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## Part I -Preliminary

### 1. Purpose of Act

Whereas, the Government of Liberia, a member of the Economic Community of West African States (ECOWAS), and a signatory to the 2009 Memorandum of Understanding with the ECOWAS Commission, has seen the economic viability of incorporating the Value Added Tax (VAT) system that will automatically replace the Goods and Services Tax (GST);

Therefore, this Act establishes a broader Tax Base that will account for all goods and services tax thereby facilitating an improved collection system that will expand the tax base for revenue mobilization and collection.

### 2. Short Title

This Act shall be entitled the “Value Added Tax (VAT) Act of 2013”.

### 3. Definition

In this Act, unless the context otherwise requires-

“**appealable decision**” means an assessment or a decision described in section 32(1), (2), and (3)

“**assessment**” means assessment as defined in the Code and as described in sections 30, 31, 32 and 34 of this Act.

“**board**” means board as defined in the Liberia Revenue Authority Act.

“**Board of Tax appeal**” has meaning assigned to it under section 33(1).

“**Code**” means the Liberian Revenue Code of 2000 and regulations, as amended.

“**Commissioner**” means head of the Value Added Tax as may be appointed by the Commissioner General under section 17 (2) of the Liberia Revenue Authority Act

“**Commissioner General**” means the Head of the Revenue Authority appointed under section 17 (1) of the Liberia Revenue Authority Act.

“**Company**” means any association or body corporate or unincorporated, whether created or recognized under a law in force in Liberia or elsewhere or whether created for profit or non-profit purposes, but not including a partnership or trust.

“**consideration**”, in relation to a supply or import of goods or services, means the total amount in money or kind, paid or payable (including any deposit on any returnable container) for the supply or import by any person, directly or indirectly, including any duty, levy, fee, and charge, other than tax, paid or payable on, or by reason of, the supply or import, reduced by any price discounts or rebates allowed and accounted for at the time of the supply or import, but does not include-

- (a) any cash payment made by a person as an unconditional gift to an association not for gain; or
- (b) a deposit, other than a deposit on a returnable container, whether refundable or not, given in connection with a supply of goods or services, unless and until the supplier applies the deposit as consideration for the supply or such deposit is forfeited;

**“exempt import”** has the meaning assigned to it under section 16;

**“exempt supply”** has the meaning assigned to it under section 11;

**“fair market”** for the purpose of this Act, the fair market value of a supply or import of goods or services at any date shall be the consideration in money which the supply or import, as the case may be, would generally fetch if supplied or imported in similar circumstances at that date in Liberia, being a supply or import freely offered and made between persons who are not related persons;

the fair market value of a supply or import is determined at the time of the supply or import as determined under this Act.

**“finance lease”** in relation to goods, means the lease of the goods where-

The lease term exceeds 75 percent of the effective life of the goods for income tax purposes;

The lessee has an option to purchase the goods for fixed or determinable price at the expiration of the lease; or

The estimation residual value of the goods to the lessor at the expiration of the lease term including the period of any option to renew is less than 20 percent of its fair market value at the commencement of the lease.

**“fiscal incentives”** has the meaning assigned to it under section 48 (1) of this Act.

**“goods”** means all kinds of corporeal movable or immovable property, thermal or electrical energy, heat, gas, refrigeration, air conditioning, and water, but does not include money;

**“import”** means-

- (a) in the case of goods, to bring or cause to be brought into Liberia from a foreign country or place; or
- (b) in the case of services, a supply of services to a resident person-
  - (i) by a non-resident person; or

(ii) by a resident person from a business carried on by the resident person outside Liberia,

to the extent that such services are utilized or consumed in Liberia, other than to make taxable supplies;

(c) import as defined in section 12 under this Act.

**“importer”** has the meaning assigned to it in the Code.

**“input tax”**, in relation to a registered person means-

- (a) any tax charged under section 6(1)(a) on a taxable supply to the registered person and
- (b) any tax charged under section 6(1)(b) on an import of goods by the registered person;
- (c) any tax deemed to have been paid for purposes of section 21(1), which shall be an amount equal to the tax fraction of the lesser of any consideration in money to the registered person by way of sale of any second hand goods situated in Liberia by a resident.

**“invoice”** means a document notifying an obligation to make a payment;

**“local authority”** means a district council, city council, town council, or township authority.

**“non-resident person”** has the meaning assigned to it in the Code.

**“Minister”** means the Minister of Finance and Development Planning

**“output tax”**, in relation to a registered person, means the tax charged under section 6 on a taxable supply made by the person;

**“person”** includes the State, a local authority, board, natural person, trust, company and partnership;

**“recipient”**, in relation to a supply or import, means the person to whom the supply or import is made;

**“registered person”** means a person registered or treated as such under this Act;

**“registering authority”** means a person appointed under any law to issue a licence, permit, certificate, concession, or other authorization;

**“resident person”** means-

- (a) the State or local authority in Liberia; or
- (b) a natural person resident in Liberia; or
- (c) has the meaning assigned to it in the Code

**“sale”** means an agreement of purchase and sale, and any other transaction or act whereby or, in consequence of which, ownership of goods passes or is to pass from one person to another;

**“second-hand goods”** means goods which were previously owned and used, including immovable property, but does not include livestock, domestic animals or wild animals;

**“services”** means anything that is not goods or money;

**“supplier”**, in relation to a supply, means the person making the supply;

**“supply”** has the meaning assigned to it under section 7;

**“tax”** or **“VAT”** means the tax imposed under this Act, and includes any amount to the extent that it is treated as tax for the purposes of this Act;

**“taxable activity”** has the meaning assigned to it under section 4;

**“taxable supply”** means a supply of goods or services in the course or furtherance of a taxable activity, other than an exempt supply;

**“tax agent”** means-

- (a) the Commissioner; or
- (b) a person regulated by tax legislation

who administers this Act;

**“tax invoice”** means a document provided as required under section 25;

**“tax period”** has the meaning assigned to it under section 27;

**“trust”** means any relationship where property is under the control or management of a trustee; and

**“trustee”** means a person appointed or constituted trustee by act of parties, by order or declaration of a court, or by operation of law and includes-

- (a) an executor, administrator, tutor, or curator; or

- (b) a person having or taking on the administration or control of property subject to another person having a beneficial interest in the property;
- (c) a person acting in a fiduciary capacity;
- (d) a person having possession, control, or management of the property of a person under a legal disability; or
- (e) a person who manages assets under a private foundation or other similar arrangement;

#### **4. Taxable Activity**

- (1) For the purpose of this Act, “taxable activity” means-
  - (a) An activity which is carried on continuously or regularly by any person-
    - (i) in Liberia;
    - (ii) or partly in Liberia,

whether or not for a pecuniary profit, that involves or is intended to involve, in whole or in part, the supply of goods or services to another person for consideration; or
  - (b) without limiting the generality of paragraph (a), an activity of a local authority or unincorporated association or body that involves, in whole or in part, the supply of goods or services for consideration.
- (2) Taxable activity does not include-
  - (a) an activity carried on by a natural person essentially as a private recreational pursuit or hobby or an activity carried on by a person other than a natural person which would, if carried on by a natural person, be carried on essentially as a private recreational pursuit or hobby; or
  - (b) an activity to the extent that the activity involves the making of exempt supplies; or
  - (c) an activity carried on from a branch in or main business permanently located on premises outside Liberia where-
    - (i) the branch or main business can be separately identified; and
    - (ii) an independent system of accounting is maintained in respect of the branch or main business.
- (3) Anything done in connection with the commencement or termination of a taxable activity is treated as carried out in the course or furtherance of that taxable activity.
- (4) Subject to subsection (5), a supply is made for consideration if the supplier directly or indirectly receives any payment for the supply from the recipient or any other person, including any payment wholly or partly in money or kind.
- (5) A supply made for consideration includes-
  - (a) a supply made between related persons for no consideration; or
  - (b) a supply of goods for use only as trade samples.



## 5. Transitional

- (1) In this section-
  - “repealed Sections” means the sections Goods and Services Tax under chapter 10 of the Code; and
  - “Goods and Services Tax” means the tax imposed under Chapter 10 of the Code.
- (2) The repealed Sections, including the rules governing the levy, payment, assessment, reporting, and recovery of those taxes, continue to apply to a supply or import taking place prior to the date on which this Act comes into operation.
- (3) Every form or document used in relation to the repealed act may continue to be used under this Act, and any reference in such form or document to provisions of and expressions appropriate to repealed Act, is taken to refer to the corresponding provisions and expressions of this Act.

## Part II – Imposition

### 6. Imposition of Tax

- (1) Subject to the provision of this Act, there shall be levied and paid a tax, to be known as the Value Added Tax, at the rate of 15 percent of the Value of-
  - (a) Every taxable supply by a registered person; and
  - (b) Every import of goods or import of services, other than an exempt import.
- (2) Except as otherwise provided in this Act, the tax payable under section (1) shall-
  - (a) In the case of a supply to which subsection (1)(a) applies, be accounted for by the registered person making the supply; or
  - (b) In the case of an import of goods, be paid by the importer; or
  - (c) In the case of an import of services, be paid by the recipient of the services.
  - (d) in the case of a supply of goods, at which the rate is zero (0) percent.
- (3) A supply chargeable with tax under both subsections (1)(a) and (b) shall be treated as a supply chargeable under subsection (1)(a).

