	1,486	(1,719.21)	-54%
Bonded Warehouses	102	105	3	3%

3.2.3.1.1 IMPORTS ACCORDING TO REGIONS

Table 48 shows the distribution of 2025 imports by region, highlighting the split between commercial and non-commercial imports. Total imports excluding bonded draw down amounted to US\$2.71 billion, of which non-commercial imports (US\$2.12 billion) significantly exceeded commercial imports (US\$593.92 million).

Asia dominated as the largest source of imports, with a total of US\$1.64 billion, driven primarily by non-commercial imports (US\$1.26 billion). This confirms Asia's central role in Liberia's import structure.

Africa recorded imports of US\$577.23 million, with a strong contribution from ECOWAS countries (US\$362.10 million), reflecting continued regional trade integration. Notably, non-commercial imports (US\$535.55 million) far exceeded commercial imports from the region.

Imports from Europe totaled US\$304.85 million, while the Americas contributed US\$178.61 million, showing relatively balanced trade between commercial and non-commercial imports.

Oceania recorded the lowest share at US\$9.77 million, indicating minimal trade activity.

Overall, the data shows that non-commercial imports dominate across all regions, with Asia and ECOWAS countries serving as key drivers of Liberia's import flows in 2025.

Table 48: Imports According to Regions (Thousands of US Dollars)—FY 2025

Region	Commercial	Non-Commercial	Grand Total
Africa	41,975	135,354	577,229
ECOWA/ECOWAS	11,417	348,621	362,104
Americas	95,534	83,079	178,613
Asia	360,949	1,284,781	1,645,730
Europe	11,811	293,034	304,845
Oceania	1,093	8,701	9,794
Grand Total	493,919	2,117,081	2,711,000

Source: ASYCUDA

3.2.3.1.2 IMPORTS ACCORDING TO HS COMMODITY GROUPINGS

This section presents a comparative analysis of imports based on Harmonized System (HS) commodity groupings for 2024 and 2025, providing insight into changes in import composition, growth patterns, and sectoral demand.

The analysis is divided into two components: (i) Commercial Imports Comparative Analysis, which covers normal import transactions excluding bonded draw-down, and (ii) Non-Commercial Imports Comparative Analysis, which captures imports outside standard commercial trade. Together, these provide a comprehensive assessment of trends and shifts in Liberia's import structure between 2024 and 2025.

3.2.3.1.3 COMMERCIAL IMPORTS COMPARATIVE ANALYSIS

The table below shows a comparative analysis of commercial imports by HS commodity groupings for 2024 and 2025, highlighting variations in import values and growth trends across major categories.

Overall, total commercial imports increased by 8%, rising from US\$547.42 million in 2024 to US\$593.91 million in 2025, indicating steady growth in formal import activities.

The growth was primarily driven by significant increases in Transportation (+20.6%), Plastics/Rubbers (+24.0%), Stone/Glass (+22.3%), and Mineral Products (+26.1%), reflecting stronger demand for infrastructure, construction, and industrial inputs. Moderate growth was also observed in Metals (+9.1%), Prepared Cereals (+8.4%), and Meat products (+4.9%).

However, several key categories recorded declines or marginal changes. Machinery/Electrical, the largest import category, remained almost unchanged (-0.03%), while Chemicals & Allied Industries (-4.6%), Textiles (-.3%), and Footwear (-1.6%) experienced slight reductions, indicating weaker demand in these segments.

Overall, the data reflects a shift in import structure toward industrial and infrastructure-related goods, with growth concentrated in high-demand sectors, while traditional and consumer-oriented categories showed slower or declining performance.

Table 49: Commercial Imports

Commercial Imports	FY 2024	FY 2025	% Change
Machinery/Electrical	107,908.41	107,573.27	-0.03%
Transportation	65,444.66	87,592.45	20.54%
Meat and Edible Meat Offal	63,738.72	66,986.11	4.80%
Chemicals & Allied Industries	36,214.48	34,703.07	-4.55%
Miscellaneous Manufactured Articles	31,667.99	32,344.25	2.99%
Prepared Cereals, Flour, Starch or Milk	29,605.36	29,813.79	0.69%
Textiles	27,695.13	26,873.24	-0.52%
Metals	24,594.51	24,843.62	0.99%
Vegetable Products	21,385.64	21,714.32	0.89%
Fish and Crustaceans, Molluscs & Invertebrates	21,359.34	21,747.19	1.76%
Stones/Glass	16,709.22	20,208.75	20.27%
Plastics/Rubbers	13,142.42	10,616.57	-24.37%
Miscellaneous Manufactured Articles	14,216.19	14,513.02	0.57%
Wood & Wood Products	11,879.25	11,885.23	2.67%
Footwear/Headgear	11,399.06	11,113.01	-1.62%
Mineral Products	8,934.48	12,117.18	26.14%
Other Com Imports	43,398.11	100,847.94	15.96%
Total Com Trade	547,423.02	582,914.76	8%

Source: ASYCUDA

3.2.3.1.4 NON-COMMERCIAL IMPORTS COMPARATIVE ANALYSIS

Non-commercial imports as depicted in Table 50 increased significantly from US\$1.49 billion in 2024 to US\$2.12 billion in 2025, representing a 30% growth, indicating a strong rise in non-commercial trade activities.

The growth was largely driven by substantial increases in key categories such as Transportation (+66%), Machinery/Electrical (+65%), Chemicals (+47%), and Metals (+43%), suggesting heightened inflows of equipment, materials, and possibly project-related imports. Additional growth was observed in Vegetable Products (+20%), Mineral Products (+14%), and Beverages (+32%).

However, several categories recorded notable declines. Textiles (-60%), Miscellaneous Manufactured Articles (-58%), Stone/Glass (-45%), and Plastics/Rubbers (-19%) decreased significantly, indicating reduced inflows in these segments. A sharp decline was also observed in Wood & Wood Products, reflecting a major contraction in that category. The data on the overall indicates that non-commercial imports are increasingly driven by capital, project, and institutional-related goods, while traditional consumer-related categories experienced declines, reflecting a shift in the composition of non-commercial import demand.

Table 50: Commercial Imports

Non Commercial Imports	2024	2025	% Change
Mineral Products	419,441.00	571,791.51	13%
Machinery/Electrical	148,021.80	90,029.80	-39%
Vegetable Products	230,081.26	288,541.85	25%
Transportation	82,396.63	262,431.73	219%
Plastics/Rubbers	118,151.20	148,548.33	12%
Metallic	91,536.72	161,334.85	75%
Chemicals & Allied Industries	50,336.78	94,920.02	47%
Animal or Vegetable Fats & Oil	39,048.33	43,030.19	10%
Wood & Wood Products	58,145.32	18,110.52	-24%
Optical, photographic, parts and accessories thereof	16,537.40	28,516.85	73%
Miscellaneous Manufactured Articles	17,471.99	13,645.00	-22%
Mineral Water, Beverages, Spirits and Wine	14,891.91	25,831.67	73%
Textiles	85,891.58	18,311.01	-79%
Stones/Glass	75,318.83	13,445.87	-82%
Sugar and Sugar Confectionery	11,395.61	9,895.38	-13%
Other Non - Consum	13567.9919	12247.7123	-10%
Total Commercial Imports	1,481,377.46	2,017,044.99	36%

Source: ASYCUDA

3.2.3.1.5 IMPORT DECLARATIONS – COMPARATIVE ANALYSIS (2024 VS 2025)

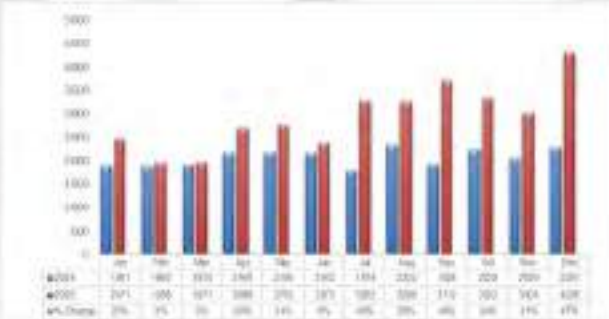
The total number of import declarations as depicted in the graph below increased from 24,799 in 2024 to 35,148 in 2025, representing a 29% growth, indicating a significant expansion in trade activity and customs processing.

Monthly trends show that 2025 consistently outperformed 2024 across all months. Growth was modest in the first quarter (+3% in February and March) but strengthened from April (+20%) and May (+21%), signaling improved momentum.

A sharp acceleration was observed in the second half of the year. July (+45%), September (+48%), and December (+47%) recorded the highest increases, reflecting a surge in import activity. The peak occurred in December 2025 (4,298 declarations) compared to 2,266 in 2024, highlighting strong year-end trade volumes.

Overall, the data indicates a steady upward trend with pronounced growth in the latter half of 2025, suggesting increased economic activity, higher import demand, and improved efficiency in customs clearance processes.

IMPORT DECLARATIONS – COMPARATIVE ANALYSIS (2024 VS 2025)



Source: ASYCUDA

3.2.3.2 EXPORT

3.2.3.2.1 EXPORT REGIME VALUE – COMPARATIVE ANALYSIS (FY-2024 VS FY-2025)

As Exhibited in Table 51, the total export value increased significantly from US\$228.58 million in FY-2024 to US\$469.60 million in FY-2025, representing a 51% growth, indicating a strong expansion in export activities.

This growth was largely driven by Permanent Exports Outside ECOWAS (EX1), which increased by 50%, remaining the dominant export regime. Re-Exports Outside ECOWAS (EX3) also recorded a strong 60% increase, reflecting rising re-export activities to international markets.

Regional exports showed notable improvement. Permanent Exports from ECOWAS (COM1) grew by 88%, while Re-Exports from ECOWAS (COM3) increased by 94%, highlighting strengthened intra-regional trade. Temporary Exports Outside ECOWAS (EX2) also recorded a sharp increase (+93%), though from a low base.

In contrast, Transit (EX8) declined significantly, indicating reduced transit trade flows during the period.

Overall, the data reflects broad-based growth across most export regimes, driven by both regional and international trade expansion, with strong gains in permanent exports and re-export activities.

Table 51: Exports According to Regime (Thousands of US Dollars)

SUB TYPE		FY-2024	FY-2025	% Change
EX1	Permanent Export From Outside of ECOWAS	219,209.09	327,903.89	50%
EX2	Re-Export Outside of ECOWAS	92,054.07	26,690.23	-71%
COM1	Permanent Export from ECOWAS	1,198.82	6,818.86	88%
EX3	Temporary Exports Outside of ECOWAS	64.00	965.20	91%
EX8	Transit	107.73	12.88	-88%
COM2	Temporary Exports from ECOWAS	1.60	112.28	99%
COM3	Re-Export from ECOWAS	4.88	47.43	88%
Total		228,577.99	609,602.95	51%

Source: ASYCUDA

3.2.3.2.2 EXPORTS ACCORDING TO PRINCIPAL HS COMMODITY GROUPINGS

This section presents a comparative analysis of export values by principal HS commodity groupings for 2024 and 2025, with all values expressed in US\$ million. The analysis highlights change in export composition, growth trends, and the key commodity groups driving export performance during the period under review.

Overall, total exports increased significantly from US\$228.58 million in 2024 to US\$469.60 million in 2025, representing a 51% growth, indicating strong expansion in export activities.

The growth was primarily driven by Mineral Products (+99.9%), which nearly doubled and remained the dominant contributor to export earnings. Substantial increases were also recorded in Animal or Vegetable Fats & Oil (+61.1%), Machinery/Electrical (+82.9%), and Transportation (+56.9%), reflecting a shift toward higher-value and more diversified exports. Additional gains were observed in Metals (+46.8%), Vegetable Products (+31.2%), and Beverages (+23.6%).

However, some categories recorded declines. Plastics/Rubbers (-20.9%), Cocoa & Cocoa Preparation (-19.0%), and Wood & Wood Products (-32.4%) experienced reductions, while Stone/Glass and Miscellaneous Manufactured Articles showed sharp declines, likely due to low or irregular export volumes.

Largely, the data indicates that export growth in 2025 was largely driven by mineral-based commodities and supported by emerging gains in industrial and processed goods, despite contractions in some traditional export categories. See table below for details.

Table 52: Exports Value According to Principal HS Commodity Groupings

FY HS Det.	2024	2025	% Change
Plastics/Rubbers	161,737.86	130,682.89	-20.9%
Mineral Products	281.40	275,205.90	99.9%
Animals or Vegetables Fat & Oil	34,095.82	61,384.44	80.3%
Machinery/Electrical	4,172.58	24,377.30	60.9%
Transportation	3,371.36	12,917.38	56.9%
Cocoa and Cocoa Preparation	8,724.48	7,100.42	-19.0%
Mineral Water, Beverages, Spirits and Wine	3,723.48	7,491.90	20.0%
Chemicals & Allied Industries	4,596.87	4,491.39	-2.0%
Metals	2,584.31	1,015.23	-60.8%
Wood & Wood Products	3,463.81	2,302.26	-32.4%
Stone/Glass	1,525.42	61.48	-2412.1%
Textiles	883.86	783.43	-22.8%
Vegetable Products	163.57	217.83	33.2%
Miscellaneous Manufactured Articles	168.55	75.54	-55.8%
Others (Export commodities)	769,842.09	1,29,998.64	-1.5%
Grand Total	238,577.96	469,602.24	51%

Source: ASYCUDA

3.2.3.2.3 EXPORTS ACCORDING TO MAJOR DESTINATIONS

The table below presents a comparative analysis of export values by geographical regions for FY-2024 and FY-2025, with values expressed in US\$ million. The analysis highlights changes in export distribution, key destination markets, and regional trade dynamics over the period under review.

Overall, total exports increased significantly from US\$228.58 million in 2024 to US\$469.60 million in 2025, representing a 51% growth, indicating strong expansion in export performance.

The growth was largely driven by Europe (+73%), which recorded the highest increase and remained the leading export destination. Africa (+63%) also showed strong performance, with exports to ECOWAS increasing by 79%, reflecting enhanced intra-regional trade. Similarly, Asia (+40%) recorded solid growth, indicating diversification of export markets.

In contrast, exports to the Americas declined by 33%, suggesting reduced trade activity with that region. Meanwhile, Antarctica (-461%) and Oceania (-448%) recorded sharp declines; however, these regions contribute minimally to total exports, and the variations are likely due to low or irregular trade volumes.

Overall, the data indicates a shift in export orientation toward Europe, Africa (particularly ECOWAS), and Asia, with declining contributions from the Americas and negligible-impact regions.

Table 53: Exports According to Regions (Thousands of US Dollars)

Region	2024	2023	% Change
Europe	71,814.04	352,741.29	-79%
Americas	68,343.40	66,732.59	+23%
Africa	28,617.25	75,929.24	-62%
Of Which: ECOWAS	13,817.23	55,326.04	-75%
Asia	37,316.46	62,713.88	-40%
Australia	1,854.72	130.12	+1405%
Oceania	905.39	385.28	+135%
Grand Total	278,577.14	909,022.15	-69%

Source: ASYCUDA

3.2.4 DIVISIONAL ACTIVITIES

3.2.4.1 CUSTOMS POLICY AND TECHNICAL OPERATIONS DIVISION

The Division of Customs Policy and Technical Operations is one of the three (3) Divisions within the Customs Department. It comprises of Trade Facilitation & Tariff Management Unit, Centralized Assessment Unit, and Bonded & Transshipment Unit. Each of these units has separate and distinct back-office and field related functions that are coordinated and supervised by the Assistant Commissioner for Customs Policy and Technical Operations.

The Division has a mandate to ensure that goods declarations, duty waivers from the ECOWAS Trade Liberalization Scheme (ETLS), bonded and transit/transshipment procedures, and investigation of appeal cases are consistent with laws, agreements and policies intended to facilitate legitimate trade and ensure compliance with customs requirements and procedures.

