



REPUBLIC OF LIBERIA
MINISTRY OF FINANCE & DEVELOPMENT PLANNING
P.O. BOX 10-9016
1000 MONROVIA, 10 LIBERIA



OFFICE OF THE ASSISTANT MINISTER
FOR REVENUE & TAX POLICY

ADMINISTRATIVE REGULATION
NO. 1.16-3/MFDP/FAD-RTPD/06/05/2024

TO : THE GENERAL PUBLIC

SUBJECT: QUALIFYING SECTORS FOR SECTION 16 TAX INCENTIVES

DATE : JUNE 05, 2024

1. General Rule

The Ministry of Finance & Development Planning (MFDP) is responsible for the formulation of fiscal policies to enhance economic growth and stability, and to govern taxation pursuant to the Revenue Code of Liberia.

In keeping with section 2200 of the Revenue Code, the Minister has the power to issue regulations as necessary from time to time to give effect to the Code and to further the purpose of carrying into effect any of its provision, including strengthening tax administration.

2. Legal Basis

Section 16(a)(2)(A) of the Revenue Code of Liberia 2023 mandates the Minister to issue regulation, following a deliberative and consultative process involving the National Investment Commission and Liberia Revenue Authority, identifying qualifying sectors for Section 16 tax incentives.

Furthermore, Section 21.5(c) of the Act creating the Ministry of Finance and Development Planning charged the Minister with the duty to formulate, institutionalise and administer economic, development planning and fiscal and tax policies.

3. Purpose

The purpose of this Regulation is to identify the sectors qualified for Section 16 tax incentives. However, the provisions of the Code also authorised the Minister to issue regulation identifying and/or listing the new sectors.

4. Procedure Notice

By this Regulation, the Government of Liberia establishes and approves the following sector as qualifying sectors for Section 16 tax incentives. Consequently, all business entities or individuals making application to the National Investment Commission or wanting to benefit from the special tax incentives provided under Section 16 of the Code are to ensure their investing activities are in one of the qualifying sectors listed below. Investment activities not in any of the listed sectors will not be considered.

No	SECTOR	SUB-SECTOR	Examples of imports
1	Tourism		Equipment and machinery (including specialized furniture); specialized vehicles; capital spare parts and other specialized capital goods.
2	Manufacturing		Equipment and machinery; raw materials; specialized vehicles; capital spare parts and other specialized capital goods.
3	Energy		Equipment and machinery; raw materials; specialized vehicles; capital spare parts and other specialized capital goods.
4	Health Services		Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
5	Real Estate		Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods construction materials specified in regulations.
6	Transport		Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
7	Technology		Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
8	Agriculture	Poultry	Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
		Horticulture	Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
		Exportation of Sea Products	Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
		Agricultural Food-Crop Cultivation	Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
		Rubber and Oil Palm Cultivation Processing	Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.
9	Waste Management		Equipment and machinery; specialized vehicles; capital spare parts and other specialized capital goods.

5. Implementation Notice

Businesses operating in the above listed sectors are hereby encouraged to submit their application for tax incentives to the National Investment Commission. In addition to meeting the requirements set out in Section 16, the following documents shall constitute the application package.

- Letter to the Chairman of the National Investment Commission requesting the tax incentives.
- Must have a facility (industry for a manufacturing)
- A minimum deposit requirement of fifty thousand United States Dollars (US\$50,000.00) be deposited with a local bank in an account owned by the investor prior to the granting of an incentive certificate. Note: This minimum deposit requirement does not apply if the investment is to establish a hospital or health clinic.
- All applicants for investment incentives are encouraged to procure raw materials and other inputs locally. By this, no incentive holder will receive a duty waiver for goods that are readily available on the local market. This is intended, among other things, to help enhance local consumption, facilitate trade, and reduce pressure or demand for foreign currency.
- Business plan or proposal setting out the investment plan.
- Detailed financials and/or pro-forma financial statements, including income statement, balance sheet, cash flow, depreciation schedule (if applicable), loan amortization schedule (if applicable).
- Spare parts for machinery and equipment shall be granted 50 percent incentive waiver instead of 100 percent.
- Tax clearance certificate.
- Business registration certificate.
- Import schedule or listing with HS code and description
- Prior to issuing the Section 16 incentive certificate, the final list of duty waiver items must be sent to the Liberia Revenue Authority to ensure that the Harmonized System Code is aligned with the intended industry use.

6. Effective Date

This Administrative Regulation and the actions thereby authorized herein take immediate effect upon the publication and shall remain in full force and effect until otherwise altered by the Ministry of Finance & Development Planning.

Signed: _____

Hon. Anthony G. Myers
**DEPUTY MINISTER FOR
FISCAL AFFAIRS**

Approved: _____

Hon. Boima S. Kamara
MINISTER OF FINANCE

DATE: June 17, 2024

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