## Part III – Rules relating to Supplies

### 7. Supply

- (1) **General Rule:** The term “taxable supply” means any supply (other than an exempt supply) of goods and services by the trader of where of goods and services are in Liberia and the supply is made in connection with the carrying on of a business.
- (2) The term “supply of goods” means –
  - (a) any sale, exchange or other transfer of the right to dispose of the goods as owner, or
  - (b) an application of goods to own use where the goods were acquired pursuant to an exempt supply, or

- (c) the grant of the use or right to use any goods under a lease, hire-purchase agreement, or finance lease.
- (d) A supply of services incidental to a supply of goods is part of the supply of the goods.
- (e) Subject to subsection (d), where a supply is a supply of goods and services, the Commissioner shall determine on any reasonable basis the extent to which the supply is to be treated as a supply of goods.

## **8. Place and Time of Supply**

- (1) A supply of goods or services occurs at the place where the goods or services are delivered or made available by the supplier or, if the delivery or making available involves transportation, the place where the goods are when the transportation commences.
- (2) Subject to this Act, a supply of goods or services occurs when –
  - (a) an invoice for the supply is issued by the supplier; or
  - (b) an invoice is required to be issued under section 25; or
  - (c) any payment for the supply is received,whichever is earlier.

## **9. Value of Supply**

- (1) Subject to this Act, the value of a supply of goods or services is the amount of the consideration for the supply.
- (2) Where a portion of the price of a supply represents tax imposed by this Act that is not accounted for separately, the value of the supply is the price reduced by an amount equal to the tax fraction multiplied by that price.
- (3) Where-
  - (a) a supply is made by a registered person for no consideration or for a consideration that is less than the fair market value of that supply; and
  - (b) the supplier and the recipient are related persons; or
    - (i) the recipient is a charitable organization, institution of religious worship, educational institution, old-age home, orphanage, children's home, or institution of a similar nature,

the value of the supply is the fair market value of the supply.

- (4) Where a registered person makes a supply of goods or services referred, the value of the supply is the lesser of-
  - (a) The consideration paid or payable by the registered person for those goods or services; or

- (b) the fair market value of the supply.
- (5) The value of a supply of goods or services referred to in section (4) by a registered person is the lesser of-
  - (a) the cost, excluding tax, to the registered person of the acquisition, manufacture, assembly, construction, or production of such goods or services, including the costs of transportation or delivery of the goods or services to the branch or main business; or
  - (b) the fair market value of the supply
- (6) Except as otherwise provided in this section, if a supply is made for no consideration the value of the supply is nil.

#### **10. Zero Rating**

- (1) Where, but for this section, a supply of goods or services would be charged with tax under section 7(1)(a), the supply shall be charged with tax at the rate of zero percent if it is specified in the SCHEDULE I.
- (2) Where a registered person has applied the rate of zero percent to a supply under this section, the registered person shall obtain and retain such documentary proof acceptable to the Commissioner substantiating the person's entitlement to apply the zero rate to the supply.
- (3) Notwithstanding any provision of this Act, the Minister may by Order deny zero rating of supplies exported from Liberia as specified in the SCHEDULE I if such action is necessary to protect the revenue or to offset restrictions placed on zero rating of comparable supplies by export country as defined in the SCHEDULE I.

#### **11. Exempt Supply**

- (1) Subject to subsection (2), a supply of goods or services is an exempt supply if it is specified in the SCHEDULE II.
- (2) A supply of goods or services is not an exempt supply if, in the absence of subsection (1), the supply would be charged with tax at the rate of zero percent under section 10.

### **Part IV – Imports**

#### **12. Import**

- (1) The term "taxable import" means every import of goods and services that is not an exempt import.
- (2) The term "import of goods and services" means the bringing of goods and services in Liberia.
- (3) A supply of services incidental to an import of goods is part of the import of the goods. This includes the services giving rise to commission, packaging on, or by reason of the import.

### **13. Time of Import**

- (1) where the goods are entered under the External Tariff Law for home consumption in Liberia, on the same date and at the same time as they are so entered; or
- (2) in any other case, on the date on which the goods are brought into Liberia.

### **14. Value of Import**

- (1) The value of an import of goods is-
  - (a) in the case of goods required to be cleared under the External Tariff Law, an amount equal to the sum of-
    - (i) the transaction value of the goods for customs duty purposes in terms of CIF values stated in the Customs Revenue Code of Liberia;
    - (ii) the amount of any duty levied under the said code in respect of the importation of such goods; and
  - (b) in the case of trans-shipment goods, the greater of-
    - (i) an amount equal to the sum of-
      - (A) the free-on-board value of the goods; and
      - (B) an amount equal to the cost of insurances freight; or
    - (ii) the fair market value of the import
- (2) Notwithstanding the provisions of subsection (1), if a motor vehicle is imported by an individual for the individual's own use and not for sale, the Commissioner may in consultation with the Commissioner for Customs and Excise, determine the value of the import of such vehicle.
- (3) Subject to subsection (4), the value of an import of services is the amount of the consideration for the import.
- (4) Where-
  - (a) An import of services is made for no consideration or for a consideration that is less than the fair market value of the import.
  - (b) The supplier and the recipient are related persons; the value of the import is the fair market value of the import.

### **15. Import declaration and payment of tax**

- (1) Except as otherwise provided in this Act, the importer of any imported goods shall deliver to the taxation officer an entry in such form and manner and containing such particulars prescribed in regulations together with the following documents which shall be deemed to be part of the entry-
  - (a) an invoice of the goods in a form prescribed in regulation
  - (b) state the information necessary to calculate the tax payable in respect of the import;
  - (c) be filed in the manner specified by the Commissioner of Customs and Excise; and

- (d) in any other case, the importer shall, at the time of the import, furnish the Commissioner with an import declaration and pay the tax due in respect of the import.
- (2) The Commissioner of Customs and Excise-
  - (a) Shall collect, at the time import and on behalf the Commissioner, any tax due under this Act on an import of goods and, at that time, obtain the name and VAT registration number, if any, of the importer, the import declaration, and the invoice values in respect of the import; and
  - (b) May make arrangements with Liberia Postal Services to perform such functions on his behalf in respect of the import through the postal services.
- (3) Notwithstanding subsection (2), the Commissioner may authorize an importer who is a registered person to pay tax within 21 days after the end of the month in which the goods are imported, where the importer posts security deemed inadequate by the Commissioner, or the Commissioner is satisfied that the importer has regularly paid all tax due on imports within the prescribed period; and the Commissioner shall notify the Commissioner of Customs and Excise of the name and VAT registration number of the person entitled to deferral under this subsection.

## **16. Exempt import**

An import of goods or services is an exempt import where-

- (a) The import is specified in Schedule III ; or
- (b) the import would be a zero rated supply under section 11 if it were a supply of goods or services in Liberia.

## **Part V – Registration**

## **17. Registration**

The Commissioner shall register any person who has applied for registration within 21 days from receipt of the application, unless the Commissioner is satisfied that the person is not required to be registered.

## **18. Application for Registration**

- (1) Any person who carries on a taxable activity is required to apply for registration to the Commissioner if:
  - (a) The person has made taxable supplies or expects to make taxable supplies, the value of which is five millions Liberian dollars (LD 5, 000,000.00) or more in any period;
  - (b) At the beginning of any period of 12 months, there are reasonable grounds to expect that the total value of taxable supplies to be made by the registered person during that period will exceed the amount specified in paragraph A.

- (c) During the previous three months the registered person made an average monthly taxable supply of at least ¼ of the amount specified in paragraph A.
- (2) An application for registration shall be made in the manner and form prescribed by regulation.
- (3) Subject to this part, the Commissioner shall register every applicant for registration who is eligible to register under subsection (1).
- (4) Where the Commissioner is satisfied there is good reason to do so, on grounds of national economic interest or for the protection of the revenue, he/she may register any person, whether or not an application to be registered has been made, regardless of the taxable turnover of the registered person.
- (5) A person who makes, or intends to make taxable supplies, but is not liable to be registered under subsection (1), may apply to the Commissioner for registration under this Act.
- (6) Every registered person shall notify the Commissioner in writing, of-
  - (a) Any change in the name, address, place of business, constitution, or nature of the principal taxable activity or activities of the person; and
  - (b) Any change of address from which, or name in which, a taxable activity is carried on by the registered person, within 21 days of the change occurring.
- (7) A person who fails to notify the Commissioner of a change in circumstances as required by subsection (7) commits an offence and is liable on conviction-
  - (a) Where the failure was made knowingly or recklessly, to a fine not exceeding LRD 15,000 or to imprisonment for a term not exceeding one year or to both.
  - (b) In any other case, to a fine not exceeding LRD 10,000 or to imprisonment for a term not exceeding six months or to both.

## **19. Certification of Registration and Taxpayer identification Numbers**

- (1) The Commissioner shall issue a taxable registered person registered under this Act with a Certificate of Registration.
- (2) A certificate of issued under this section shall state the name and principal place of business of the taxable registered person, the date on which the registration takes effect and his Taxpayer Identification Number and his VAT registration number.
- (3) A taxable registered person shall show his Taxpayer Identification Number and his VAT registration number in any return, notice of appeal or other document used for the purpose of this Act; and display his/her certificate of registration in a conspicuous position at his principal place of business.
- (4) The Commissioner shall provide on request sufficient copies of the certificate of registration, clearly marked "copy", for a copy to be displayed at all premises which are part of the business for which the taxable registered person is registered.

## **20. Cancellation of Registration**

- (1) Subject to subsection (2), a registered person may apply in writing to the Commissioner to have his/her registration cancelled where, at any time, the value of

that registered person's taxable supplies in the period of 12 months then beginning will not be more than the amount specified under section 18(1)(a).