In FY 2025, duties totaling US\$2,077,213.49 were waived under the ECOWAS Trade Liberalization Scheme (ETLS), while 556 appeal cases were investigated. The CAU processed 42,681 declarations for Freeport, RIA, and rural Customs Business Offices, and US\$3,763,512.46 was collected from bonded, transit, and transshipment activities. The Division also produced periodic reports in line with the Customs Department's reporting policy.

3.2.4.1.1 TRADE FACILITATION & TARIFF MANAGEMENT UNIT (TFTMU)

The Trade Facilitation & Tariff Management Unit (TFTMU) is responsible for simplifying international trade procedures and handling appeal cases related to valuation, classification, and rules of origin. During January–December 2025, the Unit analyzed 556 appeal cases, compared to 238 cases in FY 2024, indicating a significant increase in protests and appeals from the business community. This rise was partly attributed to valuation-related appeals linked to MedTech Scientific's valuation methodologies, which accounted for the largest share of cases.

During FY 2025, duty waivers granted under the ECOWAS Trade Liberalization Scheme (ETLS) totaled US\$2,077,213.49, with a CIF value of US\$14,066,465.22. This represents an increase from US\$1,763,287.28 in FY 2024, reflecting growing regional trade and integration within the ECOWAS sub-region. Detailed comparisons are presented in table below.

Table 54: Comparative Analysis from Trade and Tariff Unit

Trade and Tariff	2023	2024	2025	2026
Trade and Tariff Appeal				
No Appeal Cases	173	247	256	500
Classification	0	2	1	0
Situation	88	240	224	160
Tax Refund / Other	11	5	9	15
ITL				
CF (USD)	10,275,879.35	19,177,242.00	17,594,287.84	14,989,465.22
Value (USD)	1,820,465.40	2,305,171.66	1,793,287.28	2,077,313.48

Source: TFTMU**3.2.4.1.2 CENTRALIZED ASSESSMENT UNIT (CAU)**

This section presents a comparative analysis of the Centralized Assessment Unit (CAU) for FY2023–FY 2025, covering goods declarations lodged, queried declarations, miscellaneous bills raised, and processed infractions based on examination reports.

In FY 2025, the total number of goods declarations lodged reached 42,681, representing a significant increase compared to FY 2024 and FY 2023. Of this total, the Freeport Customs Business Office (CBO) accounted for 31,491 declarations, also reflecting a notable rise compared to previous fiscal years. Details are presented in the table below:

Table 55: Comparative Analysis of Goods Declarations Lodged

Goods Declarations	2023	2024	2025
Total Lodged Goods Declarations	27,838	26,966	42,681
Freeport (CBO) / FCF	24,711	26,007	31,491
For CBO (USD)	3,003	3,138	7,088
Other	91	118	3,501

Source: CAU

Querying of goods declarations is a key component of the compliance verification process. During FY 2025, compliance officers issued a total of 1,892 queries, representing a slight increase compared to FY 2024. Details are presented in the table below.

Table 56: Queried Declarations Analysis

Goods Declarations	2023	2024	2025
Queried Declarations	1,200	1,600	1,892

Source: CAU

The query figures presented above reflect declarations that remained pending due to delayed or inadequate responses from declarants. Queries that were resolved within minutes or hours after satisfactory responses were provided are not included in these figures.

In FY 2025, the Centralized Assessment Unit (CAU) raised a total of 284 miscellaneous bills, reflecting a similar trend to FY 2024. The breakdown by category is presented in the table below.

Table 57: Comparative Analysis of miscellaneous bills raised by category

Miscellaneous Bills	2023	2024	2025
Total Miscellaneous Bills Raised	359	391	288
Assessment	189	120	132
Cancellation	149	159	151
Use of Photocopy Documents	12	3	3

Source: CAU

Processed infractions for FY 2025 totaled 75, representing a decline compared to FY 2023 and FY 2024. A breakdown of the infractions by category is presented in the table below.

Table 58: Comparative Analysis of processed infractions by categories

Processed infractions	2023	2024	2025
Total Processed Infractions	143	125	75
Excise	79	52	37
Undeclared	31	38	21
Excise & Undeclared	12	14	3
Excise, Undeclared & Undervaluation	0	1	2
False Declaration	15	13	9
Undervaluation	5	6	1
Misclassification	1	1	2

Source: CAU

3.2.4.1.3 BONDED, TRANSIT AND TRANSSHIPMENT UNIT

During FY 2025, the Bonded, Transit and Transshipment Unit recorded total duty collections of US\$3,763,512.46, representing a significant increase compared to FY 2024. Additionally, total duty waived amounted to US\$5,714,040.04, also reflecting a notable rise over the previous fiscal year. Details of bonded, transit, and transshipment activities for FY 2025 and previous periods are presented in the table below.

Table 59: Comparative Analysis from Bonded, Transit and Transshipment Activities

Description	2022	2023	2024	2025
Duty Paid	1,350,568.78	2,897,490.38	2,575,627.82	2,691,784.32
2.5% Transhipped Item Paid	2,200.58	18,881.35	-	-
Quarterly Bonded Warehouse fees paid	41,258.00	81,201.00	100,000.00	90,000.00
Divers / Luxury Tax / Misc. Infractio & penalty	4,372.89	14,828.19	18,739.91	77,787.64
Total Collection	1,400,000.25	3,092,391.92	2,794,367.73	3,179,572.06
Total Duty Waived	\$,542,878.79	4,541,829.54	4,342,888.35	5,716,840.34
Bonded Goods				
Number of Vehicles	382 units	1,821 units	1,028 units	1,388 units
Value of Vehicles (CIF)	20,476,624.80	36,891,664.88	27,641,024.28	41,288,488.12
Number of Motorcycles	873 units	730 units	829 units	788 units
Value of Motorcycles (CIF)	1,378,308.41	1,021,086.11	1,098,728.18	273,816.52
Number of Tractor/Equipment / Trucks	54 units	83 units	17 units	17 units
Value of Tractor/Equipment / Trucks (CIF)	1,483,957.58	2,188,239.83	719,437.06	867,348.06
Handgun Weapons (CIF)	0.288 units	178,823.58 units	4.528 units	4,888 units
Petroleum Blended Oil (CIF)	\$,520,844.00	\$,152,862.81	\$,047,600.00	\$,246,890.32
Whisky Liquid	7,209 bottles	-	-	-
Whisky Liquid (CIF)	28,086.00	-	-	-

Source: Bonded, Transit and Transshipment Unit

3.2.4.1.4 OUTSTANDING ISSUES

During the period under review, several technical and operational challenges were identified that require the attention of Senior Management.

First, inconsistent assessments between Medtech and the GTMS valuation system were observed. In several instances, similar commodities from the same supplier and country of origin were assigned significantly different values. These inconsistencies contributed to an increase in protest and appeal cases submitted to the LRA. It is recommended that Senior Management facilitate engagement between Medtech and GTMS to establish a harmonized valuation database for commodities.

Second, the Trade and Tariff Unit continues to face staffing constraints, which limit its ability to effectively carry out its technical and policy-related responsibilities. Additional personnel support is therefore required to strengthen the Unit's operational capacity.

3.2.4.2 COMPLIANCE AND ENFORCEMENT DIVISION

The Compliance and Enforcement Division is now comprised of five core Customs units, namely the Customs Risk Management and Intelligence Unit (CRMI), Anti-Smuggling and Investigations Unit (ASIU), Post Clearance Audit Unit (PCA), Customs Collection and Enforcement Unit (CCEU), and the Customs Special Operations Unit. These units are supervised by designated managers and collectively support the Division's mandate of strengthening compliance, enhancing risk management, combating smuggling, and enforcing customs laws and regulations.

3.2.4.2.1 CUSTOMS RISK MANAGEMENT AND INTELLIGENCE UNIT (CRMI)

The Customs Risk Management and Intelligence Unit (CRMI), in line with its operational mandate, conducts system reviews of inspection records to obtain and analyze inspection reports, reviews CAU queries and Post Clearance Audit (PCA) reports to identify additional assessments arising from customs infractions, performs data analysis and issues intelligence alerts and lookout notices, and updates risk indicators based on examination discrepancies. During the period January 1–December 31, 2025, these activities were carried out with a primary focus on the Freeport Customs Business Office (CBO).

3.2.4.2.1.1 FREEPORT CBO SELECTIVITY ANALYSIS 2025

The table below presents the selectivity distribution of all declarations processed at the Freeport Customs Business Office (CBO) for FY 2025 across various customs regimes and procedures. Imports for home consumption (IM4, PS14, SC4, and SR4) accounted for approximately 97% of all declarations, representing the majority of trade value processed at the Freeport CBO during the year.

Table 60: Freeport Selectivity Analysis for Jan. 1–December 31, 2025

Desc. Type	Declarations	CRMI	YELLOW	BLUE	Total of values	Value of Free
COM 1	2		2		8,817,022	500
COM 2	4		2	2	71,562,302	298
COM 4	100	2	80	18	6,152,369.88	878,623.88
CS 1	305		229	76	362,547,888.68	426,172.88
CS 3	121		97	24	11,685,229.41	4891
CS 6	1		1		19,809	
IM4	18028	888	17908	6336	1,888,439,182.50	187,214,855.88
IM6	57		57	0	2,368,802.20	
IM8	1		1		19,676.58	25,114.24
IM17	204		181	23	41,888,562.34	
IM6	100	3	130	6	11,580,948.34	
PS 4	18889	896	1785	3437	234,271,486.22	73,781,767.11
PS 7	10	2	15	1	1,368,121.81	
SR 4	22		22	0	3,525,881.38	47,882.48
SR 6	282	3	278	1	328,382,172.88	1,681,687.88
Total	21,898	990	17988	6998	2,284,661,562.16	189,342,962.88

3.2.4.2.2 FREEPORT CBO SELECTIVITY ANALYSIS -2024

The table below shows that 24,120 declarations were processed at the Freeport CBO for January–December 2024, with a total trade value of US\$9.28 billion and estimated duties of US\$146.12 million. The Yellow channel recorded the highest selections (16,978), followed by Blue (6,031) and Red (1,111). Imports for home consumption (IM4 and PS14) accounted for the majority of declarations and revenue collected during the period.

Table 61: Freeport CBO Selectivity Analysis for Jan –December 2024

Type	Declarations	REDD	YELLOW	BLUE	Total US\$ Value	Estimated Duties
COM1	1		68		2,528.00	
COM2	1				899.00	
COM3	1				6,868.00	100.00
COM4	79		68	8	1,234,081.00	169,734.14
EX1	360	1	214	95	188,209,907.81	209,627.82
EX2	1			1	61,000.00	
EX3	100		87	13	10,429,371.37	8,989.99
EX4	6		6	2	267,258.62	
IM4	11781	830	6888	2706	919,789,947.89	85,586,187.89
IM5	12		11	1	1,681,628.28	
IM7	115		102	13	21,381,586.38	21,374.28
IM8	304	31	198	80	18,714,088.82	881.20
PSI4	6294	481	7172	2887	889,271,484.28	11,881,811.81
PSI7	15		10	1	2,728,887.88	
PSI8	215	1	189	104	1,889,282,811.81	1,499,588.18
PSI9	242	1	239	50	86,884,988.87	5,204,873.88
Total	24,120	1311	16,978	6,031	1,388,577,688.28	146,122,817.28

A comparison of the 2024 and 2025 Freeport CBO selectivity analyses shows that the number of declarations increased from 24,120 in 2024 to 31,896 in 2025, indicating higher processing volume in 2025. However, the total trade value increased from US\$1.58 billion in 2024 to US\$2.35 billion in 2025. Despite this difference, the lane distribution pattern remained consistent, with the yellow lane accounting for the majority of declarations, followed by blue and red channels. Imports for home consumption (IM4 and PSIA) continued to dominate declarations and revenue collection in both years.

3.2.4.2.3 FREEPORT LANE DISTRIBUTION FOR JAN. 1-DECEMBER 31, 2025

The lane distribution of declarations processed at the Freeport CBO for January–December 2025 are seen in the below table. Out of 31,896 declarations, the yellow lane accounted for the largest share (21,966 or 70%), followed by the Blue lane (8,066 or 25%) and the Red lane (1,865 or 5%). This distribution indicates that most consignments were subjected to documentary checks rather than physical inspection.



Table 62: Lane Distribution for Jan. 1-December 31, 2025

Description	REDD	YELLOW	BLUE	RED
Declarations	1305	21,966	8066	1,865
Percentage	4%	70%	25%	6%

3.2.4.2.4 FREEPORT LANE DISTRIBUTION FOR JAN. 1-DECEMBER 31, 2024

The below values present the lane distribution for January–December 2024, where a total of 24,120 declarations were processed at the Freeport CBO. The Yellow Lane also dominated with 16,978 declarations (70%), followed by the blue lane with 6,031 declarations (25%) and the red lane with 1,111 declarations (5%).

Table 63: Freeport CBO Lane Distribution for Jan. 1–December 31, 2024

Description	RED	YELLOW	BLUE	Total Enc.
Percentage	1,711	1,697	6,051	24,129
	5%	7%	25%	100%

The distribution pattern remained consistent between 2024 and 2025, with the Yellow lane maintaining the highest share, reflecting continued reliance on risk-based documentary verification to facilitate trade while managing compliance risks.

3.2.4.2.5 ALERTS AND LOOKOUTS ANNUAL HIT RATE – 2025

During the period reporting, two hundred seventeen (217) alerts were sent via the Customs Operational WhatsApp Chart Room for intrusive examinations and/or investigations. Out of the total alerts mentioned, there were thirty-two (32) Hits (constituting 34% of the total alerts inspected and 14% of the total alerts). Sixty alerts were inspected without hits, thirty-two resulted in hits, totaling ninety-two inspections. While one hundred thirty (130) are pending/hanging for examination reports. Please see below summary table for all alerts sent for Jan. 1–December 31, 2025.

Table 64: Alerts sent for Jan. 1–December 31, 2025

Total Alerts	Total Inspected	Hits	Hit Rate	Additional Assessments & Penalties	Alerts pending examination reports
217	92	32	34%	\$139,834.24	130

3.2.4.2.6 ALERTS AND LOOKOUTS ANNUAL HIT RATE - 2024

The table below indicates that 182 alerts were issued during January–December 2024, resulting in 24 hits with a hit rate of 14%. These enforcement actions generated additional assessments and penalties amounting to US\$129,266.91, while 53 alerts remained pending examination reports. Please see below summary table for all alerts covering Jan. 1–December 31, 2024

Table 65: Alerts sent for Jan. 1–December 31, 2024

Total Alerts	Hits	Hit Rate	Additional Assessments & Penalties	Alerts pending examination reports
182	24	14%	\$129,266.91	53

A comparison of the alerts issued shows an increase from 182 alerts in 2024 to 217 alerts in 2025, reflecting enhanced intelligence and risk-monitoring activities. The number of hits also increased from 24 in 2024 to 32 in 2025, while the hit rate improved significantly from 14% to 34%, indicating improved targeting effectiveness. Consequently, additional assessments and penalties increased slightly from US\$129,266.91 in 2024 to US\$139,834.24 in 2025. However, pending alerts rose from 53 in 2024 to 130 in 2025, suggesting the need to expedite the completion of examination reports.

