



EXECUTIVE ORDER No. 89
INSTITUTING POLICY MEASURES TO STIMULATE ECONOMIC GROWTH BY REDUCING
ADMINISTRATIVE AND BUSINESS PROCESS REQUIREMENTS ON CONCESSIONAIRES, SMALL AND
MEDIUM-SIZED BUSINESSES, AND MANUFACTURERS

WHEREAS, the Liberian economy, having experienced a protracted downturn in activities and slow growth driven by the continuous and persistent declines in the prices of and demand for Liberia's primary exports of rubber, iron ore and timber; and

WHEREAS, this combination of events has contributed to the low level of business activities currently experienced in the economic outputs of the industrial, commercial and retail sectors; and

WHEREAS, firms in all segments of the Liberian economy, including importers and exporters, face regulatory, administrative, and tax mandates and demands, which, during this period of protracted economic downturn, pose a burden heavier than would exist during periods of growth and expansion, and in many instances jeopardize the continuity of businesses; and

WHEREAS, today, during this period of protracted economic downturn, these firm, operating under these conditions also contend with a narrow local commercial loan market that causes them to seek loans and investments from cross-border capital markets, which, themselves, are postponing actions and decisions on Liberia-directed loans and investments as a consequence of the period of elections and political transition; and

WHEREAS, potential investors have curtailed or cancelled planned investments throughout the economy; and

WHEREAS, this period of protracted economic downturn, and this period of transition combine to produce consequences, which further excite expectations that the current situation will indefinitely persist; and

WHEREAS, continued health of the Liberian economy depends on expansion of investments by companies to strengthen economic growth, expand jobs creation; and stabilize incomes; in parallel with investments in the public sector; and

WHEREAS, households, during this period of protracted economic downturn are burdened by difficult austerity measures, which disproportionately are affecting low income groups, and

WHEREAS, government revenues declined such that investments in public infrastructure and continued critical reforms of government institutions have slowed jeopardizing important achievements; and

WHEREAS, the prevailing economic and market conditions in Liberia highlight the need to develop tax policy and institute measures that incentivize and protect local industries; and

WHEREAS, the adoption of the ECOWAS CET effectively limits Liberia's ability to use import duty as a tax policy instrument to protect local industries from unfair competition and dumping; and

WHEREAS, in the exercise of the Executive Power vested in the President by the Constitution, the President may issue Executive Orders in the public interest, either to meet exigencies or to address particular situations which cannot await lengthy Legislative processes;

NOW, THEREFORE, The Government of Liberia hereby issues this Executive Order instituting policy measures to stimulate economic growth by reducing administrative and business process requirements on concessionaires, small and medium-sized businesses, manufacturers, sole-proprietorships, and partnerships.



- **Tax Clearances** – Tax Clearances issued by the Liberia Revenue Authority shall be valid for a period not less than six (6) months. This is intended to reduce the administrative burden associated with the frequent processing of tax clearance.
- **Duty Free** – Any and all Concessionaires, Registered Businesses, and Non-governmental Organizations, which have been granted Duty Free status by virtue of the prerogatives of the Executive or by Acts of the National Legislature for all or some of their activity shall not be abridged and henceforth shall be strictly adhered to and enforced in accordance with governing agreements.
- **Tax Penalties and Interest** – All Tax Penalties and Interest are waived. Principal amounts, which are due and have been subjected to assessments of Tax Penalties and Interest, remain outstanding, and are not waived by this Executive Order. Collections of Principal due are to be enforced taking into due consideration the causes of non-payment and the aim to secure the status of going concern of the businesses concerned.
- **Import Declaration Permits** – With the exception of goods that pose a threat to national security or public health, all companies, sole proprietorships and partnerships importing goods into Liberia for resale are exempt from seeking permits to import, a regime, which is administered by the Ministry of Commerce and Industry. Companies, sole proprietorships and partnerships must, however, continue to declare to the Ministry of Commerce and Industry, their intent to import goods into Liberia. This declaration henceforth shall not be used as a tool by any agency of the Government of Liberia to exercise discretion in the administration of the prohibition on Import Declaration Permits. The intent of companies, sole proprietorships and partnerships to import goods into Liberia for resale shall be expressed to the Ministry of Commerce and Industry in a detailed import schedule, which the Ministry of Commerce and Industry shall promulgate within ten (10) days of the effectiveness of this Executive Order and make known by Official Gazette; and its use shall be at no cost to the public.
- **Protection of Domestic Manufacturers** – As a further mitigating measure, the Minister of Finance and Development Planning shall, by administrative regulation, impose a surcharge not exceeding 10% *ad valorem* on goods imported into the country in such quantities that may undermine the survival of local manufacturers.
- **Logging Sector Related Charges on Class A Species** – The following holding Forest Management Contracts are revised to the Fees and Rates set below:

<u>Revised Schedule of Logging Charges</u>	
<u>Descriptions</u>	<u>Fees and Rates</u>
Stumpage	6.00%
Export	6.00%
Port handling fee (per cbm)	\$5.00

This Executive Order shall take effect immediately.

GIVEN UNDER MY HAND AND SEAL OF THE
REPUBLIC OF LIBERIA, THIS 13 DAY OF
OCTOBER, A.D. 2017


ELLEN JOHNSON SIRLEAF
PRESIDENT