- (2) A registered person liable to be registered under section 18(1) who ceases to satisfy the criteria thereunder, or a registered person registered as a result of an application under section 18(5) may apply for cancellation of the registration only after the expiration of two years from the date the registration took effect.
- (3) Where the Commissioner is satisfied that a registered person who has made an application under subsection (1) ceases to be liable to be registered, the Commissioner shall cancel the registered person's registration with effect from the last day of the tax period during which the Commissioner was so satisfied, or such other date as the Commissioner may determine.
- (4) Subject to subsection (5), a registered person who ceases to carry on all taxable activities shall notify the Commissioner of that fact within 21 days of the date of such cessation, and the Commissioner shall cancel the registration of that registered person with effect from the last day of the tax period during which all taxable activities ceased, or from such other date as the Commissioner may determine.
- (5) The Commissioner shall not cancel the registration of a registered person under subsection (4) where the Commissioner has reasonable grounds to believe that the registered person will carry on any taxable activity at any time within 12 months from that date of cessation.
- (6) A notification pursuant to subsection (4) shall be made in writing and shall state the date upon which that registered person ceased to carry on all taxable activities, and whether or not that registered person will carry on any taxable activity within 12 months from that date.

## **Part VI – Computation of tax Payable**

### **21. Tax payable for Tax Period**

- (1) The tax payable by a registered person for a tax period is the total amount of output tax payable by the registered person in respect of taxable supplies made by the registered person during the period less-
  - (a) Subject to this section and section 21, the total amount of input tax-
    - (i) Payable in respect to taxable supplies made to the registered person during the tax period;
    - (ii) Paid in respect of any import of goods by the registered person during the period in the course of furtherance of a taxable activity carried on by the registered person, and
    - (iii) Allowed under section 22 for the tax period;
  - (b) Input tax to which subsection (3) applies for the tax period;



- (c) An amount equal to the tax fraction of any amount paid during the tax period by the registered person as a prize or winnings to the recipient of services under section 4(10);
  - (d) An amount equal to the tax fraction of any amount paid during the tax period by the registered person to indemnify another registered person under a short term insurance contract provided-
    - (i) The supply of the short term insurance contract is a taxable supply;
    - (ii) The payment is not in respect of the supply of goods or services to the registered person or the importation of goods or services by the registered person;
    - (iii) The payment does not result from a supply of goods or services to that other registered person where those goods are situated outside Liberia or those services are physically performed elsewhere than in Liberia at the time of the supply;
  - (e) An amount equal to the tax fraction of any amount paid during the tax period by the registered person to a supplier in respect of the redemption of a token, voucher, or stamp referred to in section 9(11) by the supplier.
- (2) Notwithstanding any other provision of this Act, no deduction of input tax shall be made in respect of a supply or import unless-
- (a) A tax invoice, or debit or tax credit note, in relation to the supply, has been provided in accordance with section 25 or 26 and is held by the registered person taking the deduction at the time any return in respect of the supply is filed, other than when a tax invoice is not required to be provided;
  - (b) A document issued by the Commissioner for Customs or the Commissioner evidencing payment of tax in relation to an import that has been delivered in accordance with the Customs Revenue Code of Liberia or this Act and is held by the registered person taking the deduction at the time any return in respect of the import is furnished.
- (3) Subject to subsection (4), a deduction is allowed to a registered person in the first tax period in which the registered person is registered for input tax paid or payable by the registered person in respect of
- (a) Taxable supplies of goods, other than capital goods, made by the registered person; and
  - (b) Any imports of goods, other than capital goods, made by the registered person, prior to becoming registered to the extent that the goods are for use or resupply in a taxable activity carried on by the registered person after registration.
- (4) Subsection (3) applies where-
- (a) The supply or import occurred not more than four months prior to the date of registration; and
  - (b) The goods are on hand at the date of registration.
- (5) Where the total amount deductible to a registered person for a tax period under subsection (1) exceeds the total amount of output tax payable by the registered person for that period that amount of the excess is dealt with in accordance with section 43.

## **22. Input Tax**

(1) In this section-

“entertainment” means the provision of a food, beverages, tobacco, accommodation, amusement, recreation, or hospitality of any kind by a registered person whether directly or



indirectly to any registered person in connection with a taxable activity carried on by the registered person;

“passenger vehicle” means a vehicle designed or adapted for the transport of thirty-five or fewer seated registered persons, including double cab vehicle but does not include a safari vehicle and

“safari vehicle” means a vehicle designed or adapted for use and used to transport tourists in a game reserve, national park, sanctuary, or safari area, by a holder of a valid license to operate a tourist enterprise, but does not include a saloon car, a station wagon similar passenger vehicle.

(2) No amount may be deducted under section 20(1) by a registered person for input tax paid in respect of-

- (a) A taxable supply to, or import by, the registered person of a passenger vehicle, unless the registered person is in the business of dealing in, or hiring of, such vehicles, and the vehicle was acquired for the purposes of such business;
- (b) A taxable supply to, or import by, the registered person of goods or services acquired for the purposes of entertainment or providing entertainment, unless-
  - (i) The registered person is in the business of providing entertainment and the taxable supply or import relates to the provision of taxable supplies of entertainment in the ordinary course of that business; or
  - (ii) The registered person is in the business of providing taxable supplies of transportation services and the entertainment is provided to passengers as part of the transportation service; or
- (3) where only a part of the supplies made by a registered person during a tax period are taxable supplies, the amount of the input tax allowed as a deduction under section 21(1)(a)(i) and (ii) for that period is determined as follows-
  - (a) In respect of a supply or import received which is directly allocable to the making of taxable supplies, the full amount of input tax payable in respect of the supply or import shall be allowed as a deduction; and
  - (b) In respect of a supply or import received which is directly allocable to the making of exempt supplies, no amount of input tax payable in respect of the supply or import shall be allowed as a deduction.
  - (c) In respect of a supply or import received which is used both for the making of taxable and exempt supplies, the amount calculated according to the following formula-

$$\frac{(A * B)}{C}$$

Where-

A is the total amount of input for the period;

B is the total amount of taxable supplies made by the taxable person the period; and

C is the total amount of all supplies made by the taxable person during the period.

### **23. Post-Sale Adjustments**

- (1) This section applies where, in relation to a supply by a registered person-
  - (a) The supply is cancelled

- (b) The taxation of the supply changes because the nature of the supply is fundamentally varied or altered;
  - (c) The consideration for a taxable supply by a registered person is altered, whether due to an offer of a discount or for any other reason;
  - (d) The goods (or part thereof that are the subject of a taxable supply by a registered person are returned to the supplier or manufacturer, or
  - (e) A demonstrable mathematical or clerical error is made that causes an error in the amount of input tax paid (for example, the misplacement of a decimal point).
- (2) Subsection (1) applies only where the registered person making the supply has-
- (a) Provided a tax invoice in relation to the supply and the amount shown therein as tax charged on the supply is incorrect as a result of the occurrence of one or more of the events described under subsection (1)(a) to (e); or
  - (b) Filled a return for the tax period in which the supply occurred and has accounted for an incorrect amount of output tax on that supply as a result the occurrence of one or more of the events described under subsection (1)(a) to (d).
- (3) Where subsection (1) applies, the registered person making the supply is required to make an adjustment as specified under subsection (4) or (6).
- (4) Where the output tax properly chargeable in respect of the supply exceeds the output actually accounted for by the supplier, the amount of the excess shall be deemed to be output tax charged by the supplier in relation to a taxable supply made in the tax period which the event referred to in subsection (1) occurred.
- (5) Where a supplier issues a tax debit note to rectify the output tax charged to the recipient in the circumstances specified under subsection (4), the additional tax specified in the tax debit note shall, for purposes of section 19(1), be deemed to be tax payable by the recipient in the tax period in which the tax debit note is received.
- (6) Subject to subsection (8), where the output tax actually accounted for by the supplier exceeds the output tax properly chargeable in relation to the supply, the supplier shall be allowed an input tax deduction for the amount of the excess in the tax period in which the event referred to in subsection (1) occurred.

Where a supplier issues a tax credit note to rectify the output tax charged to the recipient in the circumstances specified under subsection (6), the recipient, if a registered person, shall treat the additional tax specified in the tax credit note as output tax payable by the registered person in respect of a taxable supply made by the registered person in the tax period in which the tax credit note is received.

## **24. Interest on unpaid tax**

- (1) A registered person who fails to pay any tax or penalty by the due date for payment under section 35 is liable to pay interest on the unpaid amount at the rate specified in paragraph 1 of Schedule V, calculated from the date on which the payment was due until the date which payment was made.

- (2) Interest paid by a registered person under subsection (1) shall be refunded to the extent that the tax or penalty to which it relates is subsequently determined not to have been due.
- (3) The provisions of this Act relating to the collection and recovery of tax apply to any interest charged under this section as if the interest is tax due under this Act.