3.2.4.3 ANTI-SMUGGLING AND INVESTIGATIONS UNIT (ASIU)

In Fiscal Year 2025, the Anti-Smuggling and Investigations Unit (ASIU) strengthened enforcement and compliance through effective tax administration, institutional reforms, and enhanced cooperation. During the period under review, ASIU recovered US\$3,724,950.48, representing a 56% increase compared to US\$1,638,261.18 recovered in 2024. Of the total amount recovered, US\$1,156,181.53 resulted from direct interventions, while US\$2,568,768.95 was generated through indirect interventions. See the table below:

Table 66: Anti-Smuggling and Investigations Unit (ASIU)

Description	2024	2025	Variance	Percentage
Direct ASIU Intervention	1,638,261.18	1,156,181.53	-\$482,079.65	31%
Indirect ASIU Intervention	465,811.33	2,568,768.95	2,102,957.62	64%
Total	1,638,261.18	3,724,950.48	2,086,689.30	81%

Source: ASIU

3.2.4.3.1 RIA CUSTOMS BUSINESS OFFICE (CBO) MANAGEMENT

From May 1 to August 30, 2025, the Anti-Smuggling and Investigations Unit (ASIU) managed the RIA Customs Business Office (CBO) under the direction of Customs Senior Management. During this period, the Unit expanded operations by deploying officers to the Tarmac, Cargo Scanner, and Arrival/Departure Hall Scanners (excluding the VIP Lounge).

Operational systems were improved through the development of Excel-based tools for monitoring inbound and outbound cargo and mineral exports, which enhanced data collection, accountability, and clearance time. Oversight of warehouse-stored cargo and mineral exports was strengthened, while customer service, staff conduct, and professional appearance improved significantly.

In compliance with Section 1403 of the Modernized Customs Code (2019), airline operators were brought into compliance with electronic manifest submissions. Enforcement activities also addressed illegal currency transportation and non-compliant mineral exports, including the seizure of a weapon from a passenger arriving from the United States.

3.2.4.3.2 CURRENCY ENFORCEMENT

In accordance with Section 2.2.1 of the Cross-Border Regulation and Section 1442 of the Modernized Customs Code (2019), nine (9) business entities and seven (7) private individuals declared currencies totaling US\$151,248.00 to Customs. Additionally, US\$191,105.00 in undeclared currency was seized, resulting in US\$63,813.41 in penalties in line with Section 3.2.1 of the Cross-Border Regulation and Section 1732 of the Modernized Customs Code (2019).

The analysis indicates a 100% increase in currency declarations and seizures between May and August 2025, compared to May–August 2024 and January–April 2025. Details are provided in the table below.

Table 67: Currency Enforcement

Category	May–April 2025	January–April 2025	May–August 2025	Percentage
# of Businesses (Penalties Declared)	0	0	9	100%
Amount Declared	0	0	\$151,248	100%
# of Businesses (Penalties Seized)	0	0	7	100%
Amount Seized	0	0	\$191,105	100%
Penalty Fees (Non-Declarative)	0	0	\$63,813	100%

Source: ASIU

3.2.4.3.3 SEIZURE OF A WEAPON

A weapon was seized from an arriving passenger from the United States on SN Brussels Airlines and handed over to the Liberia National Police for further investigation.

3.2.4.3.4 MINERALS EXPORT CONTROL

Mineral exports were strictly monitored through declaration verification, documentary review, royalty payment confirmation, weighing, physical inspection, final boarding verification, and tarmac surveillance. During the period, 49 declarations for unrefined gold and rough diamonds valued at US\$27,684,537.82 were validated, with royalty payments totaling US\$809,313.71, representing an 85% increase compared to the previous period in 2025.

Analysis of mineral exports from May–August 2025 shows no change in the number of declarations compared to January–April 2025, and a 4% decline compared to May–August 2024. However, royalty fees increased by 85% compared to January–April 2025 and by 62% compared to May–August 2024.

Additionally, 13 shipments of unrefined gold weighing 2,911.32 and valued at US\$323,541,909.61 for Bea Mountain were reviewed for export. The royalty fees remain pending payment with the LRA Domestic Tax Department, Natural Resource Section.

3.2.4.3.5 REVENUE COLLECTED AND ANALYSIS

3.2.4.3.5.1 RIA CBO

During the period under review, a total of US\$2,362,351,69 was collected. Direct interventions at the RIA CBO generated US\$1,553,037.98 (66%), while indirect revenue from Mines and Energy CBO royalty fees totaled US\$809,313.71 (34%).

3.2.4.3.5.2 FREEPORT CBO

The amount of US\$206,417.26 was recovered because of Port Facility Inspections. The amount declined by 97% compared to US\$405,811.35 in 2024.

3.2.4.3.5.3 RURAL CBOs

A total of US\$194,950.41 was recovered from physical inspections of vehicles originating from Rural CBOs. The amount declined by 17% compared to US\$228,981.21 in 2024.

3.2.4.3.6 ASIU OPERATIONS TEAM

The ASIU Operations Team recovered US\$381.81 thousand from physical inspections of alerted shipments at the Freeport CBO, representing a 35% increase from US\$246.67 thousand in 2024. Recoveries from premises inspections totaled US\$189.84 thousand, reflecting a 77% decline from US\$336.77 thousand in 2024. Additionally, transfer shipment interventions generated US\$52.82 thousand, marking a 44% increase compared to US\$29.79 thousand in 2024.

3.2.4.3.7 ASIU INVESTIGATION TEAM

In 2025, the ASIU Investigation Team recorded 60 cases, of which 40 were fully investigated and 20 carried forward to 2026. The team recovered US\$336.76 thousand, representing a 16 percent decline compared to US\$390.2 thousand recovered in 2024. Details are provided below.

3.2.4.3.8 LIBERIA SEIZURE REPORTS (WCO-WCA)

In alignment with World Customs Organization (WCO-WCA) reporting standards, the ASIU maintained strict seizure documentation and reporting protocols. All major seizures were recorded to support international customs enforcement cooperation. The table below summarizes the key seizure indicators under the Liberia Seizure Reports, comparing performance between 2024 and 2025.

3.2.4.4 POST CLEARANCE AUDIT (PCA)

The Post Clearance Audit Unit is responsible for conducting audits and compliance reviews in line with its Standard Operating Procedures. Its key functions include conducting post-clearance audits for Blue Lane entities under ASYCUDA selectivity criteria, performing comprehensive on-site audits on high-risk entities, carrying out desk/system reviews and raising bills on identified infractions, analyzing excesses and undeclared goods, conducting auction activities, and undertaking special or issue-based audits commissioned by the Commissioner of Customs or the Commissioner General. For the financial year ending December 31, 2025, the PCA Unit undertook several compliance and enforcement activities that resulted in the recovery of additional revenue as summarized in the table below.

Table 68: Analysis of Core Activities

Activity Type	2025	2024 (Actual)
Comprehensive Audit	88	1,408,353.44
Desk Review Audit (PCA)	37	1,853,242.14
Auditor	14	182,072.91
PCA & ASIU Intervention	127	676,118.55
Total	366	4,120,787.04

Source: PCA Report January 2023 – December 2023

The core activities undertaken for the financial year ended 31st December 2023 included but not limited to Desk/System Review Audits, Comprehensive Audits, Auction and Anti-Smuggling interventions. However, there were other activities undertaken which did not have revenue implications (physical verification/inspections, re-export, and special releases etc.).

3.2.4.4.1 PCA ACTIVITIES COMPARATIVE ANALYSIS

The below table shows a notable improvement in Post-Clearance Audit (PCA) performance between 2024 and 2025, both in the number of activities and revenue generated. Comprehensive Audits increased slightly from 62 to 65 cases, but recorded a significant rise in revenue, reflecting improved audit effectiveness. PCA Desk Reviews recorded the most substantial growth, increasing from 14 to 37 activities with a corresponding sharp increase in revenue, highlighting their efficiency as a compliance tool.

PCA & ASIU Interventions remained the highest in volume, rising from 111 to 127 cases, and continued to contribute significantly to revenue. Auction activities remained relatively low in both number and revenue contribution.

Overall, the results indicate stronger audit-driven revenue assurance in 2025, with desk reviews and comprehensive audits driving the largest increases in revenue recovery.

Table 69: PCA Activities Performance Comparison (2024–2025)

Activity Type	No. of Activities 2024	No. of Activities 2025	Revenue 2024 (USD)	Revenue 2025 (USD)	Difference (USD)
Comprehensive Audit	62	65	805,556.02	1,535,253.44	729,697.42
PCA & ASIU Intervention	111	127	787,204.40	876,119.55	88,915.15
PCA Desk Review	14	37	263,176.86	1,653,242.14	1,390,065.28
Auction	10	14	72,321.37	102,872.91	30,551.54
Total	197	243	1,928,258.65	4,167,488.04	2,239,229.39

3.2.4.5 COLLECTION AND ENFORCEMENT UNIT

The Collection and Enforcement Unit recorded the following performance during Calendar Year (CY) 2025:

Total Amount Collected: US\$1,728,621.81

Total Bills Raised (PCA & ASIU): US\$4,226,108.63

3.2.4.5.1 TREND ANALYSIS – BILLS RAISED

Billing activity showed a strong upward trend over the period:

- FY 2022 → FY 2023: Bills declined by 9.2%, reflecting a temporary slowdown.
- FY 2023 → FY 2024: Bills increased sharply by 155%, indicating expanded billing coverage and improved enforcement.
- FY 2024 → FY 2025: Bills continued to grow by 35.7%, demonstrating sustained momentum.

Overall, the number of bills raised increased by over 214% between FY 2022 and FY 2025, with an average annual growth rate of 46%, reflecting significant expansion in revenue assessment activities.

3.2.4.5.2 TREND ANALYSIS – COLLECTIONS

Collections also recorded steady improvement:

- FY 2022 → FY 2023: Marginal growth of 2.5%.
- FY 2023 → FY 2024: Strong growth of 40.7%, reflecting improved recovery efforts.
- FY 2024 → FY 2025: A significant increase of 82.3%, indicating improved enforcement and compliance.

Overall, collections increased by 163% between FY 2022 and FY 2025, with a compound annual growth rate (CAGR) of 38%, demonstrating improving revenue realization.

3.2.4.5.3 QUARTERLY COLLECTION PERFORMANCE (2025)

Collections in 2025 were heavily concentrated in the final quarter:

Table 70: Quarterly Collection-2025

Quarter	Amount (USD)	Share
Q1	97,700	6%
Q2	364,300	21%
Q3	379,100	22%
Q4	887,600	51%

While annual collections were strong, the heavy reliance on Q4 highlights the need to strengthen enforcement earlier in the year to reduce revenue volatility.

3.2.4.5.4 BILLS VS. COLLECTIONS

Both billing and collections continued to grow, with billing expanding faster than collections. This trend reflects increased revenue assessments, while the improvement in collections indicates stronger enforcement and compliance. However, the gap between bills raised and collections suggests further opportunities to improve recovery efficiency.

3.2.4.5.6 DEBT STOCK ANALYSIS (2024–2026)

The opening debt stock in January 2025 was US\$7,449,569.21. By December 2025, the outstanding balance increased to US\$9,947,056.04, which was carried forward into 2026.

- Net Increase in Debt (2025): US\$2,497,486.83
- Growth Rate: 33.4%

Despite increased collections, new billings outpaced recoveries, leading to a buildup of arrears. The growth in debt stock indicates pressure on debt management and highlights the need to strengthen early enforcement, payment compliance, and arrears control.

3.2.4.5.7 MANAGEMENT IMPLICATION

The 33% increase in debt stock suggests that revenue sustainability will depend not only on increased billing but also on stronger debt recovery strategies, including early intervention, taxpayer segmentation, and targeted enforcement of arrears in 2026.

3.2.4.6 CUSTOMS SPECIAL OPERATIONS

The Customs Special Operations Unit conducted physical examinations at the Freeport of Monrovia and monitored transshipment movements to neighboring Guinea and Sierra Leone during the period under review.

Table 71: Examinations, Transshipments, Legal and Revenue Implications

Indicator	Result
Shipments Identified for Examination	20
Shipments / Operations Examined	22 (100% Average)
Interceptions	4
Unpaid Duties (Intercepted Shipments)	USD 75,815.37
FDI-related Cases	11
Additional Amount Identified (FDI)	USD 148,458.42
Stolen Vehicle Value	USD 30.17 to 82 (Referred to LSR Legal Department)
Investigations Initiated	3 Cases
Transshipments Monitored	18
Transshipments with Special Operation	1

3.2.4.6.1 SPECIAL OPERATION ANALYSIS

The results indicate that targeted intelligence-led examinations resulted in multiple interceptions and the identification of unpaid duties, while also supporting legal investigations and the recovery of stolen assets. Additionally, the monitoring of 18 transshipments, including one special operation, strengthened oversight of cross-border cargo movements and reduced the risk of diversion.

3.2.4.7 DUTY FREE

Exemptions from duties and related taxes are granted by the Government of Liberia under Sections 9 and 16 of the Liberia Revenue Code (LRC), covering concessionaires, NGOs, government entities, and diplomatic privileges, as well as through Executive Orders and concession agreements.

In FY-2025, total duty waived increased by 36%, from US\$225.64 million in 2024 to US\$353.40 million in 2025, reflecting expanded exempted import activities.

General Goods dominated, accounting for 97% of total waivers, increasing by 37% to US\$342.70 million. In contrast, Petroleum accounted for 3%, rising modestly by 19% to US\$10.70 million.

Overall, duty waivers remain highly concentrated in general goods, with the increase suggesting expanded incentives, concession-driven imports, and growth in exempted activities.

Table 72: Summary of Duty Waived (In Thousands of US Dollars)

Description	2024	2025	Change	Share (FY-2025)
General Good	216,997	342,699	37%	97%
Petroleum	8,647	10,696	19%	3%
Total	225,644	353,396	36%	100%

Source: Duty Free Section

3.2.4.7.1 GENERAL GOODS

General goods accounted for 97 percent of total tax expenditure in 2025, increasing by 37 percent from US\$216.99 million in 2024 to US\$342.70 million in 2025.

Exemptions were largely driven by concessions, which accounted for 51 percent of total waivers and grew by 50 percent, followed by investment incentives (22 percent share, +10%) and Executive Orders (18 percent share, +37%). Together, these three categories constituted over 90 percent of total exemptions on general goods.

Other categories contributed marginally. MACs (5%) and government projects (2%) recorded moderate increases, while NGOs (1%) also grew by 39 percent. In contrast, diplomatic missions (-114%), tax refunds (-9128%), and some smaller categories such as educational and medical institutions recorded declines or negligible shares.

Overall, the data indicates that duty waivers on general goods are highly concentrated among concessions, investment incentives, and Executive Orders, with limited contributions from other beneficiary groups.

Table 73: General Goods Waiver by Recipient Category (Thousands of US Dollars)

Category	2024	2025	% Change	% Share (2025)
Concessions	86,826	175,328	50%	51%
Investment Incentives	66,979	74,531	10%	22%
Executive Order	38,272	60,656	37%	18%
MACs	8,317	16,475	50%	5%
Gov Projects	8,235	8,428	2%	2%
Diplomatic Missions	3,435	1,605	-114%	0%
INGOs	2,404	3,917	39%	1%
Tax Refund	1,055	11	-9128%	0%
Members of National Legislature	719	863	14%	0%
Special Exemption	-	9	0%	0%
Religious Institution	216	225	4%	0%
INGO	216	71	-203%	0%
Liberian Returnees	203	529	62%	0%
Medical Institutions	86	43	-51%	0%
Educational Institutions	21	7	-185%	0%
Duty Free Stores	-	-	0%	0%
Members of the Supreme Court Bench	13	-	0%	0%
Total Duty Waived	216,997	342,699	37%	100.00%

Source: Duty Free Section

3.2.4.7.2 EXEMPTION ON PETROLEUM PRODUCTS

In the petroleum category, total duty waived increased by 19 percent, rising from US\$8.65 million in 2024 to US\$10.70 million in 2025. This growth was driven by an increase in diesel (AGO) quantities from 32,244.44 to 40,922.80, while gasoline (PMS) volumes also rose from 750.50 to 1,737.00.

Concessions remained the largest contributor, accounting for the highest share of petroleum waivers and increasing by 28 percent from US\$4.79 million to US\$6.62 million. Investment Incentives, although still significant, declined by 14 percent, while Government Projects grew modestly by 5 percent, maintaining a notable share of total waivers.

Other categories contributed marginally. National Legislature exemptions increased by 48 percent, while Diplomatic Missions recorded a slight increase of 11 percent. In contrast, Executive Order waivers declined sharply by 181 percent, and NGOs decreased by 57 percent, reflecting reduced activity in these categories.

In summary, petroleum duty waivers remain highly concentrated among concessions and government-related activities, with increases in fuel volumes—particularly diesel—driving the overall growth.

Table 74: Petroleum Duty Waiver by Category (Thousands of US Gallons & Dollars)

Category	Duty Waived	2024		2025			Duty waived % Chang
		AGO QTY	PMS QTY	AGO QTY	PMS QTY	%	
Concession	4,786.22	23,236.33	-	6,616.38	22,425.90	-	28%
Diplomatic Mission	141.80	354.50	-	159.20	393.50	4.00	11%
Executive Order	250.60	576.50	-	82.20	205.50	-	-181%
Government Project	1,413.00	3,532.50	-	1,491.80	3,725.50	-	5%
INGOs	23.80	59.50	-	15.16	37.90	-	-57%
Investment Incentive	1,547.14	4,068.11	-	1,361.50	3,644.50	-	-14%
National Legislature	504.53	417.00	750.50	970.25	476.00	1,733.00	48%
Grand Total	8,647.08	32,244.44	750.50	10,696.49	40,922.80	1,737.00	19%

Source: Duty Free Section

3.2.4.8 CUSTOMS MODERNIZATION

The Customs Modernization Unit (CMU) leads reforms to enhance transparency, efficiency, and effectiveness of customs operations in Liberia. The Unit oversees modernization initiatives, manages customs projects, and ensures quality standards in both internally and externally implemented programs.

During FY 2025, the Unit delivered the following key initiatives:

- **Infrastructure & Connectivity:** In collaboration with MIS, deployed solar power and Starlink internet to key CBOs (RIA, Buchanan, Ganta, Yekepa, Loguatu, Toe Town, and Harper), improving operational reliability and connectivity.
- **Customs Infrastructure Development:** Identified land for new CBOs in Margibi (RIA), Lofa (Yealla), and Bong (Jorwah), and finalized Turkish architectural designs for modern customs facilities.
- **Capacity Building:** Trained 50 customs officers in classification, valuation, and rules of origin through a one-week program in Ganta.
- **International Collaboration:** Coordinated technical missions and trainings with partners including IMF AFRITAC West 2 and the WCO, covering risk management, AfCFTA rules of origin, post-clearance audit, and performance management.

- Trade Facilitation Tools: Led the rollout of SIGMAT and the launch of Liberia's Time Release Study at the Freeport of Monrovia.
- ASYCUDA Upgrade: Advanced the Terms of Reference for ASYCUDA enhancement, laying the foundation for a National Single Window.
- Digitalization Initiatives: Expanded the Rural Ports App to improve collections reporting and reduce backlogs.
- Duty-Free Automation: Introduced the Duty-Free App, streamlining application processes within the LRA.

Generally, the Unit made significant progress in digital transformation, infrastructure development, and capacity building, strengthening customs modernization efforts in 2025.



3.2.5 PORT OPERATIONS

The Division of Port Operations supervises Customs Business Offices (CBOs) responsible for revenue collection and enforcement of customs laws to facilitate legitimate trade.

In FY-2025, total revenue collected by CBOs amounted to US\$264.51M, exceeding the budget of US\$232.08M and resulting in an over performance of US\$32.43M (14%), as shown in Table 32.

Urban CBOs remained the dominant contributors, generating US\$254.02M (96%) of total collections and exceeding their target by 16%. Within this group, Freeport accounted for the largest share, contributing US\$184.79M (approximately 70%), followed by LPRC (US\$64.87M, 25%). RIA also recorded strong growth, achieving 188% of its target.

In contrast, Rural CBOs underperformed, generating US\$8.90M against a budget of US\$10.04M, reflecting an 11% shortfall. The decline was largely driven by significant underperformance at Buchanan (-56%) and Yekepa (-37%), despite strong performances at Bo Waterside (+112%), Toe Town (+298%), and Loguatu (+20%).

Non-tax revenue declined sharply by 53%, primarily due to reduced collections from forestry export fees (-54%) and bonded warehouses (-31%).

The Overall performance highlights strong revenue growth driven by urban ports, while rural ports continue to face structural challenges, including poor road infrastructure and limited automation, which constrain trade facilitation and revenue collection.

Table 75: Revenue by Customs Business Offices

Description	BUD	ACT	VAR	ACH	% Change
Total	232,075	264,505	32,430	114%	14%
Customs					
International Trade	228,718	262,915	34,197	115%	15%
Urban Ports	218,675	254,017	35,343	116%	16%
Freeport	163,223	184,789	21,566	113%	13%
RA	2,319	4,364	2,045	188%	88%
Parcel Post	9	-	-9	0%	-100%
LPRC	53,123	64,865	11,741	122%	22%
Rural Ports	10,043	8,897	-1,146	89%	-11%
Logansport	1,607	1,929	322	120%	20%
Ganta	354	343	-11	97%	-3%
Yekepa	251	159	-92	63%	-37%
Buchanan	5,738	2,498	-3,239	44%	-56%
Greenville	34	42	8	123%	25%
Toe Town	46	191	143	396%	298%
Harper	413	456	43	110%	10%
Yeala	18	20	2	114%	14%
Jorwah	39	33	-5	87%	-13%
Bubu	10	9	-1	90%	-10%
Mendicoma	51	75	23	146%	46%
Bo Waterside	1,481	3,142	1,661	212%	112%
Non-Tax Revenue	3,357	1,591	-1,766	47%	-53%
Forestry (FMC)	3,205	1,486	-1,719	46%	-54%
Bonded Warehouses	152	105	-47	69%	-31%

Source: Tax Administration System

3.2.5.1 MONTHLY REVENUE PERFORMANCE – ANALYSIS

The figure below depicts the 2025 monthly revenue performance (budget vs. actual). Performance was mixed, with shortfalls in March, June, and August, while all other months exceeded targets. Strong gains were recorded in May, October, and November. A significant surge in December (+15,374; 177%) drove overall performance, underscoring strong year-end revenue mobilization.

In summary, the trend shows moderate fluctuations with a strong year-end finish, reflecting improved collections and intensified enforcement efforts.

FY 2025 Monthly Revenue Trend (Thousands of US Dollars)



4. FUNCTIONS (ENABLING ENVIRONMENT)

(Institutional Support and Governance Functions)

The Functions (Enabling Environment) represent the support systems that ensure effective delivery of core operational activities. While they do not directly generate revenue, they are essential for institutional efficiency, accountability, and sustainability. This pillar is structured around key administrative and governance structures: Commissioner General (Direct Reports), Administrative Affairs, Technical Affairs, and General Services Department.



4.1 CG DIRECT REPORT

4.1.1 TRANSFORMATION AND MODERNIZATION DIVISION

The Transformation and Modernization Division (TMD) is responsible for coordinating and managing the Liberia Revenue Authority's strategic reform and modernization agenda at the enterprise level.

The Division oversees the planning, implementation, monitoring, and evaluation of key institutional transformation initiatives, ensuring effective resource coordination and project management across the Authority. During the year under review, the Division led the development and implementation of several strategic projects aimed at strengthening domestic revenue mobilization, improving operational efficiency, modernizing tax administration systems, and enhancing institutional capacity.

4.1.1.1 KEY ACHIEVEMENTS

During FY2025, the Division recorded significant progress across several high-priority modernization initiatives, with many projects advancing from planning and procurement stages to active implementation and commissioning.

4.1.1.2 STRATEGIC POLICY AND GOVERNANCE

4.1.1.2.1 DOMESTIC REVENUE MOBILIZATION (DRM) STRATEGY

A major milestone achieved during the year was the official Cabinet approval of the Government of Liberia's five-year Domestic Revenue Mobilization Strategy (2025–2029) during the second quarter. Following approval, a comprehensive five-year implementation plan was developed to guide the execution of strategic reforms aimed at increasing domestic revenue collection and supporting the country's development agenda. Implementation activities commenced during the reporting period.

4.1.1.3 VALUE ADDED TAX (VAT) IMPLEMENTATION

As part of preparations for the transition from the Goods and Services Tax (GST) to the Value Added Tax (VAT), the Division prioritized activities to strengthen institutional readiness through capacity building, stakeholder engagement, and systems development.

4.1.1.3.1 TRAINING AND PUBLIC AWARENESS

A dedicated VAT implementation team was established and trained to coordinate the nationwide rollout of VAT. Under the World Bank-funded Governance Reform and Accountability Transformation (GREAT) Project, a consultant conducted a Training-of-Trainers (ToT) program for the VAT team. Subsequently, the trained team delivered capacity-building sessions to more than 160 participants, including LRA staff, tax practitioners, and members of the business community. In addition, nationwide public awareness campaigns were launched and are ongoing to prepare taxpayers and other stakeholders for the planned VAT implementation in 2027.

4.1.1.3.2 DEVELOPMENT OF VAT MODULES IN LITAS

To support VAT administration, the LRA signed a service contract with a software vendor for the development and integration of VAT functionalities into the Liberia Integrated Tax Administration System (LITAS). Upon completion, the module will facilitate VAT registration, filing, payment processing, and compliance management. VAT registration through the system is expected to commence in July 2026.

4.1.1.3.3 ELECTRONIC INVOICING SYSTEM

The LRA entered into an agreement with TRACOM for the development of an electronic invoicing system to support VAT administration and enhance tax compliance. By year-end, system development had reached an advanced stage and was nearing completion.

4.1.1.4 INFRASTRUCTURE AND SYSTEMS INTEGRATION SUPPORT

The Division made substantial progress in strengthening the technological infrastructure required to support the nationwide rollout of LITAS and ASYCUDA World across Tax Business Offices and key land border ports.

4.1.1.4.1 LITAS AND ASYCUDA WORLD ROLLOUT SUPPORT

With financing from the World Bank's GREAT Project, the LRA signed two major contracts for the procurement of critical ICT infrastructure, including equipment for a centralized data warehouse and telecommunications equipment such as radio repeaters, base stations, and transmitters. All procured equipment was successfully delivered, installed, and commissioned during the reporting period.

4.1.1.4.2 SYSTEMS INTEGRATION AND DIGITAL CONNECTIVITY

To improve taxpayer convenience and facilitate electronic payment processing, the LRA successfully integrated its systems with seven of the country's nine commercial banks. Additionally, systems integration was completed with several key government institutions, including the Liberia Immigration Service (LIS), Ministry of Foreign Affairs (MOFA), Ministry of Transport (MOT), and the National Identification Registry (NIR). These integrations support information sharing, enhance compliance verification, and improve service delivery.

4.1.1.5 CAPACITY BUILDING AND SPECIALIZED TRAINING

4.1.1.5.1 TRAINING CURRICULUM DEVELOPMENT

During the reporting period, the Division completed the evaluation of Expressions of Interest (EOIs) for the development of institutional training curricula, modules, and operational manuals. Negotiations were concluded with the highest-ranked bidder in preparation for contract award.

4.1.1.5.2 SPECIALIZED ICT AND DATA ANALYTICS TRAINING

As part of efforts to strengthen internal technical capacity, selected staff from across the Authority participated in advanced training programs in Information and Communication Technology (ICT), Data Science, and Business Analysis. These programs were funded through the World Bank's GREAT Project and are expected to support the Authority's

4.1.1.5.3 CHANGE MANAGEMENT AND ORGANIZATIONAL READINESS

The Division continued to lead change management and stakeholder engagement activities associated with the implementation of LITAS and ASYCUDA World. These activities focused on promoting institutional ownership, strengthening user readiness, and facilitating successful system adoption across the Authority.

4.1.1.6 FIELD OPERATIONS AND INSTITUTIONAL SUPPORT

4.1.1.6.1 AFRICAN DEVELOPMENT BANK (AFDB)-SUPPORTED PROJECTS

Under the Institutional Support for Domestic Resource Mobilization Project financed by the African Development Bank (AfDB), the Division successfully developed and submitted comprehensive Work Plans and Procurement Plans. Planned procurements include vehicles and motorbikes to strengthen field operations, enhance taxpayer service delivery, and improve revenue enforcement activities across the country.

4.1.2 POLICY, STATISTICS AND STRATEGIC PLANNING DIVISION

The Policy, Statistics and Strategic Planning Division (PSSPD) is one of the principal divisions reporting directly to the Commissioner General of the Liberia Revenue Authority (LRA). The Division is responsible for advising senior management on tax and customs policy matters, revenue administration, fiscal policy, strategic planning, revenue forecasting, statistical analysis, and stakeholder engagement. During FY2025, the Division continued to support evidence-based decision-making, policy reforms, revenue forecasting, strategic planning, and institutional partnerships.

4.1.2.1 KEY ACHIEVEMENTS

4.1.2 POLICY, STATISTICS AND STRATEGIC PLANNING DIVISION

The Policy and Strategic Planning Unit recorded the following achievements during the reporting period:

- Collaborated with the Ministry of Finance and Development Planning (MFDP), development partners, and other stakeholders to develop the roadmap for the implementation of the Value Added Tax (VAT).
- Supported VAT readiness initiatives through the training of LRA staff, tax practitioners, and members of the business community on VAT principles, legislation, and regulations.
- Collaborated with the Customs Department and OGAs to conduct a Time Release Study (TRS) at the Freeport of Monrovia to assess cargo clearance efficiency and identify opportunities for trade facilitation improvements.
- Produced periodic status reports on the development and drafting of customs regulations to support policy implementation and management decision-making.
- Coordinated the preparation, compilation, and publication of the Liberia Revenue Authority Annual Report for 2024.
- Finalized the development of the Liberia Revenue Authority's five-year Corporate Strategic Plan (2025–2029), which provides strategic direction for institutional reforms and revenue administration modernization.

- Drafted the Revenue Amendment Act of 2025, proposing amendments to selected provisions of the Liberia Revenue Code, including changes to Goods and Services Tax (GST) provisions, excise tax rates, and assessment periods.
- Conducted working sessions with the Customs Department, Domestic Tax Department, and Legal Division to assess the Authority's tax debt portfolio and produce a comprehensive tax debt stock report.
- Participated in various technical workshops, consultations, and policy discussions with government Ministries, Agencies and Commissions (MACs) on matters relating to fiscal policy, domestic resource mobilization, and economic governance.

4.1.2.1.2 STATISTICS UNIT

The Statistics Unit achieved the following during FY2025:

- Analyzed and published daily revenue performance flash reports to provide management with timely information on revenue collection trends and emerging risks.
- Collected, validated, consolidated, and uploaded Liberia's macroeconomic and revenue data to the African Tax Outlook (ATO) Portal for the 2024 reporting cycle.
- Coordinated the collection, consolidation, and analysis of tax expenditure data from operational departments for the 2024 fiscal year to support tax expenditure reporting initiatives.
- Organized revenue engagement meetings with Ministries, Agencies and Commissions (MACs), State-Owned Enterprises (SOEs), and large taxpayers to gather assumptions and sector-specific information for FY2025 revenue forecasting.
- Collaborated with the Ministry of Finance and Development Planning (MFDP) in the preparation of the FY2025 National Budget.
- Analyzed historical revenue trends and prepared draft revenue estimates for revenue-generating institutions to support budget hearings and fiscal planning.
- Responded to numerous data requests from key stakeholders, including the National Legislature, ECOWAS, the International Monetary Fund (IMF), development partners, researchers, and other government institutions.
- Coordinated a revenue reconciliation exercise covering the first half of FY2024 to improve data accuracy and reporting consistency.
- Collaborated with the Enterprise Data and Analytics (EDA) Unit to develop a Real-Time Automated Revenue Reporting Dashboard to strengthen reporting efficiency and support evidence-based decision-making.