## **25. Tax Invoices**

- (1) Subject to subsection (2), a registered person, referred to in this section as the “registered supplier”, making a taxable supply, shall provide the recipient with a tax invoice for the taxable supply containing such particulars as are specified in paragraph 1 of the Schedule IV.
- (2) A registered supplier shall not be required to provide a tax invoice if the total consideration for the taxable supply is in cash and does not exceed the amount specified in paragraph 2 of the Schedule IV.
- (3) A registered person shall not provide a tax invoice in circumstances other than those specified under this section.
- (4) Subject to subsection (8), a registered supplier issue only one tax invoice for each taxable supply.
- (5) A registered recipient, who has not received a tax invoice as required by subsection (1), may request, in writing, the registered supplier to provide a tax invoice in respect of the taxable supply.
- (6) A request for a tax invoice under subsection (5) shall be made within 60 days after the date of supply.
- (7) A registered supplier who receives a request under subsection (5) shall comply with the request 14 days after receiving that request.
- (8) Where a registered recipient claims to have lost the original tax invoice for a taxable supply, the registered supplier may provide a copy clearly marked “copy”.
- (9) A recipient who is a registered person, may create a document containing such particulars as are specified in paragraph 1 of the Schedule IV that shall be treated, for purposes of the Act, as a tax invoice issued by the registered supplier to the recipient if-
  - (a) If the Commissioner has granted the recipient or class of recipients written approval to issue such documents with respect to specified taxable supplies;
  - (b) The supplier and the recipient agree that the supplier shall not issue a tax invoice with respect to such taxable supplies;
  - (c) The document is provided to the supplier and a copy is retained by the recipient;
  - (d) The words “recipient-created tax invoice” are displayed prominently on the document; and
  - (e) The recipient complies with any other conditions that may be imposed by the Commissioner.
- (10) A registered person who fails to provide a tax invoice as required by this section commits an offence and is liable on conviction to a fine not exceeding LRD 10,000;
- (11) A person who provides a tax invoice otherwise than as provided for in this section commits an offence and is liable on conviction-

- (a) Where the failure was made knowingly or recklessly, to a fine not exceeding LRD 10,000 or
  - (b) In any other case, to a fine not exceeding LRD 5,000.
- (12) Where a document referred to in subsection (9) issued by a recipient of a taxable supply is treated as a tax invoice covering the same taxable supply, an invoice issued by the supplier shall not be a tax invoice for purposes of this Act.

## **26. Tax Credit and Debit notes**

- (1) Where a tax invoice has been issued in the circumstances specified under section 23(2)(a) and the amount shown as tax charged in that tax invoice exceeds the tax properly chargeable in respect of the supply, the registered person making the supply shall provide the recipient of the supply with a tax credit note containing the particulars specified in paragraph 2 of Schedule IV.
- (2) A registered person shall not provide a tax credit note in any circumstances other than those specified under subsection (1).
- (3) Where a tax invoice has been issued in the circumstances specified under section 23(2)(a) and the tax properly chargeable in respect of the supply, exceeds the amount shown as tax charged in that tax invoice, the registered person making the supply shall provide the recipient of the supply with a tax debit note containing the particulars specified in paragraph 3 of Schedule IV.
- (4) A registered person shall not provide a tax debit note in any circumstances other than those specified under subsection (3).
- (5) A registered person shall only issue one tax credit note or tax debit note for the amount of the excess stated in subsection (1) or (3) respectively.
- (6) Notwithstanding, the provisions of this section, where a registered person claims to have lost the original tax credit note or tax debit note, the registered person who made the supply may provide a copy clearly marked "copy".
- (7) A registered person who fails to provide a tax credit note or tax debit note as required by this section is liable on conviction or to a fine not exceeding LRD 10,000.
- (8) A registered person who provides a tax credit note or tax debit note otherwise than as provided for in this section commits an offence and is liable on conviction-
  - (a) Where the failure was made knowingly or recklessly, to a fine not exceeding LRD 10,000; or
  - (b) In any other case, to a fine not exceeding LRD 6,000.

## **Part VII – Tax Period, Returns, and Assessments**

### **27. Tax Period**

- (1) Subject to subsection (2), the tax period applicable to a registered person under this Act is the period of one month ending on the last day of each month.

- (2) The Minister may, by regulations, authorize a different tax period for specific categories or classes of registered persons.

## **28. Returns**

- (1) Every registered person shall file to the Commissioner's office, a return for each tax period, within 21 days after the end of the period whether or not tax is payable in respect of that period.
- (2) A return shall be in the prescribed form and shall-
  - (a) State the information necessary to calculate the tax payable in accordance with section 21 for the period; and
  - (b) Be filled in the manner prescribed.
- (3) In addition to any return required under this Act, the Commissioner may by notice in writing require any registered person, whether or not a registered person, to furnish the Commissioner, whether on that registered person's own behalf or as agent or trustee of another registered person, with such further or other return in the prescribed form and when required by the Commissioner for the purposes of this Act.
- (3) A registered person who fails to file a return as required by this Act, commits an offence and is liable to the penalty stated in section 51(a)(2) and (c) of the Code.
- (4) A registered person dissatisfied with a decision of the Commissioner under subsection (3) may appeal against the decision only in accordance with the provisions of part VIII.

## **29. Extension of Time**

- (1) Upon application in writing by a registered person, the Commissioner may, where good cause is shown by the registered person, extend the period within which a return required under section 28 is to be filled.
- (2) The granting of an extension of time under subsection (1) does not alter the due date for payment of tax under section 33.
- (3) A registered person dissatisfied with a decision of the Commissioner under subsection (1) may appeal against the decision only in accordance with the provisions of Part VIII.

## **30. Assessments**

- (1) An Assessment of tax payable by a registered person is made wherein-
  - (a) A registered person fails to file a return as required by section 26 or fails to file an import declaration as required by section 15(1) or (2);
  - (b) The Commissioner is not satisfied with a return or import declaration filled by a registered person;
  - (c) The Commissioner has reason to believe that a registered person has become liable for the payment of an amount of tax but has not paid such amount;

- (d) A person, other than a registered person, supplies goods or services and represents that tax is charged on the supply;
  - (e) A registered person supplies goods or services and the supply is not a taxable supply or is a taxable supply charged with tax at the rate of zero percent and, in either case, the registered person represents that a positive rate of tax is charged on the supply; or
- (2) An assessment under subsection (1)(a), (c), (d), or (e) may be at any time.
- (3) An assessment under subsection (1)(b) may be made-
- At any time, where the default was due to-
- (i) Fraud; or
  - (ii) Gross or willful neglect committed by, or on behalf of, the registered person who filled the return or import declaration; or
- (a) In any other case, five years after the date the return or import declaration was filled.
- (4) The Commissioner may, based on the information available, estimate the tax payable by a registered person for the purposes of making an assessment under subsection (1).
- (5) Where an assessment has been made under this section, the Commissioner shall serve a notice of the assessment on the registered person assessed, which notice shall state-
- (a) The tax payable;
  - (b) The date the tax is due and payable; and
  - (c) The time, place, and manner of objecting to the assessment.
- (6) The Commissioner may, within three years after service of the notice of assessment, amend an assessment by making such alterations additions to the assessment as the Commissioner considers necessary, and the Commissioner shall serve notice of the amended assessment on the registered person assessed.
- (7) An amended assessment is treated in all respects as an assessment under this Act.
- (8) An amount assessed under subsection (1) (d), or (e) shall be treated, for all purposes of this Act, as tax charged under this Act.

### **31. General Provisions relating to assessments**

- (1) The production of a notice of assessment or a certified copy of a notice of assessment is receivable in any proceedings as conclusive evidence that the assessment has been duly made and, except in proceedings under Part VIII relating to the assessment, that the amount and all particulars of the assessment are correct.
- (2) No assessment or other document purporting to be made, issued, or executed under this Act shall be-
  - (a) Quashed or deemed to be void or voidable for want of form; or
  - (b) Affected by reason of mistake, defect, or omission therein, if it is, in substance and effect, in conformity with this Act and the registered person assessed, or intended to be assessed or affected by the document is designated in it according to common understanding.



## Part VIII – Objections and Appeals

### 32. Objections

- (1) A registered person dissatisfied with an appealable decision may lodge an objection to the decision with the Commissioner within 30 days after service of the notice of the decision.
- (2) Upon application in writing by a registered person dissatisfied with an appealable decision, the Commissioner may, where satisfied that owing to absence from Liberia, sickness, or other reasonable cause, the registered person was prevented from lodging an objection to the decision within the time specified under subsection (1) and there has been no unreasonable delay by the registered person in lodging the objection, accept an objection lodged after the time specified under subsection (1).
- (3) An objection to an appealable decision shall be in writing and specify in detail, the grounds upon which it is made.
- (4) In the case of an objection to an assessment, the Commissioner may consider the objection only if-
  - (a) The registered person assessed has paid the tax due under the assessment; or
  - (b) The Commissioner is satisfied that the registered person objecting is unable to pay the full amount of tax due and has given sufficient security for the amount of tax unpaid and any penalty that may become payable.
- (5) After considering the objection, the Commissioner may allow the objection in whole or in part and amend the assessment or the decisions objected to accordingly, or disallow the objection.
- (6) The Commissioner shall serve the registered person objecting with notice in writing of the decision on the objection.
- (7) A registered person dissatisfied with a decision of the Commissioner under subsection (2) may appeal against the decision only in accordance with the provisions of this Part.

### 33. Appeals

- (1) In this section-

“Board of Tax Appeals” means a five-member deliberative body, hears a registered person’s appeals from determinations by the Commissioner and emergency protests of the Commissioner’s actions and is the final administrative remedy available to a registered person. The Board has the authority to approve, modify, or reverse a determination of the Commissioner to the Liberia Tax Court, provided that the appeal is lodged within 30 days of the Board’s decision and is in conformity with the rules of the Tax Court.
- (2) A person dissatisfied with a decision under section 32(5) may, within 30 days after the person was served with notice of the decision, lodge with the Commissioner, a notice of appeal to the Liberia Tax Court or, at the person’s option, the Board of Tax Appeal

- (3) Upon application in writing by a person dissatisfied with a decision under section 32(5), the Commissioner may, where satisfied that owing to absence from Liberia, sickness, or other reasonable cause, the person was prevented from lodging a notice of appeal within the time specified under subsection (2) and there has been no unreasonable delay by the person in lodging the notice, accept a notice of appeal lodged after the time specified under subsection (2).
- (4) The provisions of section 60(b) – (g) shall apply with necessary changes made to adapt those rules to a value added tax appeal.
- (5) A registered person dissatisfied with a decision of the Commissioner under subsection (3) may appeal against only in accordance with the provisions of this Part.

#### **34. Burden of proof**

The registered person shall have the burden proving the Commissioner's determination incorrect, except in the case of a jeopardy assessment or a determination of fraud, when the Minister shall have the burden of proof.