4.1.2.1.3 STRATEGIC PARTNERSHIP UNIT

The Strategic Partnerships unit achieved the following:

- Maintained regular engagement with development partners and key stakeholders through meetings, consultations, and information-sharing sessions to strengthen collaboration and mobilize technical support.

- Participated in capacity-building workshops and technical engagements focused on knowledge sharing, validation of performance indicators, and data quality improvement.
- Represented the Liberia Revenue Authority at regional and international conferences, workshops, and technical forums on taxation, domestic revenue mobilization, and public financial management.

4.1.3 LEGAL AND BOARD AFFAIRS

The Legal Department plays a central role in the administration of the Revenue tax laws. The Department provides guidance on the correct legal interpretation of the tax laws, represent the LRA in litigation, and provide all other legal support the LRA needs to carry out its mission of serving taxpayers.

The Department is also involved in the drafting of opinions, regulations, rulings, manages debt portfolios by maximizing domestic resources through its tax debt collection, publish legal guidance, handles cases at the Tax and other Courts, hears appeals and forwarded relevant cases to the Board of Tax Appeals (BOTA) and works closely with the Ministry of Justice on tax litigations. It also provides specific legal advices and determinations to taxpayers and to various LRA offices both before and after assessments are made.

4.1.3.1 KEY ACHIEVEMENTS

4.1.3.1.1 LEGAL DEPARTMENT (LITIGATION & ADJUDICATION)

- Successfully litigated approximately 30 tax cases in collaboration with the Ministry of Justice.
- Realized collections totaling US\$533.6 thousand and LRD 18.0 million from Tax Court cases.
- Secured a motion to dismiss in favor of the LRA in a case valued at US\$6.54 million (currently on appeal before the Supreme Court).
- Managed an ongoing Supreme Court case valued at US\$2.52 million.
- Obtained a favorable Supreme Court ruling in a case valued at US\$141.28 thousand, with enforcement in progress.
- Achieved victory in a Tax Court case in the agriculture sector valued at US\$1.85 million, now pending final determination at the Supreme Court.

4.1.3.1.2 PROTEST AND OBJECTION UNIT

- Received a total of five (5) objection cases during the reporting period.
- Successfully resolved three (3) cases.
- Maintained two (2) cases as ongoing at year-end.

4.1.3.1.3 TAXPAYER ADVOCATE SERVICE UNIT (TASU)

- Conducted taxpayer awareness and education programs in collaboration with key stakeholders.
- Partnered with the Board of Tax Appeals (BOTA) on taxpayer outreach initiatives.
- Participated in stakeholder engagement, including the Bea Mountain workshop at the Ministry of Labor.
- Maintained regular collaboration with the Taxpayer Service Division (TPSD) through monthly tax clinics for new registrants.
- Provided direct support to taxpayers by resolving complex issues beyond standard administrative channels.
- Engaged five (5) universities to promote tax education through planned town hall meetings.

4.1.3.1.4 CONTRACT BOARD AND AFFAIRS

- Processed 183 employment contract renewals.
- Processed 27 procurement contracts.
- Processed 17 consultancy/service contracts.
- Developed 5 new contracts to support institutional operations.

4.1.3.1.5 DEBT MANAGEMENT DIVISION

- Maintained oversight of total tax debt stock amounting to:
 - US\$112,346,920.01
 - LRD 736,534,825.71
- Managed debt portfolio covering liabilities from 2014 to 2023.
- Focused on tax debt recovery and enforcement actions to support domestic resource mobilization.
- Continued efforts to improve debt tracking and reconciliation, excluding unresolved system-generated discrepancies.

4.1.4 INTERNAL AUDIT

The Internal Audit Department (IAD) 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.

4.1.4.1. KEY ACHIEVEMENTS

Table 76: Internal Audit Initiatives

NO.	ACTIVITIES	IMPLEMENTATION STATUS
1	One (1) Risk Assessment	Conducted entity-wide risk assessment to inform the preparation of IA's risk-based annual work plan.
2	One (1) Annual Risk-Based Business Plan	Prepared one annual risk-based plan for FY 2025 to focus IA's audits and reviews on key risk areas.
3	Four (4) IA's Quarterly Activity Reports	Prepared and submitted four IA's quarterly activity reports to Senior Management.
4	Four (4) EQARD	Prepared and submitted four quarterly EQARD monitoring reports.
5	One (1) Annual IA's Activity Report	Prepared one annual activity report to highlight achievements and challenges of IA.
6	Six (6) Comprehensive Audits	Finalized and issued LPRC and RIA CBOs audit reports to relevant stakeholders. Rural Customs and TBOs as well as HR Division and Transport Management Unit reports being finalized for issuance to relevant stakeholders.
7	Three (3) Assurance services on National Legislature duty free requests, LVD/FDA Monthly Financial Reports and source documents as well as SGS Monthly Invoices	Reviewed 168 duty free requests from the National Legislature for further action by the Commissioner General. Validated and issued LVD/FDA January – August 2025 monthly financial reports. September and October 2025 reports being finalized, financial reports and source documents for November and December 2025 being compiled for submission for validation. SGS third party assurance services monthly invoices from January to November 2025 validated and paid, December invoice and deliverables being compiled for validation.
8	Two (2) Continuous system review of Core operating systems	Generated and issued to relevant core services stakeholders for appropriate action and feedback Forty-one (41) continuous system exception reports
9	Two (2) Limited reviews and validation of Real Estate Tax Division Valuation Section and FY 2025 Commitment listing	Field work for Real Estate Tax Division Valuation Section being concluded. Follow up being made with Procurement Section and Budget & Finance for the submission of FY 2025 commitment listing for validation.
10	Three (3) Quarterly review of FY 2025 Financial Statements and Procurement and Store Management Unit	Finalized and submitted to relevant stakeholders for appropriate action Financial Statements review for FY 2025 Quarter 1-3. Quarter 4 and source documents being compiled for submission for validation. Procurement and Stores quarterly review fieldwork being concluded.
11	One (1) Compliance review of ASYCUDA roll out at rural CBO	Report being finalized for issuance to relevant stakeholders
12	One (1) Information System and Controls	Information Systems and General IT controls review report finalized and issued to relevant stakeholders.

13	Two (2) FY 2025 End of Year Physical Inventory Count	End of year physical inventory counts at non tax revenue generating Ministries and Agencies (MOFA, MOT, LIS, MOL, LBDI and IB) as well as cash and near cash items at LRA HQ fieldwork being concluded.
14	Two (2) Internal Training and Continuous Professional Development	Certified Risk and Compliance Management Professional and CIA Part I certifications currently being pursued.

Source: IAD

4.1.5 FISCAL INVESTIGATION

The Fiscal Investigations Division (FID) provides quality and timely tax intelligence, audit support, investigation and enforcement specialized capabilities that foster optimum revenue collection within the LRA.

4.1.5.1 KEY ACHIEVEMENTS

- Developed and launched an online confidential whistleblowing platform in April 2025, enabling anonymous reporting of suspected tax violations and incorporating a statutory reward mechanism; the system is currently undergoing live testing to enhance intelligence gathering and tax recovery.
- Initiated, in collaboration with the LRA, Financial Intelligence Agency (FIA), and the World Bank, the Money Laundering/Terrorist Financing (ML/TF) Tax Crimes National Risk Assessment Module, including the establishment of a joint working group and technical leads; although training was deferred to early 2026 due to budget constraints, implementation remains a strategic priority.
- Drafted amendments to the Revenue Code and the LRA Act and developed a Tax Crime Investigation and Prevention Manual under the TIWB CI/Liberia Program; these instruments were aligned with OECD global principles, with the legal amendments currently before the Legislature and the manual awaiting expert validation and management approval.
- Collaborated with Domestic Tax and Customs Departments to draft a Tax Crime and Investigations Awareness Handbook for taxpayers, aimed at improving transparency, clarifying taxpayer rights and obligations, and strengthening voluntary compliance upon publication.
- Strengthened internal oversight through six case review meetings, ensuring adherence to standard operating procedures (SOPs), improving case quality, identifying emerging tax crime typologies, and implementing corrective actions to enhance operational efficiency.
- Advanced staff capacity through targeted training and professional development initiatives, including completion of the SECFin Africa certification program on investigating and prosecuting financial crimes, participation in FIA-led training on money laundering and terrorist financing typologies, and engagement in the 2025 FATF/GIABA Joint Experts Meeting in Accra, contributing to alignment with international best practices.

- Enhanced institutional coordination by holding three high-level engagement meetings with the FIA, resulting in improved information sharing and the development of initial joint analytical frameworks for addressing illicit financial flows.
- Participated in a multi-agency consultative meeting in August 2025 with institutions including the LACC, LNP, and FIA, initiating the design of a national coordination framework for asset recovery, with further engagements planned.
- Led efforts to strengthen domestic and international partnerships by reviewing and updating Memoranda of Understanding (MoUs) with key institutions such as the FIA and LNP to clarify roles in combating tax crimes; revised drafts are currently under stakeholder review.
- Conducted two technical missions under the TIWB/UNDP Criminal Investigation Work Plan in November 2025, focusing on casework and implementing recommendations to deepen international support and enhance investigative effectiveness.

Overall, the Division made significant strides in strengthening tax crime detection, enhancing inter-agency collaboration, and aligning Liberia's tax investigation framework with international standards, thereby reinforcing the LRA's capacity to combat illicit financial flows and improve revenue mobilization.

4.1.6 ETHICS AND INTEGRITY

The Professional Ethics Division (PED) was established by the Authority 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 carefully examined. If a formal investigation is required, the investigation must be thorough, unbiased and reported in a timely and objective 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.

4.1.6.1 KEY ACHIEVEMENTS

- Received a total of 61 employee misconduct cases, of which 59 were investigated and 2 remained pending at the end of the reporting period.
- Concluded 55 cases as sustained, confirming misconduct, while 4 cases were not sustained, demonstrating adherence to fair and evidence-based investigations.
- Processed 186 background check requests, with 175 completed and 11 pending.
- Determined that 172 background checks contained non-disqualifying information, while 3 revealed disqualifying issues, strengthening recruitment integrity.
- Conducted extensive background investigations across leeward counties, enhancing due diligence in staff vetting processes.
- Strengthened intelligence gathering mechanisms to proactively identify and address integrity risks within the institution.
- Collaborated closely with the Liberia Anti-Corruption Commission (LACC) to ensure full compliance with the asset declaration regime.

Overall, the Division demonstrated strong performance in enforcing ethical standards, enhancing transparency, and promoting a culture of accountability within the LRA.

4.1.7 COMMUNICATION, MEDIA & PUBLIC AFFAIRS

The 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.

4.1.7.1 KEY ACHIEVEMENTS

- Maintained an active presence across all official social media platforms, including Facebook, Instagram, LinkedIn, X (Twitter), and YouTube.
- Published a total of 162 digital posts focused on tax compliance reminders, filing deadlines, public education, institutional updates, and major events.
- Grew the LRA's combined social media audience to approximately 52,368 followers, reflecting increased public engagement despite limited digital resources.
- Strengthened public affairs and media relations through sustained engagement with the media.
- Issued 43 press releases, produced 25 public service announcements, and handled 53 media inquiries during the reporting period.
- Published 9 exchange rate updates to inform the public on currency-related matters.
- Hosted 124 radio talk shows and call-in programs to promote tax awareness and compliance.
- Produced and aired 4 radio jingles, reinforcing key tax messages to the public.
- Conducted comprehensive media monitoring across multiple platforms.
- Captured 78 print publications, 188 online articles, 136 radio mentions, and 17 television features related to the LRA.
- Provided regular media intelligence reports to senior management, enabling timely responses to misinformation and supporting informed decision-making.
- Implemented capacity-building initiatives to enhance communication effectiveness.
- Trained 95 journalists in collaboration with the Western Region Journalists Association and the Press Union of Liberia, improving the accuracy of tax-related reporting.
- Provided media and public engagement training to approximately 60 Customs Officers, strengthening their communication and taxpayer interaction skills.
- Strengthened strategic media partnerships with 14 media institutions (including urban and rural radio stations).
- Expanded national outreach through the broadcast of over 34 radio talk shows, approximately 15 public service announcements, and five evergreen tax awareness jingles across partner stations.

Overall, CMPA significantly enhanced the visibility of the LRA, improved taxpayer awareness, and expanded the Authority's communication reach nationwide, contributing to stronger public trust and voluntary compliance.

4.2 TECHNICAL AFFAIRS DEPARTMENT

The Management Information Systems (MIS) Division is one of the technical support divisions of the Liberia Revenue Authority. The MIS Division leads IT back-office operations, network administration, and systems, program/software development and acquisition efforts.

Additionally, MIS is responsible to provide expertise in the selection and operating technological solutions for the Authority's lines of business such as Customs and Domestic Tax administration, software development, Finance & Human resources management, and all other enterprise-wide activities such as security and business continuity planning. The increasing use of technology by the LRA has made the MIS a central component to the corporate governance and operations of the LRA.

4.2.1.1 KEY ACHIEVEMENTS

4.2.1.1.1 IT INFRASTRUCTURE AND CYBERSECURITY UNIT

- Deployed a new enterprise firewall, replacing an obsolete system and significantly improving protection against cyber threats and unauthorized access.
- Upgraded and deployed the ESET antivirus platform across all end-user devices, enabling centralized threat monitoring and faster incident response.
- Enhanced overall network security architecture and improved real-time monitoring of internet traffic across LRA systems.
- Strengthened endpoint protection across all operational units, reducing vulnerability to malware and cyber intrusion risks.

4.2.1.1.2 CORE REVENUE SYSTEMS UNIT (LITAS & ASYCUDA SUPPORT)

- Expanded the Liberia Integrated Tax Administration System (LITAS) to additional Tax Business Offices nationwide.
- Conducted staff training and equipment deployment to ensure effective use of LITAS for registration, filing, payment, and reporting.
- Supported the rollout and expansion of the ASYCUDA customs management system to additional customs offices, improving trade facilitation and digital customs processing.
- Enhanced digital processing of tax and customs transactions, reducing reliance on manual procedures and improving compliance efficiency.
- Integrated Orange Money mobile payment platform into the tax system, enabling taxpayers to pay taxes via mobile phones and receive instant electronic receipts.

4.2.1.1.3 SYSTEMS DEVELOPMENT AND INNOVATION UNIT

The Systems Development Unit focused on designing, building, and improving internal and external digital platforms to enhance operational efficiency.

- Advanced development of the Budgeting and Accounting Application to automate internal financial management processes.
- Implemented Phase II upgrades of the e-Learning and e-Recruitment platforms, improving digital management of staff training and recruitment processes.
- Developed and deployed the LPA Credit Management System to support internal financial tracking and credit operations.
- Implemented an AI-driven HR recruitment system, automating end-to-end processes including job advertisement, shortlisting, testing, interviews, and onboarding.
- Initiated the development of the Performance Improvement Plan (PIP) module to strengthen internal performance management and staff accountability systems.
- Prepared and upgraded the data center environment for the deployment of the Online Revenue Auditing System (ORAS) by NSOFT.
- Installed critical infrastructure including servers, storage systems, network switches, and routing equipment to support real-time monitoring of transactions.
- Enabled system readiness for monitoring financial transactions in telecommunications, mobile money, and gambling sectors.

4.2.1.1.4 CAPACITY BUILDING

- Supported postgraduate training for three staff members in Artificial Intelligence and Machine Learning.
- Facilitated professional certifications in Ethical Hacking, ICT Project Management, VMware technologies, and Microsoft platforms for staff development.
- Procured Udemy online training licenses for 21 staff members, providing access to continuous learning in cybersecurity, cloud computing, data analytics, and software development.