### **Part IX – Collection and Recovery**

#### **35. Due date for payment**

- (1) Tax payable under this Act is due-
  - (a) From a registered person for a tax period, by the due date for the return for the tax period;
  - (b) From a person assessed under an assessment issued under this Act, on the date specified in the notice of assessment; or
  - (c) From an importer of goods or a recipient of an import of services, by the due date specified under section 15 in respect of the import.
- (2) Where an objection to, or a notice of appeal against an assessment has been lodged, the tax payable under the assessment is due and payable under subsection (1), and may be recovered, notwithstanding that objection or appeal.
- (3) Upon application in writing by a person liable for tax, the Commissioner may, where good cause is shown, extend the time for payment of tax by the person beyond the date on which it is due and payable under this section, or make such other arrangement as appropriate to ensure the payment of the tax due, and any such extension does not alter the due date purposes of section 24.

#### **36. Recovery of tax chargeable**

- (1) Any amount of tax due and payable under this Act shall be recoverable by the Commissioner as a debt due to the State from the person liable therefore, in the manner provided in this section.
- (2) Where, in addition to an amount of tax which is due and payable by any person under this Act, an amount of interest or penalty is payable, any payment made by the person in



- respect of such tax, interest, or penalty which is less than the total amount due shall be deemed to be made-
- (a) first in respect of such penalty;
  - (b) to the extent that such payment exceeds the amount of such penalty, then in respect of such interest; and
  - (c) to the extent that such payment exceeds the sum of such penalty and interest, then in respect of such tax.
- (3) Where the Commissioner has reasonable grounds to believe that a person may leave Liberia permanently without paying all tax due or which may become due under this Act, the Commissioner shall communicate to the Commissioner of the Bureau of Immigration stating particulars of the tax due and request that the Commissioner of the Bureau of Immigration take necessary steps to prevent the person from leaving Liberia until the person makes-
- (a) Payment in full; or
  - (b) An arrangement satisfactory to the Commissioner for payment of the tax.
- (4) The Commissioner shall, if it is practicable to do so, serve a copy of the communication on the person named in such communication.
- (5) Payment of the tax specified in a certificate issued under section (3), to the Commissioners of Customs and Excise and the Bureau of Immigration or the production of a certificate signed by the Commissioner stating that the tax been paid or a satisfactory arrangement for payment has been made, shall be sufficient evidence for any immigration officer to allow the person leave Liberia.

### **37. Security**

- (1) The Commissioner, in any case where it is reasonable to do so for the protection of the revenue, may, by notice in writing, require any person to file security for the payment of tax that is or may become payable by the person under this Act.
- (2) Security required under subsection (1) shall be for such amount, in such form, and filled within such period as the Commissioner may specify in the notice.
- (3) Where a registered person fails to comply with a notice under subsection (1), the Commissioner may recover the amount of the security as if the amount is tax due under this Act.
- (4) Where security under subsection (1) is in cash and the Commissioner is satisfied that the security is no longer required, the amount of the security shall be applied by the Commissioner as specified under section 43(2).

### **38. Distress proceedings**

- (1) The Commissioner may recover unpaid tax by distress proceedings against the movable property of the person liable to pay the tax, referred to as the "person liable", by issuing an order in writing, specifying the-
  - (a) person liable;
  - (b) location of the property; and

- (c) tax liability to which the proceedings relate.
- (2) For the purposes of executing distress proceedings under subsection (1), the Commissioner may-
  - (a) at any time, enter any house or premises described in the order authorizing the distress proceedings; and
  - (b) request a police officer or court officer to be present while the distress proceeding is being executed.
- (3) Property upon which a distress is levied under this section, other than perishable goods, shall be kept for 15 days either at the premises where the distress was levied or at such other place as the Commissioner may consider appropriate at the cost of the person liable.
- (4) Where the person liable does not pay the tax due, together with the cost of the distress-
  - (a) in the case of perishable goods, within such period as the Commissioner considers reasonable having regard to the condition of the goods; or
  - (b) in any other case, within 15 days after the distress is levied,the property distrained upon may be sold by public auction, or in such other manner as the Commissioner may direct by the court's decision.
- (5) The proceeds of a disposal under subsection (4) shall be applied by the auctioneer or seller first towards the cost of taking, keeping, and selling the property distrained upon, then by the Commissioner towards the tax due, and the remainder of the proceeds, if any, shall be restored to the person liable.
- (6) Nothing in this section precludes the Commissioner from proceeding under section 36 with respect to any balance owed if the proceeds of the distress are not sufficient to meet the cost thereof to the person liable.
- (7) All costs incurred by the Commissioner in respect of any distress proceedings, may be recovered by the Commissioner from the person liable as if the costs are tax due under this Act.

### **39. Seizure of goods**

- (1) Where the Commissioner has reasonable grounds to believe that tax on supply or import of goods has not been or will not be paid, the Commissioner may seize the goods.
- (2) The Commissioner may seize any vehicle used in the removal or carriage of goods liable to be seized under subsection (1) unless it is shown that such vehicle was so used without the consent or knowledge of the owner of that vehicle or other person lawfully in possession or charge thereof; and at the discretion of the Commissioner, the vehicle may be sold by public auction or may be dealt with in such other manner as the Commissioner may direct.
- (3) Goods seized under subsection (1) shall be stored in a place approved by the Commissioner for storage of such goods.
- (4) Where goods are seized under subsection (1), the Commissioner shall, as soon as practicable after the seizure, serve on the owner of the goods or the person who had custody or control of the goods immediately before seizure, a notice in writing-
  - (a) identifying the goods;

- (b) stating that the goods have been seized under this section and the reason for seizure; and
  - (c) setting out the terms of subsections (7), (8, and (9).
- (5) The Commissioner is not required to serve notice under subsection (4) if, after making reasonable enquiries, the Commissioner does not have sufficient information to identify the person on whom the notice should be served.
- (6) Where subsection (5) applies, the Commissioner may serve a notice under subsection (4) on any person claiming the goods, provided the person has given the Commissioner sufficient information to enable such a notice to be served.
- (7) Subject to subsection (8), the Commissioner may authorize the delivery of goods seized under subsection (1) to the person on whom a notice was served under subsection (4), where that person pays or gives security, in accordance with section 37, for the payment of tax due and payable or that will become due and payable in respect of the supply or import of the goods.
- (8) The Commissioner shall detain the goods seized under subsection (1)-
- (a) in the case of perishable goods, for such period as the Commissioner considers reasonable having regard to the condition of the goods; or
  - (b) in any other case, until the later of-
    - (i) 10 days after the seizure of the goods; or
    - (ii) 10 days after the due date for payment of the tax on the supply or import of the goods.
- (9) Where the detention period in subsection (8) has expired, the Commissioner may sell the goods in the manner specified under section 38(4) and apply the proceeds of sale as set out in section 38(5).
- (10) Notwithstanding the provisions of this section, the Commissioner may proceed under section 34 with respect to any balance owed if the proceeds of sale are not sufficient to meet the costs thereof and the tax due.

#### **40. Recovery of tax from recipient of supply**

- (1) Where a registered person has, in consequence of a fraudulent or misrepresentation, incorrectly treated the supply as an exempt supply, the Commissioner may raise an assessment on the registered person for the amount of tax payable together with any interest that is payable in respect of the supply under sections 24, and either 15 and 35.
- (2) Subsection (a) does not preclude the Commissioner from recovering the tax and interest payable in respect of the supply from the registered person making the supply and-
- (a) any amount recovered from the recipient of the supply is to be credited against the liability of the person making the supply in respect of the supply, and
  - (b) any amount recovered from persons making the supply is to be credited against the liability of the recipient of the supply.

- (3) An amount assessed under this section shall be treated, for all purposes of this Act, as tax charged under this Act.

#### **41. Recovery of tax from third parties**

- (1) Where a person liable to pay tax under this Act, referred to as the “person liable”, fails to do so by the due date, the Commissioner may, by notice in writing, require any other person-
- (a) owing or who may owe money to the person liable;
  - (b) holding or who may subsequently hold money for, or on account of, the person liable; or
  - (c) having authority from some other person to pay money to the person liable, to pay the money to the Commissioner on the date set out in the notice, up to the amount of the tax due.
- (2) The date specified in the notice under subsection (1) shall not be a date before the money becomes due to the person liable to pay tax, or held on the person’s behalf.
- (3) A copy of a notice issued under subsection (1) shall be served on the person liable.
- (4) Where a person served with a notice under subsection (1) is unable to comply with the notice, the person shall, before the payment date specified in the notice, notify the Commissioner, in writing, setting out the reasons for the inability to comply.
- (5) Where a notice is served on the Commissioner under subsection (4), the Commissioner may, by notice in writing-
- (a) Accept the notification and cancel or amend the notice issued under subsection (1); or
  - (b) reject the notification.

#### **42. Duties of receivers**

- (1) In this section, “receiver” means a person who, with respect to an asset in Liberia of a registered person, is-
- (a) a liquidator of a company;
  - (b) a receiver appointed out of court or by a court;
  - (c) a trustee for an unrehabilitated insolvent;
  - (d) a mortgagee in possession;
  - (e) an executor of a deceased estate; or
  - (f) any other person conducting a business on behalf of a person legally incapacitated.
- (2) A receiver shall, in writing, notify the Commissioner within 10 days after being appointed to the position or taking possession of an asset in Liberia, whichever first occurs.
- (3) The Commissioner may, in writing, notify a receiver, of the amount which appears to the Commissioner to be sufficient to provide for tax which is or will become payable by the person whose assets are in the possession of the receiver.