4.2.2 ENTERPRISE RISK MANAGEMENT AND COMPLIANCE DIVISION

The Enterprise Risk Management and Compliance Division (ERMCD) aims to give LRA Management and the Board reasonable assurance that key objectives are being achieved and that all major risks are identified and proactively managed to protect national revenue and the LRA's reputation.

The ERMCD's mission is to support sound tax administration by systematically identifying, classifying, assessing, and proactively managing risks, while assuring that operations comply with LRA regulations and procedures.

This system strengthens the Authority's ability to achieve its mission and strategic goals by fostering a risk-aware culture and providing a structured, continuous process for early identification and reporting of significant risks and opportunities to senior management and the Board. The purpose of this 2025 annual report is to present the Division's key activities during the year and the main challenges encountered in implementing them.

4.2.2.1 KEY ACHIEVEMENTS

4.2.2.1.1 RISK MANAGEMENT INSTITUTIONALIZATION

- Developed a standardized Risk Management Training Package (PowerPoint module) for institution-wide use, with provisions for customization across business units.
- Designed and prepared Business Unit Risk Registers, to be deployed following training rollout in FY2026.
- Developed a Pre- and Post-Training Survey Tool to assess staff knowledge, confidence, and attitudes toward risk management.
- Produced a Risk Management Charter for the National Reconciliation, Accounting, and Reporting Section (NRARS), to serve as a model for establishing Risk Management Committees across other units.

4.2.2.1.2 RISK COMMUNICATION

- Disseminated risk awareness messages on IT security threats, operational risks, and mitigation measures through the "All Staff" platform, strengthening institutional risk consciousness.

4.2.2.1.3 INSTITUTIONAL COMPLIANCE MONITORING, REVIEWS, AND ASSESSMENTS

- Conducted a year-end petroleum product stock count and compliance review in collaboration with LPRC's Commerce and Business Operations (CBO), validating physical stock levels against recorded balances and identifying discrepancies for corrective action.
- Assessed the accuracy and completeness of inventory records, warehouse documentation, lifting records, bonds, and adherence to standard operating procedures.
- Undertook a comprehensive review of institutional risks affecting revenue collection at Customs Business Offices (CBOs) and Tax Business Offices (TBOs), focusing on taxpayer education gaps, enforcement weaknesses, automation challenges, staffing constraints, and internal process inefficiencies.
- Provided recommendations to strengthen controls and improve revenue performance, including drafting and submitting a concept note on payroll review.
- Performed continuous validation of internal controls and procurement compliance, including verification of payment vouchers, tax clearance status, withholding tax treatment, and supporting documentation.
- Monitored procurement and logistics processes through review of LPAs, physical verification of goods and services, and tracking issuance of official booklets.
- Conducted real-time oversight of IT-related procurements, ensuring value for money and adherence to procurement guidelines.
- Undertook field visits to sub-offices, identifying operational challenges such as inadequate infrastructure, limited IT literacy, weak implementation of cost center budgeting, and workforce aging issues affecting efficiency.

4.2.2.1.4 AD HOC ACTIVITIES

- Participated in the Phase I and II training and deployment of the Rural CBOs & TBOs Web Application.
- Contributed to the Enterprise Risk Management Program (ERMP) validation sessions in collaboration with the Management Information Systems Division (MISD), including review of in-house applications such as the HR Performance Management System.
- Supported institutional processes through shortlisting and interviewing candidates for positions in key departments including General Services, Real Estate, and NRARS.
- Achieved professional advancement with the MIS Risk Manager obtaining CRISC certification (Certified Risk and Information Security Control Professional).

4.2.2.1.5 UNRESOLVED INSTITUTIONAL MIS RISK ISSUES

- Absence of network and vulnerability monitoring systems, as recommended by the General Auditing Commission (GAC) IT Audit Team.
- Lack of internal and external penetration testing of the LRA network.
- IT Disaster Recovery Plan remains untested, with the recovery site inadequately equipped for full-scale disaster response.

- Inactive IT Steering Committee, limiting strategic oversight and governance of IT operations.
- Absence of structured user training plans for internally developed applications.
- Inadequate provision of personal protective equipment (PPE) for MISD support staff, exposing them to occupational risks.
- Continued non-automation of key internal processes, including financial transaction processing, storeroom management, vehicle request systems, and HR administrative functions.

4.2.3 ENTERPRISE DATA ANALYTICS DIVISION (EDAD)

The Enterprise Data Analytics Division (EDAD) is pivotal in enhancing decision-making and efficiency at the Liberia Revenue Authority (LRA). Recognizing the challenges posed by modern tax and customs management, EDAD was created to implement innovative solutions aimed at modernizing operations, increasing transparency, and improving stakeholder satisfaction.

4.2.3.1 KEY ACHIEVEMENTS

4.2.3.1.1 ESTABLISHMENT OF FOUNDATIONAL ANALYTICS AND RECONCILIATION SYSTEMS

- Designed and implemented reconciliation tools to support the National Reconciliation, Accounting, and Reporting Section (NRARS) and the Taxpayer Services Division, enabling daily reconciliation across LITAS, TAS, commercial banks, and Central Bank of Liberia (CBL) statements.
- Enhanced and deployed the Rural Tax Business Offices (TBOs) Web Application, improving revenue reporting and visibility from remote locations.
- Conducted a feasibility study on backend automation, resulting in a strategic roadmap for digitizing internal processes and improving operational efficiency.

4.2.3.1.2 STRENGTHENING ANALYTICS, DATA QUALITY, AND USER CAPACITY

- Upgraded the LRA Flash Dashboard by incorporating predictive analytics, statistical visualizations, and revenue forecasting capabilities to support evidence-based decision-making.
- Delivered refresher training for Rural Customs Business Offices (CBOs) and TBOs, improving user capacity, reporting accuracy, and compliance.
- Completed data cleaning and integration of rural revenue datasets, enabling seamless migration into the Tax Administration System (TAS).
- Supported accurate and timely reporting of Q1 and Q2 revenue performance, enhancing the quality of management reports.

4.2.3.1.3 ADVANCED AUTOMATION AND OPERATIONAL ANALYTICS

- Developed the Customs Protest and Evaluation Application, digitizing the submission, evaluation, and tracking of protest cases.
- Designed an NRARS Reconciliation Analytical Model to facilitate reconciliation of collections across multiple revenue streams and platforms.
- Generated summarized analytical outputs for integration into the LRA Flash Dashboard, strengthening senior management oversight.
- Provided continuous technical support to Rural CBOs and TBOs, ensuring system functionality, stability, and timely reporting.

4.2.3.1.4 YEAR-END OPERATIONAL AND ANALYTICAL SUPPORT

- Delivered revenue data validation and reconciliation support during year-end closing exercises to ensure data accuracy and completeness.
- Maintained continuous updates of dashboards and analytical reports, supporting real-time monitoring of revenue performance.
- Provided system maintenance and user support, ensuring uninterrupted operations across all supported platforms.

4.2.4 ENTERPRISE DESIGN, QUALITY ASSURANCE AND RESULTS DIVISION

The Enterprise Design, Quality Assurance & Results Division (EDQARD) is one of the divisions under Technical Affairs. The Division develops standard operating procedures for operating units across the LRA. It also assesses, monitors and evaluates the quarterly activities of all sections and Divisions in the authority.

4.2.4.1 KEY ACHIEVEMENTS

4.2.4.1.1 ENTERPRISE DESIGN AND RESULTS SECTION (EDRS)

4.2.4.1.1.1 MONITORING & EVALUATION (M&E)

- Produced four (4) quarterly Monitoring & Evaluation reports on the LRA Annual Work Plan.
- Conducted two (2) biannual work plan implementation reviews, with comprehensive reports submitted to Senior Management.
- Delivered one (1) joint M&E automation end-user training in collaboration with the Policy Department, enhancing reporting capacity across units.

4.2.4.1.1.2 BUSINESS PROCESS IDENTIFICATION AND DOCUMENTATION

- Identified, developed, and documented twenty-eight (28) business processes, exceeding the annual target of 24.
- Covered critical operational areas across Domestic Tax, Customs, Administrative Affairs, and CG direct reporting units.
- Translated all identified processes into structured SOP frameworks to support standardization and efficiency.

4.2.4.1.1.3 RE-ENGINEERING OF EXISTING SOPS

- Reviewed and re-engineered sixty (60) existing SOPs, far exceeding the target of 8.
- Achieved approval of thirty-seven (37) SOPs, with the remaining under review and approval processes.
- Strengthened operational consistency across Domestic Tax, Customs, and Administrative functions through updated procedures.

4.2.4.1.1.4 DEVELOPMENT OF NEW SOPS

- Designed and developed eight (8) new SOPs, out of a planned twelve (12).
- Secured approval for seven (7) SOPs, with one pending final review.
- Introduced new procedures in key operational areas including rural tax operations, customs processes, ERP systems, and compliance channels.

4.2.4.1.1.5 SOP TRAINING AND CAPACITY BUILDING

- Conducted extensive SOP end-user training sessions across multiple offices, including TBOs and CBOs.
- Strengthened staff understanding and application of standardized procedures across the Authority.

4.2.4.1.1.6 FOLLOW-UP AND SOP APPROVAL PROCESS

- Undertook continuous follow-ups with business process owners and senior management to ensure timely review and approval of SOPs.
- Circulated memos and tracking dashboards to monitor SOP development, status, and implementation.

4.2.4.1.1.7 SPOT-CHECK AND COMPLIANCE VERIFICATION

- Conducted seven (7) spot-check exercises across key operational locations, including LPRC, RIA, Buchanan, Kakata, Gbarnga, Ganta, and Marshall offices.
- Validated the distribution, understanding, and implementation of SOPs at field level.

4.2.4.1.1.8 OTHER STRATEGIC CONTRIBUTIONS

- Led the development of the LRA Service Delivery Charter, supporting institutional performance standards.
- Coordinated the Performance Management and Compliance Contract with the Ministry of State, serving as focal point for the LRA.
- Collaborated across divisions to ensure delivery of key institutional performance targets.

4.2.4.1.2 QUALITY ASSURANCE SECTION (QAS)

4.2.4.1.2.1 AUDIT CASE REVIEW AND QUALITY CONTROL

- Reviewed 136 audit case files from the Domestic Tax Audit Unit to ensure compliance with laws, policies, and procedures.
- Strengthened the quality and consistency of audit processes through systematic review and feedback.

4.2.4.1.2.2 INSTITUTIONAL REVIEWS

- Conducted sixteen (16) institutional reviews for the 2025 tax period, meeting the planned annual target.
- Assessed the effectiveness and compliance of operational processes across the Authority.

4.2.5 NATIONAL REVENUE ACCOUNTING AND REPORTING SECTION

The National Revenue Accounting and Reporting Section is one of the offices under the Deputy Commissioner General for Technical Affairs. It is responsible for conducting daily/monthly bank reconciliation of the Central Bank of Liberia (CBL) and Commercial Banks (CBs) for the period.

4.2.5.1 KEY ACHIEVEMENTS

4.2.5.1.1 DOMESTIC TAX RECEIPTS & SYSTEM RECONCILIATION

- All requests from Tax Business Offices (TBOs) for rural revenue receipts were fully addressed, supporting the effective delivery of services to taxpayers.
- Rural revenue receipts utilized by Domestic TBOs were completely reconciled.
- Deposits made by Tax Collectors into Government of Liberia (GoL) Revenue Accounts were successfully reconciled, including verification of commercial bank statements against LRA systems (TAS and LISTAS).

4.2.5.1.2 BANK RECONCILIATION UNIT

- The Unit effectively monitored, reconciled, and reported daily transactions posted in TAS, as well as account balances of all Transitory GoL revenue accounts domiciled in commercial banks.
- Daily reconciliation was performed to match revenue collections and TAS postings with transactions swept from Transitory Accounts to the General Revenue Account (GRA) at the Central Bank of Liberia (CBL).

4.2.5.1.3 CUSTOMS RECONCILIATION (CBO)

- All CBO collections were verified through deposit slips and reconciled with commercial bank statements.
- Variances between CBO collections and TAS postings were identified, helping highlight areas requiring improved data capture and follow up.

4.2.6 TAXPAYER SERVICES DIVISION

The division is one of the four (4) divisions that reports to the Deputy Commissioner General for Operations and Technical Affairs. It is headed by an Assistant Commissioner and has two sections – Taxpayers Inquiries, Information and Education and Banks Service Delivery and Monitoring.

Our mission within the organizational structure of the Liberia Revenue Authority (LRA) is to provide taxpayers with exceptional (respectful, responsive, and result oriented) customer service experience in helping them meet their tax obligations. Our vision is to enhance and broaden the marketing of LRA as an optimal customer service delivery institution, as opposed to a collection agency.

4.2.5.1 KEY ACHIEVEMENTS

4.2.6.1.1 HIGH-LEVEL STRATEGIC REVENUE ENHANCEMENT INITIATIVES

- Establishment of the specialized One-Stop Shop for taxpayer services, about 80% equipped and on track for launch in Q2 2026, with customer service staff recruitment underway and a focus on training and coordination to improve service delivery and reduce bottlenecks.
- Call center modernization which is roughly 75% complete, with key equipment procured and being installed, staff recruitment in progress, with continued work to integrate advanced technology and build a skilled team to enhance customer service.
- Begun activities on expanding VAT awareness to the counties in the coming months, with planned education and engagement activities to improve understanding, support a smooth transition, and strengthen compliance among consumers and businesses.

4.2.6.1.1 OTHER PLANNED IMPLEMENTATION ACTIVITIES AND INITIATIVES.

- Simplified 26 tax laws, rules, regulations, and procedures by updating PIT tables, clarifying payment and LITAS processes, and producing user friendly materials (flyers, banners, videos, and forms) to make compliance easier for taxpayers.
- Conducted 34 targeted tax clinics for businesses, NGOs, and government entities, providing tailored guidance to major taxpayers across sectors to strengthen compliance and understanding of tax obligations.
- Delivered 80 radio talk shows, including rural broadcasts, to promote general tax compliance and educate the public on real estate taxes, excise stamps, electronic device requirements, VAT, and LITAS.

- Organized 22 community tax education outreach programs in three regions (Bomi, Grand Cape Mount, Grand Bassa, Margibi, and Montserrado), focusing on LRA general compliance, excise, PIT, BIT, and real estate tax payments.
- Managed taxpayer inquiries effectively, resolving 146 of 154 cases received via concierge desks, call center, email, and social media, achieving a 94.8% resolution rate and exceeding the 90% target.
- Strengthened frontline service quality by delivering 9 customer service training sessions for staff at LRA Headquarters and TBOs/CBOs in Grand Cape Mount, Bomi, Gbarpolu, Bong, and Nimba.
- Distributed 12 SMS and email blasts to reinforce outreach, sending 4 targeted SMS campaigns messages to newly registered businesses and real property owners, in line with its broader SMS and email distribution strategy.
- Executed ten (10) assessment visits to service windows across Montserrado, Margibi, Grand Bassa, Bomi, Gbarpolu, and Grand Cape Mount Counties.
- Printed and distributed to taxpayers via LRA concierge desks and service windows a total of eighty-seven thousand (87,000) tax and customs forms, along with information flyers and brochures,
- Reconciled all transitory accounts for the fiscal period. Meetings with all commercial banks are ongoing to obtain their signatures.
- Conducted eight (8) training sessions for newly registered businesses and a selected group of taxpayers, focusing on LITAS and ASYCUDA integration with Commercial Banks for CBOs and TBOS

4.3 ADMINISTRATIVE AFFAIRS DEPARTMENT

4.3.1 HUMAN RESOURCE MANAGEMENT DIVISION

The Human Resource Management Division is one of the divisions under the department of Administrative Affairs. It is responsible for staffing including recruitment, training and development, performance appraisals, benefits administration (pay and benefits) and the reward system, personnel well-being and discipline within the LRA. The Division remains central to ensuring that the Liberia Revenue Authority (LRA) maintains a skilled, productive, and accountable workforce aligned with its strategic objectives.