- (4) A receiver-
  - (a) shall set aside, out of the proceeds of sale of an asset, the amount specified by the Commissioner under subsection (3), or such lesser amount as is subsequently agreed on by the Commissioner.
  - (b) Is liable to extent of the amount set aside for the tax of the person who owned the asset; and
  - (c) May pay any debt that has priority over the tax referred to in this section notwithstanding any provision of this section.
- (5) A receiver is personally liable to the extent of any amount required to be set aside under subsection (4) for the tax referred to in subsection (3) if, and to the extent that, the receiver fails to comply with the requirements of this section.

## **Part X – Refund of Tax and Tax Relief**

### **43. Refund of tax**

- (1) A credit exists where-
  - (a) a registered person's input tax for the period exceeds the output tax for that period; or
  - (b) with the exception of export, the difference will be carried forward to the next month and will be treated as a deductible input credit for that month; and
  - (c) further excesses will be carried forward consecutively for a maximum of six months or the registered person may ask that the amount be applied to another tax type where a liability exists.
- (2) However, if after six month of excess credit remains, the registered person may request a refund.

### **44. Others eligible for tax refund**

- (1) The Minister may authorize the granting of a refund of tax paid or borne on a supply to, or import by-
  - (a) any person to the extent provided under-
    - (i) the Diplomatic immunities and privileges;
    - (ii) an international convention having force of law in Liberia
    - (iii) the recognized principles of international law; or
    - (iv) under the Foreign Accounts Tax Compliance Act (FATCA); or
  - (b) any diplomatic or consular mission of a foreign country established in Liberia, relating to transactions concluded for the official purposes of such mission.
- (2) The Minister may authorize relief under this section on such conditions or subject to such restrictions as the Minister may deem fit.
- (3) A claim for refund of tax under this section, shall be made in such a form and at such time as the Minister may prescribe by regulations, and shall be accompanied by proof of payment of tax.

## Part XI – Treatment of Selected Sectors

### 45. Tourism

- (1) Tourism services encompass hotel communication, dive activity, and other goods, the full amount paid by tourists while in Liberia. According to the destination principle, VAT should be charged on the full amount paid by tourists on acquiring goods and services in Liberia. Therefore, all goods and services provided by the tourism industry will pay VAT at the rate provided under section 6(1).

### 46. Agencies (other than incorporated companies)

- (1) This section applies where, in relation to selected sectors, zero-rate is applied on-
  - (a) all agriculture inputs to include fertilizers, pesticides, and herbicides; and
  - (b) all rubber and palm nursery trees sold to local farmers.
  - (c) Except in the case that agriculture products are sold in the formal sectors (such as super markets, grocery stores, etc).
- (2) All Educational services provided as approved by the National Commission on Higher Education.
  - (a) Except in the case of an Educational establishments where tax on taxable goods shall be paid.
- (3) All medical and dental services provided by medical practitioners and dentists, except for taxable purchases made which shall not be refundable.
- (4) All license public transports providing services except for the transportation of goods and passengers for which no refund shall be made of the tax paid on their vehicles and inputs on their operations.
- (5) All postal services provided by the state excluding courier services; and
- (6) all exports made from Liberia of all taxable supplies.

### 47. Small Businesses

For the purpose of this Act, the term “small businesses” refers to all petty traders and businesses whose turnover falls below the registration threshold as provided in section 18(1)(a).

- (1) Small businesses and small traders whose sales fall below the thresholds stated under section 18(1)(a) would not be required to register for VAT and therefore cannot charge VAT on their sales.
- (2) Subject to section 18(5), small business shall apply for registration after one year of introducing the VAT.
- (3) Subject to subsections (1) and (2), a small business that sells a registered VAT business may find it beneficial to register under VAT so that the registered business making purchase from the small business can claim a tax credit on purchases made.

### 48. Beneficiaries of Fiscal Incentives

- (1) For the purpose of this Act in relation to the Code, fiscal incentives apply to companies that benefit from tax holidays granted by the Government of Liberia for a period of not more than 5 years.



- (2) Subject to subsection (1), businesses with existing fiscal incentives and concessions shall benefit from all provisions granted them under the repealed Act, except-
  - (a) in the case where the 5 years have elapsed, all beneficiaries shall be required to operate under the VAT designed relief of tax on inputs.
- (3) Beneficiaries of fiscal incentives are required to register which shall grant them the right to charge VAT on taxable sales and submit claims for VAT paid on inputs.

## **Part XII – Records and Investigation Power**

### **49. Interpretation**

In this part, “records” means any accounting records, accounts, books, computer-stored information, or any other documents.

### **50. Record Keeping**

- (1) A registered person or any other person liable for tax under this Act, shall maintain in the English language-
  - (a) original tax invoices, tax credit notes, and tax debit notes received by the person;
  - (b) a copy of all tax invoices, tax credit notes, and tax debit notes issued by the person;
  - (c) accounting records; and
  - (d) any other records as may be prescribed by the Commissioner.
- (2) Records required to be maintained under subsection (1) shall be retained for at least seven years after the end of the tax period to which they relate.
- (3) A person who fails to maintain proper records in accordance with this section commits an offence and is liable on conviction-
  - (a) Where the failure was made knowingly or recklessly, to a fine not exceeding LRD 15,000.00 or to imprisonment for a term not exceeding one year, or to both.
- (4) A person who fails to maintain proper records in a tax period, in accordance with the requirements of this section, is liable to a penalty of LRD 500.00 per day for each day or a fixed amount of LRD 120,000 per annual.

### **51. Examination of Premises and Records**

- (1) For the purpose of the administration of this Act, a tax agent who has been authorized by the Commissioner in writing may-
  - (a) without previous notice and at any time, enter any premises or place where records are kept and on such premises search for any records;
  - (b) in carrying out a search referred to in paragraph (a), open or cause to be opened or removed and opened, any article in which the officer suspects that records are kept;
  - (c) seize records which, in the officer’s opinion, may afford evidence that may be material in assessing a person’s liability for tax payable under this Act;

- (d) retain records seized under paragraph (c) for as long as they may be required for determining a person's liability under the Act or for any proceeding under the Act;
  - (e) examine and make extracts from, and copies of, any records, and require from any person an explanation of any entry therein;
  - (f) where a hard copy or computer disc of computer-stored information is not provided, seize and retain the computer in which the information is stored for as long as is necessary to copy the information required; and
  - (g) stop and board any vehicle which the officer has reasonable cause to believe is importing goods into Liberia, search such vehicle or any person found in the vehicle, and question the person with respect to any matter dealt with in this Act.
- (2) A tax agent who attempts to exercise a power under subsection (1) on behalf of the Commissioner General is not entitled to enter or remain on any premises or at any place if, upon being requested by the occupier of the premises or place, the officer does not produce an authorization in writing from the Commissioner General to the effect that the officer is authorized so to act.
  - (3) The owner, manager, or any other person lawfully on the premises or at the place entered or proposed to be entered under this section, is required to provide all reasonable facilities and assistance for the effective exercise of power under this section.
  - (4) A person whose records or computer have been removed and retained under subsection (1), may examine them and make copies or extracts from them during regular office hours under such supervision as the Commissioner may determine.
  - (5) A tax agent exercising a power under subsection (1) may, at any time, request such assistance from a police officer as the tax agent may consider reasonably necessary and that police officer shall render such assistance as may be required by the tax agent.
  - (6) An authorized tax agent or any other person accompanying the officer to any premises who conducts an examination or search for the purposes of this Act, shall not be held responsible for any involuntary damage to any article or thing suffered in the course of the examination or search.

## **52. Notice to obtain information or evidence**

- (1) The Commissioner may, by notice in writing, require a person, whether or not liable for tax under this Act-
  - (a) to furnish such information as may be required by the notice; or
  - (b) to attend at the time and place designated in the notice for the purpose of being examined on an oath before the Commissioner or a tax agent authorized by the Commissioner for this purpose concerning the tax affairs of that person or any other person, and for that purpose the Commissioner or the authorized officer may require the person examined to produce any record or computer in the control of the person.
- (2) Where the notice requires the production of any record or computer, it is sufficient if such record or computer is described in the notice with reasonable certainty.



- (3) A notice issued under this section shall be served by or at the direction of the Commissioner by-
  - (a) a signed copy delivered by hand to the person to whom it is directed; or
  - (b) being left at the person's last and usual place of abode,and the certificate of service signed by the person serving the notice is evidence of the facts stated therein.
- (4) A person who fails to comply with notice issued under this section, commits an offence and is liable on conviction, to a fine not exceeding LRD 40,000 or to imprisonment for a term not exceeding one year, or to both.

## **Part XIII – VAT Registration Number**

### **53. VAT registration number**

- (1) The Commissioner may require a person to include the VAT Registration Number issued by the Commissioner to that person, in any return, notice, or other, document prescribed or used for the purposes of this Act.
- (2) A person who knowingly uses a false VAT registration number, or the VAT registration number of another person, on a return, notice, or other document prescribed or used for the purposes of this Act, commits an offence and is liable on conviction, to a fine not exceeding LRD 20,000 or to imprisonment for a term not exceeding two years, or to both.
- (3) Subsection (2) does not apply to a person who has used the VAT registration number of another person with the permission of that other person, on a return, notice, or other document relating to the tax affairs of that other person.

## **Part XIV – Offences and Penalties**

### **Category I**

#### **Offences (ss 54-58)**

### **54. False and misleading statements**

- (1) A person who-
  - (a) Makes a statement that is false or misleading in a material particular, to a tax agent; or
  - (b) Omits from a statement made to a tax agent, any matter of thing without which the statement is misleading in a material particular,Commits an offence and is liable on conviction-
  - (i) Where the statement or omission was made knowingly or recklessly, to a fine not exceeding LRD 20,000 or to imprisonment for a term not exceeding one year, or to both; or
  - (ii) In any other case, to a fine not exceeding LRD 10,000 or to imprisonment for a term not exceeding six months, or to both.