During the year under review, the Human Resource Management Division demonstrated solid performance in maintaining workforce stability, advancing performance management systems, and supporting organizational effectiveness. The use of structured workforce data highlights key strengths, including a strong operational base and high performance plan compliance. However, challenges such as gender imbalance, employee health concerns, and delays in administrative processes remain areas for strategic attention. Strengthening workforce planning, enhancing wellness initiatives, and improving recruitment efficiency will be critical for sustaining institutional performance.

4.3.1.1 STAFF DEMOGRAPHICS AND DISTRIBUTION

The LRA workforce stood at 1,051 personnel, comprising 870 employees and 181 contractors across five key departments. The distribution is presented below:

Table 77: Total Number of Employees & Contractors by Department

Department	Employees	Contractors
Commissioner General Direct Report	57	2
Technical Affairs	84	4
Administrative Affairs	115	57
Customs Department	242	43
Domestic Tax Department	372	79
Total	870	181

Source: HR Division

The Domestic Tax Department remains the largest operational unit, followed by Customs, while Administrative Affairs shows a relatively high dependence on contractors.

4.3.1.2 STAFF STRUCTURE BY PAY GRADE

The data shows a workforce heavily concentrated at the support level, reflecting operational demands, while maintaining a lean executive structure.

Table 78: Employees & Contractors by Pay Grade

Pay Grade	Employees	Contractors
E-Level (Executive)	34	0
Managers (P-5)	75	0
Technical (P-2 to P-4)	264	6
Support Staff	497	175
Total	870	181

Source: HR Division

4.3.1.3 GENDER DISTRIBUTION

Males constitute approximately 77% of the workforce, while females account for 23%, highlighting a significant gender imbalance.

Table 79: Workforce by Gender

Gender	Employees	Contractors
Male	665	136
Female	205	45
Total	870	181

Source: HR Division

4.3.1.4 LEAVE UTILIZATION

Annual and sick leave dominate usage, while study leave reflects continued investment in staff development.

Table 80: Leave Types Analysis

Leave Type	Approved Days	Staff Count
Annual Leave	20	306
Sick Leave	20	108
Maternity Leave	90	6
Study Leave	Up to 2 years	16
Special Leave	-	0
Leave Without Pay	1 month	0
Administrative Leave	90 days	2

Source: HR Division

4.3.1.5 EMPLOYEE HEALTH STATUS

The below health-related cases recorded across the Domestic Tax and Customs departments highlight a range of serious medical conditions affecting staff. Within the Domestic Tax division, there are multiple instances of mental health issues, as well as physical health challenges including a leg fracture, stroke-related impairments, and diabetes.

Similarly, in the Customs department, staff members are reported to suffer from diabetes, stroke, and mobility limitations, with one case involving an elderly employee aged 63. The recurrence of stroke and diabetes across both departments underscores the need for strengthened workplace health initiatives, targeted wellness programs, and support systems for employees dealing with chronic or debilitating health conditions.

Table 81: Staff with Prolonged Ailments

Department	Condition
Domestic Tax	Mental health conditions
Domestic Tax	Fracture (leg)
Domestic Tax	Stroke / mobility impairment
Domestic Tax	Diabetes (including amputee cases)
Customs	Diabetes / mobility challenges
Customs	Stroke-related conditions

Source: HR Division

4.3.1.6 DISCIPLINARY ACTIONS

Table 82 presents the disciplinary cases handled by the Human Resources Division during the reporting period. A total of 60 employees were subjected to workplace investigations involving staff from the Domestic Tax, Customs, and Administration Departments. As part of the disciplinary process, investigation letters were issued to the affected employees to facilitate fact-finding and due process.

Of the cases reviewed, 2 employees were placed on suspension, while 46 employees were dismissed or terminated following the completion of disciplinary proceedings and the determination of violations warranting separation from service. No warning letters were issued, and no cases were recorded as cleared during the reporting period.

The disciplinary actions undertaken demonstrate the Authority's commitment to enforcing workplace standards, upholding integrity, and ensuring accountability across all operational areas. The Human Resources Division will continue to strengthen compliance with institutional policies and ethical standards through consistent disciplinary oversight and employee engagement. See table below.

Table 82: Disciplinary Records

Type of Action	Departments	Number of Employees
Workplace Investigation Letters	Domestic Tax, Customs, Administration	60
Warning Letters	-	0
Suspension	-	2
Dismissal/Termination	-	46
Cleared Cases	-	0
Total Cases		60

Source: HR Division

4.3.1.7 STAFF TURNOVER

Staff turnover remained extremely low, indicating workforce stability.

Table 83: Resignation

Type	Departments	Number of Staff
Voluntary Resignation	Across all departments	1
Involuntary Resignation	-	0
Total		1

Source: HR Division

4.3.1.8 RECRUITMENT STATUS

Recruitment outcomes show progress, though some positions require re-advertisement or final approvals.

Table 84: Ongoing Recruitment

Position	Status	Remarks
Deployment Officer	Completed	Candidates onboarded
Supervisor, Reconciliation	Interview completed	Awaiting approval
Officer, Reconciliation	Interview completed	Awaiting approval
Senior Officer, Reconciliation	Test completed	Re-run required
Data Entry Clerk/Enumerator	Completed	Candidates onboarded

Source: HR Division

4.3.1.9 SALARY REGULARIZATION

The exercise primarily affected Domestic Tax and Customs, reflecting structural adjustments in core revenue departments.

Table 85: Salary Regularization

Department	Number of Staff
Commissioner General Office	1
Domestic Tax	21
Customs	11
Administrative Affairs	2
Technical Affairs	10
Total	45

Source: HR Division

4.3.1.10 PERFORMANCE MANAGEMENT

The rollout of the automated performance management system achieved a 92% compliance rate, demonstrating strong institutional adoption, though some delays remain.

Table 86: Performance Plan Submission (FY2025)

Total Staff	Completed	Outstanding	% Completed	% Outstanding
870	802	68	92%	8%

Source: HR Division

4.4 GENERAL SERVICES DEPARTMENT

The General Services Department (GSD) is charged with the responsibility to provide the requisite support to all departments, divisions, sections and units within the Liberia Revenue Authority in managing facilities, supplies, internal transportation, security and resource conservation, maintenance and procurement related services.

During the period under review, the General Services Department delivered a strong operational performance in 2025, significantly improving infrastructure, logistics, and institutional support systems. While notable progress was made in facility upgrades, asset management, procurement, and security, persistent challenges such as infrastructure gaps in rural offices, fleet limitations, procurement delays, and security resource constraints remain. Addressing these issues will be critical to enhancing service delivery and supporting the Authority's broader revenue mobilization objectives.

4.4.1 KEY ACHIEVEMENTS

4.4.1.1 LOGISTICS MANAGEMENT SECTION

The Logistics Management Section comprises four core units: Facility Management, Fixed Assets Management, Transport Management, and Stores/Warehouse Management.

4.4.1.2 FACILITY MANAGEMENT UNIT

The Facility Management Unit made significant strides in improving power reliability, infrastructure functionality, and workplace conditions across LRA facilities. Investments in energy infrastructure included the commissioning of a 20 KVA generator, repairs to existing generators, electrification of multiple Tax Business Offices (TBOs), and grid connections for key operational sites. In addition, the installation and repair of high-capacity air conditioning systems supported the protection of sensitive equipment, particularly in data centers and critical operational units.

The Unit also undertook renovation and facelift projects at the headquarters and field offices, enhancing both functionality and aesthetics. These interventions contributed to improved staff productivity, safety, and overall working conditions.

Lease management remained largely effective, with approximately 85 percent of lease obligations settled during the year, and all arrears from 2024 fully cleared. However, delays in procurement processes affected the timely renewal of some 2025 lease agreements. Routine facility management services, including cleaning, water supply, waste management, and maintenance of equipment, were consistently provided. Janitorial services ensured sanitation across facilities, although minor challenges were encountered in the supply of cleaning materials.

4.4.1.3 FIXED ASSETS MANAGEMENT UNIT

The Fixed Assets Management Unit successfully conducted its annual asset verification and repair exercise within Montserrado County and collaborated with the General Auditing Commission (GAC) to complete physical asset verification at the LRA headquarters.

Additionally, the Unit carried out repairs, assembly, and maintenance of office furniture and IT equipment across various LRA locations, including headquarters and operational offices. A major highlight was the joint asset verification and assessment tour conducted across six counties, particularly in the southeastern region. This exercise, undertaken in collaboration with other divisions, revealed significant infrastructure and resource gaps in rural offices.

Table 87: Key Observations from County Asset Assessment

Location	Key Challenges Identified
Cestos (Rivercess)	Poor furniture, lack of IT equipment, reliance on manual processes, damaged motorbike
Greenville (Sinoe)	Dilapidated office building, no ICT tools, depreciated transport assets
Webbo (River Gee)	Poor transport condition, worn furniture, absence of IT systems

Source: Fixed Assets Management Unit

These findings highlight the urgent need for investment in infrastructure, ICT tools, and mobility support to improve service delivery in remote areas.

4.4.1.4 TRANSPORT MANAGEMENT UNIT

The Transport Management Unit expanded its role into a centralized fleet management and logistics hub, overseeing vehicle maintenance, deployment, insurance, and staff mobility.

Table 88: Vehicle Fleet Composition

Category	Number of Vehicles
Brand New	25
Fairly New	36
Partly Old	10
Old	12
Total Insured Vehicles	77

Source: Transport Management Unit

The Unit supported increased staff mobility, which was critical for achieving revenue targets. However, operations were constrained by an aging fleet, inadequate number of vehicles and motorbikes, limited workshop space, and delays in vendor payments.

Deployment remains skewed toward headquarters and Customs offices, creating gaps in support for Tax Business Offices, particularly in rural areas.

4.4.1.5 STORES/WAREHOUSE MANAGEMENT UNIT

The Stores Management Unit (SMU) maintained a well-structured and control-driven inventory system, ensuring accountability, traceability, and audit readiness through barcoding, stock cards, and systematic record-keeping.

The Unit demonstrated strong performance in managing revenue instruments, maintaining adequate stock levels and ensuring full reconciliation between physical and recorded balances.

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Table 89: Revenue Instruments Stock Position

Item	Total Available	Issued	Closing Stock
LRD Flag Receipts	1,175	995	282
USD Flag Receipts	1,279	409	870
Single Administrative Documents (SAD)	215	195	135

Source: Stores Management Unit (SMU)

The inventory of office and ICT consumables also showed high utilization with generally sufficient closing balances.

Table 90: Selected Consumables Inventory

Item	Available	Issued	Closing Balance
3-Ply Computer Paper (Reams)	550	444	146
Box Folders	2,875	845	2,030

Source: Stores Management Unit (SMU)

However, some critical items, particularly ICT-related equipment such as external hard drives and batteries, were fully depleted, indicating the need for improved minimum stock thresholds and reordering systems.

4.4.1.6 PROCUREMENT UNIT

The Procurement Unit executed a high volume of procurement activities across all funding sources, including Government of Liberia (GoL), MEDTECH, and Customs User Fees. The Unit utilized a mix of procurement methods, including sole sourcing, national competitive bidding, restricted bidding, and requests for quotations, to deliver essential goods, services, and infrastructure.

Procurement activities supported key institutional priorities, including ICT systems, e-services infrastructure, vehicles, security systems, and operational logistics. Despite these achievements, the Unit faced operational challenges, including limited staffing capacity, adaptation challenges to the electronic procurement platform, and connectivity issues, which occasionally delayed procurement processes. Recommendations include strengthening digital infrastructure, increasing staffing levels, and enhancing procurement tools and systems.

4.4.1.7 SECURITY MANAGEMENT SECTION

The Security Management Section recorded a zero-incident year, with no cases of theft, burglary, or major security breaches reported. The Section successfully implemented its annual work plan, including the installation and reactivation of 84 CCTV cameras, restoring full surveillance coverage at headquarters.

Security operations were further strengthened through the expansion of guard services, increasing external security personnel from 83 to 103 guards, and extending coverage to additional locations.

Table 91: Security Operations Highlights

Activity	Achievement
CCTV Cameras Installed/Reactivated	84
External Guards Deployed	103
New Security Sites Added	3
Security Incidents Reported	0

Regular security patrols, attendance monitoring, and training programs for guards were conducted, including a fire and emergency preparedness drill.

However, the Section faces critical challenges, particularly in rural offices where single guards provide 24-hour coverage without relief, posing operational and security risks. Additional constraints include limited communication infrastructure, inadequate staffing, and resource limitations, which require urgent attention to sustain effective security operations.

KEY CHALLENGES

Despite notable achievements during the year under review, the Liberia Revenue Authority (LRA) continues to face several structural, operational, and policy-related challenges that constrain its ability to optimize revenue collection and service delivery.

INSTITUTIONAL AND POLICY CONSTRAINTS

A major challenge remains the inadequate funding of the Authority, which limits its operational capacity. Like many tax administrations in the region, there is a strong case for allowing the LRA to retain at least 5 percent of domestic revenue collections to sustainably finance its activities, strengthen systems, and improve efficiency. Additionally, the extensive granting of tax exemptions continues to erode the tax base. These tax expenditures significantly reduce potential revenue and undermine domestic resource mobilization efforts.

The LRA also lacks criminal tax investigation powers, restricting its mandate to administrative enforcement. This limitation weakens the Authority's ability to effectively prosecute serious tax offenses and recover revenues from non-compliant taxpayers. Another policy-related issue is the absence of a clear framework for writing off penalties and interest arising from waivers under various tax administrative instruments. As a result, these amounts remain reflected in taxpayer accounts receivable, distorting the true value of the debt portfolio.

OPERATIONAL AND HUMAN RESOURCE CONSTRAINTS

The Authority continues to face significant staffing gaps, which limit its ability to expand the tax base, particularly in rural areas. This is compounded by a low taxpayer-to-auditor ratio, which constrains audit coverage and reduces the effectiveness of compliance enforcement. In addition, manual audit processes, especially within internal audit functions, reduce efficiency and delay timely completion of audit cycles, from planning to follow-up.

LOGISTICAL AND INFRASTRUCTURE CHALLENGES

Logistical constraints remain a critical bottleneck. The limited availability of vehicles and motorbikes, particularly for enforcement and field operations, significantly hampers the Authority's ability to mobilize staff and respond promptly to compliance issues.

Infrastructure challenges are especially pronounced in rural areas, where dilapidated office buildings and poor staff housing conditions undermine staff productivity and the effectiveness of revenue administration.

SYSTEMS AND DATA MANAGEMENT ISSUES

The Authority continues to experience challenges with timely revenue reporting, largely due to delays in processing direct transfers and payment confirmations from commercial banks.

Furthermore, weak taxpayer monitoring systems present significant limitations. Issues such as incomplete taxpayer registration data, the existence of multiple accounts for a single tax type, and system limitations in capturing non-tax-due filings all hinder accurate tracking of taxpayer compliance.

These challenges collectively constrain the LRA's ability to fully realize its revenue potential and deliver efficient services. Addressing them will require policy reforms, increased investment in logistics and human capital, enhanced automation, and stronger institutional frameworks to support sustainable revenue mobilization and improved compliance management.