- (2) A reference in this section to a statement made to a tax agent is a reference to a statement made orally, in writing, or in any other form to that officer acting in the performance of the officer's duties under this Act, and includes a statement made-
  - (a) In an application, certificate, declaration, notification, return, objection, or other document made, prepared, given, filed, lodged, or filled under this Act;
  - (b) In information required to be filled under this Act;
  - (c) In a document furnished to a tax agent otherwise than pursuant to this Act;
  - (d) In an answer to a question asked of a person by a tax agent; or
  - (e) To another person with the knowledge or reasonable expectation that the statement would be conveyed to a tax agent.
- (3) It is a defence to a prosecution under subsection (1) that the person did not know and could not reasonably be expected to have known that the statement to which the prosecution relates was false or misleading.

### **55. Obstructing tax agents**

A person who obstructs a tax agent in the performance of the officer's duties under this Act, commits an offence and is liable on conviction, to a fine not exceeding LRD 20,000 or to imprisonment for a term not exceeding two years, or to both.

### **56. Offences by tax agents**

A tax agent who, in carrying out the provisions of this Act-

- (a) Directly or indirectly asks for, or takes, in connection with any of the officer's duties, any payment or reward, whether pecuniary or otherwise, or any promise or security for such payment or reward, not being a payment or reward which the officer was lawfully entitled to receive; or
- (b) Enters into or acquiesces in any agreement to do, abstain from doing, permit, conceal, or connive at any act or thing whereby the tax revenue is or may be defrauded or which is contrary to the provisions of this Act or to the Proper execution of the officer's duty, commits an offence and is liable on conviction, to a fine not exceeding USD 1,000 (its equivalence in LRD) or to imprisonment for a term not exceeding five years, or to both and the Court may, in addition to imposing a fine, order the convicted person to pay to the Commissioner any amount of tax that has not been paid as a result of the officer's wrongdoing and which cannot be recovered from the person liable for the tax.

### **57. Offences by Companies, aiders and abettors**

- (1) Where an offence under this Act is committed by a company, any person who at the time of the commission of the offence-
  - (a) Was a representative officer, director, general manager, secretary or other similar officer of the company; or
  - (b) Was acting or purporting to act in such capacity; is deemed to have committed the offence.
- (2) Subsection (1) does not apply where-
  - (a) The offence was committed without such person's consent or knowledge; and

- (b) The person exercised all such diligence as ought to have been exercised, having regard to the nature of the person's functions and all the circumstances, to prevent the commission of the offence.
- (3) A person aiding and abetting the commission of an offence under this Act also commits that offence and is liable to the same penalties as the person committing the offence.

## **58. Compounding of offences**

- (1) Where a person commits an offence under this Act, other than an offence under section 56, at any time prior to the commencement of the court proceedings relating thereto, if-
  - (a) The fine does not exceed LRD 5,000, the Commissioner ; or
  - (b) The fine exceeds LRD 5,000, the Commissioner , with the approval of the Board,may compound such offence and order the person to pay such sum of money as may be specified by the Commissioner through regulations, not exceeding the amount of the fine prescribed for that offence.
- (2) The Commissioner shall only compound an offence under this section if the person who has committed the offence requests the Commissioner, in writing, so to deal with the offence.
- (3) Where the Commissioner compounds an offence under this section, the order referred to in subsection (1)-
  - (a) Shall be in writing and there shall be attached to it, the request referred to under subsection (2);
  - (b) Shall specify-
    - (i) The offence committed;
    - (ii) The sum of money to be paid; and
    - (iii) The due date for the payment;
  - (c) Shall be served on the person who committed the offence;
  - (d) Shall be final and not subject to any appeal;
  - (e) May be enforced in the same manner as a decree of a court for the payment of the amount stated in the order.
- (4) Where the Commissioner compounds an offence under this section, the person concerned shall not be liable for prosecution in respect of such offence or for penalty under section 17(9), 50(4), or 59; and the person shall not be subject to publication of names under subsection (5).
- (5) The Commissioner shall from time to time publish by notice in the Gazette a list of persons who have been convicted of offences under-
  - (a) Section 17(8), 18(7), 25(10) and (11), 26(7) and (8), 43(11), 50(3)(a), 53(2), 54(1)(i), 55, or 56; or
  - (b) Section 57(3) where the person is guilty of aiding and abetting the commission of an offence referred to in paragraph (a).
- (6) Every list published in terms of subsection (5) shall specify-
  - (a) The name, address, and principal enterprise of the registered person;

- (b) Such particulars of the offence as the Commissioner may think fit;
- (c) The tax period or tax periods in which the offence occurred;
- (d) The amount or estimate amount of the tax evaded; and
- (e) The amount, if any, of the additional tax imposed.

## **Category II Offences (ss 59-61)**

### **59. Penalty for false or misleading statements**

- (1) Where a person knowingly or recklessly-
  - (a) Makes a statement to a tax agent that is false or misleading in a material particular; or
  - (b) Omits from a statement made to a tax agent any matter or thing without which the statement is misleading in a material particular, and the tax properly payable by the person exceeds the tax that would be payable if the person were assessed on the basis that the statement is true, the person is liable to a penalty equal to double the amount of the excess.
- (2) Section 54(2) and (3) apply in determining whether a person has made a statement to a tax agent.
- (3) No penalty is payable under this section where the person has been convicted of an offence under section 54 in respect of the same act or omission.
- (4) If a penalty under this section has been paid and the Commissioner institutes a prosecution proceeding under section 54 in respect of the same act or omission, the Commissioner shall refund the amount of the penalty paid, and that penalty is not payable unless the prosecution is withdrawn.

### **60. Recovery of Penalties**

- (1) Where good cause is shown, in writing, by the person liable for a penalty, the Commissioner may remit in whole or in part any penalty payable.
- (2) Except as otherwise provided in this Act, the imposition of a penalty is in addition to any fine or prison sentence imposed as a result of a conviction for an offence under section 17(8), 18(7), 25(10) and (11), 26(7) or (8), 28(4) or (5), 41(9), 42(6), 43(11), 50(3), 51(8), 52(5), 53(2), 63(5), or under Category I of Part XIV.
- (3) Penalties may be assessed and collected as if the amount of penalty is a tax due under this Act.
- (4) A person dissatisfied with a decision of the Commissioner under subsection (1) may appeal against such decision only in accordance with the provisions of Part VIII.

### **61. Closure of Business Premises**

- (1) Where a person is repeatedly in breach of-
  - (a) Section 25 in relation to tax invoices;
  - (b) Section 26 in relation to tax debit notes or tax credit notes;
  - (c) Section 28 by failing to furnish returns;

- (d) Section 43 by improperly claiming tax refunds;
- (e) Section 55 by obstructing tax agents; or
- (f) Section 33 by failing to pay tax when due,

the Commissioner may, after obtaining a court order, forcibly close all business premises of the person.

- (2) For purposes of subsection (1), the Commissioner may use reasonable force and police assistance necessary to close all or any business premises of the person, barring access with locks, fencing, boarding, or other appropriate methods.

## **Part XV – Administration**

### **62. Administration of Act**

- (1) There shall be appointed in accordance with the provisions of the Liberia Revenue Authority Act, a Commissioner for VAT and such other officers as may be necessary for carrying out the purposes of this Act.
- (2) The Commissioner shall be responsible to the Commissioner General for the administration, collection, refund and accounting methods for VAT, penalties and all other sums payable under this Act; and Subject to the direction and control of the Commissioner General, may exercise and perform the powers and functions conferred on him by or under this Act.
- (3) Subject to subsection (4), any decision made and any notice or communication issued or signed by a tax agent referred to in subsection (2), may be withdrawn or amended by the Commissioner or by the officer concerned, and shall for the purposes of the said provisions, until it has been so withdrawn, be deemed to have been made, issued, or signed by the Commissioner.
- (4) A written decision made by the Commissioner or other tax agent in the exercise of his or her duties under the provisions of this Act, shall not be withdrawn or amended by the Commissioner if all the material facts were known to the Commissioner at the time the decision was made.

### **63. Confidentiality**

- (1) A tax agent carrying out the provisions of this Act shall not-
  - (a) Disclose to any person or that person's representative, any matter in respect of another person, that may, in the exercise of the officer's powers or the performance of the officer's duties under the said provisions, come to the officer's knowledge; or
  - (b) Permit any person to have access to records in the possession or custody of the Commissioner, except in the exercise of the officer's powers or the performance of the officer's duties under this Act or by order of a court.
- (2) Nothing in this section shall prevent the Commissioner from disclosing-
  - (a) Any document or information to-

- i. Any person where the disclosure is necessary for the purposes of this Act or the Freedom of Information Act;
  - ii. The Auditor-General where the disclosure is necessary for the performance of duties under the Act establishing the General Audit Commission;
  - iii. The competent authority of the government of another country with which Liberia has entered into an agreement for the avoidance of double taxation or for the exchange of information, to the extent permitted under the agreement;
  - iv. The Liberia Anti-Corruption Commission (LACC) where the disclosure is necessary for the performance of duties under the LACC Act; or
  - v. A law enforcement agency, not described above, where the Minister issues written authorization to make disclosure necessary for the enforcement of the laws under the agency's authority; or
- (b) Information which does not identify any specific person to any person in the service of the State in a revenue or statistical department where such disclosure is necessary for the performance of the person's official duties.
- (3) A person receiving information under subsection (2) shall keep them confidential under the provisions of this section, except to the minimum extent necessary to achieve the purpose for which the disclosure was made.
- (4) Any document or information obtained by the Commissioner in the performance of the Commissioner's duties under this Act may be used by the Commissioner for the purposes of any other fiscal provision administered by the Minister or Commissioner.
- (5) A person who contravenes this section commits an offence and is liable on conviction, to a fine not exceeding LRD 20,000 or to imprisonment for a term not exceeding one year or to both.

## Part XVI – Notices

### **64. Authentication of Documents**

A notice or other document issued, served or given by the Commissioner under this Act, is sufficiently authenticated if the name or title of the Commissioner, Commissioner for Domestic Tax, or authorized tax agent, is printed, stamped or written on the document.

### **65. Service of notices and other Documents**

Unless otherwise provided in this Act, a notice or other document required or authorized by this Act to be served, is considered sufficiently served-

- (a) On an individual, other than in a representative capacity, if it is-
- (i) Personally served on that person;
  - (ii) Left at the person's usual or last known place of abode, office, or place of business in Liberia; or
  - (iii) Sent by registered post to such place of abode, office, or place of business, or to the person's usual or last known address in Liberia; or



- (b) On any other person, if it is-
  - (i) Personally served on the representative of the person;
  - (ii) Left at the registered office of the person or the person's address for service of notices under this Act; or
  - (iii) Where there is no such office or address, left at or sent by registered post to any office or place of business of the person in Liberia.

## **Part XVII – General Provisions**

### **66. Tax-inclusive pricing**

- (1) Any price charged by a registered person in respect of a taxable supply shall, for the purposes of this Act, be deemed to include the tax charged on the supply under section 6(1)(a), whether or not the registered person has included tax in such price.
- (2) Subject to subsection (3), where a registered person advertises or quotes a price in respect of a taxable supply, the person shall include tax in the price advertised or quoted.
- (3) A registered person may advertise or quote a price in respect of a taxable supply as exclusive of tax where-
  - (a) The advertisement or quotation also states the amount of tax charged on the supply and the price inclusive of tax; and
  - (b) The price inclusive of tax and the price exclusive of tax shall be advertised or quoted with equal prominence or impact.
- (4) Subject to subsection (5), price tickets on goods supplied by a registered person, need not state that the price includes tax if this is stated by way of a notice prominently displayed at every entrance to the premises on which the registered person carries on a taxable activity and at every point on such premises where payment is effected.
- (5) The Commissioner may, in the case of a registered person or class of registered persons, approve any other method of displaying pieces of goods or services by such persons.

### **67. Variation of Consideration**

- (1) Where-
  - (a) An agreement for a supply of goods or services by a registered person has been entered into; and
  - (b) Subsequent to entering into the agreement, tax is imposed on the supply or the rate of tax applicable to the supply increased,

the supplier may, notwithstanding anything contrary to any agreement or law, recover from the recipient, in addition to the amount payable by the recipient, an amount equal to the amount of tax imposed or the amount by which tax was increased, as the case may be.

- (2) Where-

- (a) An agreement for a supply of goods or services by a registered person has been entered into; and
- (b) Subsequent to entering into agreement, tax on the supply is withdrawn or the rate of tax applicable to the supply is decreased,

the supplier shall, notwithstanding anything to the contrary in any agreement or law, reduce the amount payable by the recipient by any amount equal to the amount of tax withdrawn or the amount by which tax was decreased, as the case may be.

## **68. Currency**

- (1) For the purposes of this Act, all amounts of money are to be expressed in Liberian dollars or its equivalence in United States dollars.
- (2) Where an amount is expressed in United State currency-
  - (a) In a case of imports, the tax payable shall be in the currency that was used to purchase the imported supply; or
  - (b) In all other cases, tax payable shall be stipulated in the currency that was used to make the sale as stipulated on the tax invoice.

## **69. Regulations**

- (1) The Minister may, after consulting with the Commissioner , make regulations for any matter which under this Act is to be prescribed or for the better carrying out of the provisions and purposes of this Act, and without prejudice to the generality of the foregoing, such regulations may provide for-
  - (a) Prescribing any form, notice, return or other document published by the Minister for the efficient administration of this Act.

## **70. Repeal**

- (1) The Goods and Services Tax Provisions of the Liberia Revenue Code are hereby repealed.
- (2) No reference to Goods and Services Tax in any Act, other than this Act, shall be treated as a reference to tax under this Act.

## **Part XVIII – Schedules**

### **I. Schedule I – Zero-Rated Supplies (Exports)**

(SECTION 10)

1. In this Schedule-

“Zero supplies” means all goods and services exported from Liberia and shall include:

- a. Items sold under the duty free regime as stated in the Customs Revenue Code of Liberia.
- b. Agricultural inputs – seeds, pesticides, animal feed etc.
- c. A supply of live animal other than pets
- d. Services in respect of land and registered personal property located out of Liberia



- e. Services in relation to exports
- f. Services to foreign to foreign aircraft and ships
- g. International transport services
- h. A supply to a Telecommunication carrier not conducting business in Liberia.

## **II. Schedule II – Exempt Supplies**

(Section 11)

The following supplies are specified as exempt supplies for the purposes of section 11-

- a. a supply of financial services to the extent specified by regulations
- b. a supply of medical services (except for cosmetic purposes)
- c. a supply of prescription drugs or medicines and services by a registered person in the ordinary course of operating a public medical facility, including a hospital, maternity center, nursing center, convalescent home, hospice, or clinic;
- d. a supply of educational services;
- e. residential accommodation
- f. land use as a renewable resource project
- g. Religious services by an institution of religious worship, registered by the Liberian Government;
- h. a supply of 1,000 gallons of water (LD 5,000.00) to a residential dwelling per billing period by the Liberia Water and Sewerage Corporation;
- i. a supply of 180 kwhs (USD 91.84) of electrical energy provided to a residential dwelling per billing period by the Liberia Electricity Corporation;
- j. a supply of services by local transportation of passengers with a driver registered by the Minister of Transport
- k. a supply of services by a trade union, to a member or to another Trade Union, where the supply is made solely in the ordinary course of its objectives as a Trade Union,
- l. a supply of services provided directly by a facility to the following registered persons who need care:
  - i. Aged registered persons
  - ii. Indigent registered persons
  - iii. Infirm Registered persons
  - iv. Handicapped registered persons
- m. a supply of hearing aids, crutches, manual and motorized wheelchairs, trusses and similar appliances and apparatus and identifiable spare parts for relief of permanent bodily disablement.

## **III. Schedule III – Exempt Imports**

In this schedule, exempt imports shall include:

- a. goods and services where the supply within Liberia would be exempt;
- b. personal effects of a passenger as prescribed by the Customs Code of Liberia, carried in his/her baggage or on his/her person which he/she might reasonably be expected to carry with him/her for his/her regular and private use including the duty free and gift allowances as admitted by the Commissioner for Customs;
- c. household goods and personal effects as prescribed by the Customs Code of Liberia, arriving within 3 months of a passenger's arrival and declared to have been in the use and possession of the passenger for at least one year.
- d. used implements, instruments and tools of profession, trade or occupation in the possession of a passenger as provided for in the Customs Code of Liberia or any existing regulation in effect thereof.
  - i. goods imported by returning nationals returning home for permanent resident;
  - ii. remains of a Liberian citizen or resident who has died abroad;
  - iii. an unconditional gift of goods to the state;
  - iv. an unconditional gift of goods to a charitable organization;
  - v. goods in transit

#### **IV. Schedule IV – Tax Invoices, Tax Credit Notes, and tax Debit Notes**

(Sections 25 and 26)

1. Except as the Commissioner may otherwise allow, a tax invoice as required by section 25 (1) shall contain the following particulars-
  - a. the words "tax invoice" in a prominent place;
  - b. the name, address, and VAT registration number of the registered registered person making the supply;
  - c. for a supply to a registered recipient, the name, address, and VAT registration number of the recipient;
  - d. the individualized serial number and the date on which the ax invoice is issued;
  - e. a description of the goods or services supplied; and
  - f. the total amount of the tax charged, the consideration for the supply, and the consideration including tax.
2. Except as the Commissioner may otherwise allow, a tax credit note as required by section 26 (1) shall contain the following particulars-
  - a. the words "tax credit note" in a prominent place;
  - b. the name, address, and VAT registration number of the registered registered person making the supply;
  - c. the name, address, and VAT registration number of the recipient of the supply;
  - d. the date on which the tax credit note was issued;

- e. the value of the supply shown on the tax invoice, the correct amount of the value of the supply, the difference between those two amounts, and the tax charged that relates to that difference;
  - f. a brief explanation of the circumstances giving rise to the issuing of the tax credit note; and
  - g. the information sufficient to identify the taxable supply to which the tax credit note relates.
3. Except as the Commissioner may otherwise allow, a tax debit note as required by section 26 (3) shall contain the following particulars-
- a. The words "tax debit note" in a prominent place;
  - b. the name, address, and VAT registration number of the registered person making the supply;
  - c. the name, address, and VAT registration number of the recipient of the supply;
  - d. the date on which the tax debit note was issued;
  - e. the value of the supply shown on the tax invoice, the correct amount of the value of the supply, the difference between those two amounts, and the tax that relates to that difference;
  - f. a brief explanation of the circumstances giving rise to the issuing of the tax debit note; and
  - g. information sufficient to identify the taxable supply to which the tax debit note relates.

**V. Schedule V – Interest Rates, and other Amounts – (Section 24 & 25)**

- a. For the purposes of 24(1), the interest rate is 4 percent per month or part thereof, compound monthly.
- b. For purposes of section 25(2), the consideration shall not exceed LRD 1,000



GOVERNMENT OF LIBERIA  
VALUE ADDED TAX (VAT)  
**DRAFT ACT OF 2013**