FINANCIAL STATEMENTS

UNAUDITED REPORT AND FINANCIAL STATEMENTS FOR THE FISCAL YEAR (JANUARY 1 – DECEMBER 31, 2025)

STATEMENT OF CASH RECEIPTS AND PAYMENTS
(ALL PUBLIC FUNDS)
FOR THE YEAR ENDED 31ST DECEMBER 2025 (FY2025)
RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FY2025	FY2024
		RECEIPTS/ PAYMENTS	RECEIPTS/ PAYMENTS
		US \$	US \$
RECEIPTS			
Authorized Allocation/Appropriation	4	18,807,040	17,588,771
Other Receipts	5	5,070,567	2,435,747
Total Receipts - Operational Fund		23,900,615	20,024,518
PAYMENTS-			
Operations:			
Wages, Salaries and Employee Benefits	6	11,671,490	11,784,105
Supplies and Consumables	7	9,398,893	5,518,601
TRANSFERS:			
Grants		-	-
Other transfer payments		-	-
CAPITAL EXPENDITURES:			
Purchase/Construction of Property, Plant and Equipment	8	432,600	650,110
Total Payments - Operational Fund		21,500,049	18,332,790
Increase/Decrease in Cash		2,400,566	1,691,728
Cash at the beginning of the period		5,253,087	621,485
Adjustment to opening balance	13	-	2024694
Adjusted opening balance for FY2024			3,846,179
Post Cash	14		-
Foreign currency translation difference		-	15,231
Cash at the End of the year	2	7,653,653	5,253,087

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED JUNE DECEMBER 2025
- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE**

ACCOUNT TITLE/DESCRIPTION	For the Year Ended June December 2025 (FY2025)			
	Actual Amounts	Final Budget	Original Budget	Difference: Final Budget and Actual
	US \$	US \$	US \$	US \$
CASH INFLOWS				
Authorized Allocation Appropriation	18,581,048	17,325,999	18,629,428	1,357,689
Other receipts	5,028,567	-	-	5,028,567
Total Cash Receipts	23,609,615	18,629,428	18,629,428	5,274,187
CASH OUTFLOWS				
Wages, Salaries and Other Employee Benefits	(11,671,480)	(11,789,250)	(11,709,250)	37,790
Goods and Services Contract	(9,358,968)	(5,395,318)	(8,160,178)	(4,003,570)
Capital Expenditure	(872,600)	(21,490)	(2,750,000)	(13,287)
Total Cash Payments	21,903,048	17,825,959	18,629,428	(3,977,689)
NET CASH FLOW - OPERATIONAL FUND	2,406,568	1,103,429.00	-	1,297,139

STATEMENT OF CASH POSITION

Description	Notes	As at 31st		Change in Cash Balances	
		December 2025	December 2024		
Cash/Bank Account Details	Currency Held In	14	US \$	US \$	US \$
OPERATIONAL FUND					
Petty Cash or Imprest					
Petty Cash	USD		-	-	-
Petty Cash	USD		-	-	-
Total held in Petty Cash					
Bank Accounts					
Ecobank	USD		931,880	596,793	(164,987)
Ecobank	USD		1,499,197	756,130	743,977
GT Bank (CIB)	USD		1,620,587	156,262	1,464,325
LEIB (Over Time)	USD		112,238	51,182	61,056
UBA ADB (Finance)	USD		98,897	71,118	27,779
DCIWAIF Fund (Ecobank)	USD		19,590	-	19,590
Ecobank (Madhuch)	USD		4,104,219	3,636,627	473,792
Ecobank (UNDP)	USD		289	27,174	(26,966)
Total held in Bank Accounts			7,653,696	5,253,987	2,406,568
Total Cash and Bank Balances at the end of the period (Operational Fund)			7,653,696	5,253,987	2,406,568

NOTES OF EXPLANATIONS AND ELABORATION RELATING TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION – REPORTING ENTITY

The financial statements are for Liberia Revenue Authority, a public sector entity of the Government of Liberia. The financial statements encompass the reporting entity as specified in the relevant legislation (Amendment and Restatement of the Public Financial Management (PFM) Act of 2009). The Liberia Revenue Authority (LRA) is a semi-autonomous agency of government established by an Act of Legislature in December 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.

The Financial Statements presented above reflect the Cash Receipts and Payments of the Liberia Revenue Authority (LRA) for the financial year ended 31st December 2025 on the basis of moneys received by, held in or paid out by the Liberia Revenue Authority during the year under review. The Entity controls its own bank accounts. Appropriations and other cash receipts are deposited into its bank accounts, from which cash expenditures are administered upon presentation of appropriate documentation and authorisation.

Information to be provided on Donor Funded Projects included in the Financial Statements.

The principal address of the reporting entity is NASSCORP House, ELWA Junction, Paynesville, Monrovia, Liberia.

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 the financial statements therein are set out below.

(a) 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 Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS): Financial Reporting under the Cash Basis of Accounting. 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 used throughout.

(b) Reporting currency and translation of foreign currencies

These financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS): Financial Reporting under the Cash Basis of Accounting. 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 used throughout.

(i) Functional and presentation (or reporting) currency

The Republic of Liberia operates a dual currency regime comprising the Liberian Dollar (LD) and the United States of America Dollar (US \$) 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 being submitted, the United States Dollar is used as the reporting currency, which is permitted under the attendant Financial Regulations to the PFM Act of 2009 and adopted by the Government of Liberia as its reporting currency.

(ii) Translation of transactions in foreign currency

Foreign currency transactions and transactions in Liberian Dollar and other foreign currencies are translated into United States Dollar using the exchange rates prevailing at the dates of the transactions. Closing monetary balances are translated into the reporting currency using the closing rates. 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 recognised in the statement of financial performance.

The year-end (31st December 2025) exchange rate for the Liberian Dollar was 177.46 Liberian Dollars per United States Dollars.

(c) Reporting Period

The reporting period for these financial statements is the financial year of the Government, which runs from 1st January 2025 to the 31st December 2025.

(d) Payments by Third Parties

Liberia Revenue Authority also benefits from goods and services purchased on its behalf as a result of cash payments made by third parties during the period by way of loans and contributions. The payments made by Other Government Units (Government Projects) and the Third Parties do not constitute cash receipts or payments by Liberia Revenue Authority but do benefit it.

(e) Receipts

Receipts represent cash received by Liberia Revenue Authority during the financial year, comprising Authorised allocations/appropriations, Grants and other receipts. Receipts are recognized as follows:

(i) Authorized Allocations/Appropriations

Authorized Allocations are recognized when they are received and under the control of the Liberia Revenue Authority.

(ii) Grants

Grants are recognized when received. Similarly, grants/transfers to other entities of Government are recognized when disbursement is made.

(iii) Other Receipts

Other Receipts are fees/charges collected and proceeds from sales of designated services by the Liberia Revenue Authority. Sales of services are recognized in the period in which the payment for the service is received and not necessarily when the service is rendered. Other Receipts, whether directly collected by the Liberia Revenue Authority or collected by another entity on its behalf is recognized when received and under its control.

(f) Expenses

In general, all expenses are recognised in the statement of Cash Receipts and Payments when paid for.

(g) Property, Plant and Equipment (physical assets or fixed assets)

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

Under the Government's cash basis of accounting, purchases of property, plant and equipment are expended 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 Liberia Revenue Authority.

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 other receipt in the period in which it is received.

(h) Inventories

Consumable supplies are expensed in the period in which they are paid for.

(i) Employee benefits

Employee benefits include salaries, wages, allowances, pensions and other related-employment costs. Employee benefits are recognized when they are paid. No provision is made for accrued leave or reimbursable duty allowances.

(j) Contingencies

Contingent liabilities are recorded in the Statement of Contingent Liabilities (on memorandum basis) when the contingency becomes evident and under the cash accounting method they are recognized only when the contingent event occurs and payment is made. Contingent assets are neither recognized but disclosed where probable.

(k) Commitments and Guarantees

Long term Commitments, including operating and capital commitments arising from non-cancellable contractual or statutory obligations as well as Guarantees made, will be reported as Notes to the Financial Statements.

2. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise Cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks and investments in short-term money market instruments. Ending cash balance included in the statements of cash receipts and payments and cash position comprise the following amounts:

Ecobank LRD Account (LRD 89,065,508 translated at US\$177.46) US\$501,890

equivalent; Ecobank USD Account US\$1,496,102; GT Bank (CUF) US\$1,320,582;

Overtime (LBD) US\$112,238; AfDB excise (UBA) US\$98,857 and

MedTech (Ecobank) US\$4,104,219; ECOWAS Fund US\$19,560 and Ecobank UNDP US\$208

3. AUTHORIZATION DATE

The financial statements were authorized for issue by Hon. James Dorbor Jallah, Commissioner General of the Liberia Revenue Authority.

4. AUTHORISED ALLOCATIONS/APPROPRIATION

The total amount of Authorised Allocations received for the year was US \$18,883,048 recording an increase of the projected final budget of US\$18,865,428 for the year by US\$ US\$17,620 or 0.1% mainly exchange gain/loss. The comparative analysis of Estimated and Actual Receipts for the financial year ended December 31, 2025 is presented below:

NOTE 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL AUTHORISED ALLOCATIONS RECEIVED FOR THE YEAR ENDED 31ST DECEMBER 2025

Description	Actual	Final Budget	Original Budget	Difference;	
				Final - Budget	Budget and Actual
	FY 2025	FY 2025	FY 2025	FY 2025	Percentage Variance
	US\$	US\$	US\$	US\$	FY 2025
Employee Compensation	12,415,840	11,709,250	11,709,250	706,590	7.7%
Goods and Services	5,813,315	6,056,170	6,056,170	(242,855)	-32.7%
Capital Expenditure	454,630	500,000	500,000	(45,370)	-9.2%
TOTAL RECEIPTS	18,880,848	18,865,428	18,865,428	17,620	0.1%

5. OTHER RECEIPTS

Cash receipts from sources other than the government of Liberia amounted to US\$5,020,567 during the 2025 fiscal year as detailed below:

NOTE 5 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL OTHER RECEIPTS FOR THE YEAR ENDED 31ST DECEMBER 2025

Description	Actual	Final Budget	Original Budget	Variance (Actual vs. Final Budget)	% Variance
	FY 2025	FY 2025	FY 2025	FY 2025	FY 2025
	US \$	US \$	US \$	US \$	
FY 2024 & Missing ID card fines	144,983.95	-	-	144,983.95	
CUF	1,164,720.26	-	-	1,164,720.26	
UNEP	2,232.00	-	-	2,232.00	
Overhaul Fund	95,572.25	-	-	95,572.25	
ECCOWAS Fund	19,500.00	-	-	19,500.00	
Productivity Capacity Training Base	3,593,488.37	-	-	3,593,488.37	
TOTAL OTHER RECEIPTS	5,028,567	-	-	5,028,567	

6. PAYMENTS – OPERATIONS (WAGES, SALARIES AND OTHER EMPLOYEE BENEFITS)

The total amount of Cash Payments made for Compensations of Employee during the 2025 fiscal year was US \$ 11,671,490 and are reclassified in the same form as the National Budget.

NOTE 6 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL PAYMENTS MADE ON COMPENSATIONS OF EMPLOYEE DURING THE YEAR ENDED 31ST DECEMBER 2025

Account Title	Actual	Final Budget	Original Budget	Variance (Actual vs. Final Estimate)	% Variance
	FY 2025	FY 2025	FY 2025	FY 2025	FY 2025
	US \$	US \$	US \$	US \$	
<i>Comparative Analysis by Economic Classification</i>					
Wages, Salaries and other Employee Benefits					
Wages and Salaries	11,671,490	11,709,290	11,709,290	(37,800)	0%
Social Contributions	-	-	-	-	-
Other Employee Costs	-	-	-	-	-
GRAND TOTAL	11,671,490	11,709,290	11,709,290	(37,800)	0%

7. PAYMENTS – OPERATIONS (SUPPLIES AND CONSUMABLES)

The total amount of Cash Payments made for Goods and Services during the year was US \$9,398,868 and are classified in the same form as the National Budget. Total payments for Goods and Services exceeded the final budget by US\$2,742,690 or 7% due to payments for important goods and services from the CUF, Excise Stamp and Medtech Funds during the year. The Comparative Analysis of Estimated and Actual payments made in FY2025 for Goods and Services is presented below by *Economic Classifications*:

NOTE 7 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL PAYMENTS MADE BY SUPPLIES AND CONSUMABLES DURING THE YEAR ENDED 30/12/2025

Description/Account Title	17661	Final Budget	Original Budget	Variance (Actual vs. Revised Estimates)	% Variance
	FY 2025	FY 2025	FY 2025	FY 2025	FY 2025
	US\$	US\$	US\$	US\$	
Comparative Analysis by Economic Classification					
Supplies and Consumables:					
Travel Expenses	1,271,292	829,205	825,191	(942,899,000)	-100%
Utilities	101,804	98,473	98,473	(186,350,000)	-100%
Rental and Lease	676,121	279,260	279,260	94,141,000	30%
Repairs and Maintenance	258,282	348,710	398,533	181,531,000	20%
Operational Expenses	4,268,071	5,509,356	5,509,386	1,109,891,000	20%
*Personal from other Funds	3,199,582	-	-	(3,199,342,000)	(100)%
GRAND TOTAL	9,765,052	6,056,176	6,056,176	(2,742,896)	-41%

8. GRANT/TRANSFER PAYMENTS

There was no outward grant/transfer payment during the 2025 fiscal year

9. PURCHASE OF CAPITAL ITEMS

Capital Expenditure of US\$432,690 was made during the year out of the necessity of continual revenue collection. Payments in this category exceeded budget by US\$67,310 or 13% mainly due to payments for capital items made from the CUF and MedTech Funds during the year.

NOTE 8 – COMPARATIVE ANALYSIS OF TRANSFER MADE DURING THE YEAR ENDED 30/12/2025

Description/Account Title	Actual	Final Budget	Original Budget	Variance (Actual vs. Revised Estimates)	% Variance
	FY 2025	FY 2025	FY 2025	FY 2025	FY 2025
	US\$	US\$	US\$	US\$	
Comparative Analysis by Economic Classification					
CAPITAL EXPENDITURES:					
Non-financial Assets	432,690	500,000	500,000	67,310	13%
GRAND TOTAL	432,690	500,000	500,000	67,310	13%

10. ORIGINAL AND FINAL APPROVED BUDGET AND COMPARISON OF ACTUAL AND BUDGET AMOUNTS

The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (from 1st January 2025 to 31st December 2025) as for the financial statements – as explained in the Notes above. The original budget was approved by the National Legislature. There was no supplemental appropriation in the financial year ended 31st December 2025.

The original budget objectives and policies, and subsequent revisions are explained more fully in the Report of the Comptroller issued in conjunction with the financial statements. The annual budget for the 2025 fiscal year is US\$18,865,428 against which the amount of US\$18,883,048 was received resulting in a variance of US\$17,620 in receipt in the year mainly due to exchange rate issues.

11. EXTERNAL ASSISTANCE AND OTHER ASSISTANCE

11 a. Payment by Other Government Units and Third Parties

Government Ministries & Agencies benefits from payments made by third parties to purchase goods and services on their behalf during the period. These payments do not constitute cash receipts and payments by the government. They include payments for goods and made by multilateral and bilateral aid agencies and non-governmental organizations. They form part of the support for government programs provided by way of external assistance and other assistance. There was none during the 2025 fiscal year.

b.

Assistance received in the form of cash transfers and deposits to current and term deposit accounts and trusts fund accounts controlled by the government. It also encompasses amount drawn by the government from accounts of donors consistent with external assistance and other assistance agreements and other authorizations. No assistance was also received in the form of third-party payments (in cash) during year three. External assistance comprises loans and grants from multilateral and bilateral; donor agencies under agreements specifying the purposes for which the assistance will be utilized. Also, during year three, no other assistance was provided for specified purposes by NGOs, Private corporations and other donors.



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