

# **HAND BOOK**

of

## *Procedures & Processes*

for

### **Businesses Operating** in the **Commerce of Liberia**



Ministry of Commerce & Industry  
Monrovia, Liberia

August 2008

## Preface

- This handbook provides the Business Community a guide as to the existing procedures and processes in operation at the Ministry of Commerce & Industry that facilitate the Ministry's management of the commerce of the country in the interest of the consuming public.
- It should be read in conjunction with the brochure on the terms of reference of the different divisions that constitutes the Ministry of Commerce & Industry. A list of all the brochures produced thus far is in the annex.
- As these various procedures and processes are constantly under review for ensuring greater efficiency, the Ministry welcomes any constructive suggestions for improvement.
- Any unauthorized payment of fees for services at the Ministry is to be reported in writing to the office of the Minister. There are also boxes placed in the various Divisions for any complaints, suggestions that you may wish to make. Please see in this regard a form that is already operational
- The Ministry of Commerce and Industry will make a serious attempt to tackle the issue of **FRONTING** in its numerous manifestations. While measures are underway to address this issue, the Ministry will need the cooperation of Liberians in this area.
- Complaints about substandard goods or price variances or refusal of merchants to honor commitments; or poor after sales services etc-should be communicated to the Ministry in writing with details or by calling the Ministry's **Hot Line number (06) 853684** with complaint but followed by visit to the Ministry's Consumer Education and Protection Unit to record same.

Olubanke King-Akerele  
**MINISTER**

## BUSINESS REGISTRATION

Every concern desiring to become engaged in any form of commercial or industrial activity in Liberia, whether Incorporated or not, shall become registered with the Ministry of Commerce & Industry before commencing business.

### Procedures

Individual businesses or Firms wishing to be registered should first obtain a set of application forms and insert the following:

- ✓ Proposed name of the business
- ✓ Nature and location
- ✓ Nationality of owner
- ✓ Initial investment of capital, etc
- ✓ Taxpayers Identification Number from Ministry of Finance-FREE

This is to ensure that the name to be used is not prohibited or already owned by an existing firm.

**NB:** *Applicant wishing to renew or reactivate an old business (es) must first obtain authorization/approval from the Assistant Minister for Commerce & Trade, Ministry of Commerce & Industry before effecting payment at the Ministry of Finance for Business Registration.*

### Requirements

#### A. Sole Proprietorship:

- ✓ Notary Certificate
- ✓ Prospectus of Business
- ✓ Official Revenue Receipt (Foreign owned)..... **US\$700.00**
- ✓ Official Revenue Receipt (Liberian owned)..... **LD\$2,000.00**
- ✓ Revenue Stamps on Notary Certificate.....**US\$1.00**
- ✓ One (1) Passport size photo

#### B. Partnership

Probated Partnership Agreement – probated through the monthly and probate court, R.L.

- ✓ Notary Certificate
- ✓ Prospectus of the business
- ✓ Official Revenue Receipt (Foreign owned).....**US\$800.00**
- ✓ Official Revenue Receipt (Liberian owned).....**LD\$3,000.00**
- ✓ Two (2) passport size photos of partners with the highest share

### C. Corporation

- ✓ Articles of Incorporation – Processed thru the Ministry of Foreign Affairs plus **USD\$1.00** Revenue Stamps affixed to it.
- ✓ Official Revenue Receipt (Foreign owned) .....**US\$900.00**
- ✓ Official Revenue Receipt (Liberian owned)..... **LD\$4,000.00**
- ✓ One (1) Passport size photo of one of the Incorporators if more than one with the highest share.
  - For a Corporation established under the laws of Liberia:
    - Submission of authenticated copy of memorandum of Association signed by the Incorporator(s).
  - For Foreign Corporation:
    - Submission of documentary evidence of Incorporation and Power of Attorney duly notarized by the proper officer(s) of the Foreign Country with copy of prospectus. Foreign companies must either have a registered agent residing in Liberia or a resident officer.

#### General Requirements for all categories of Business (Local & Foreign)

- ✓ License forms & fees..... **LD\$4,200.00**
- ✓ Manager's check .....**US\$5.00**

#### Petty Trading Requirements

Category A ..... **LD\$400.00**

- ✓ House Table market.

Category B:.....**LD\$1,000.00**

- ✓ Table markets that are not under the Liberian Marketing Association (LMA)

Category C:.....**LD\$2,000.00**

Street/Community booths engaged in commercial activities

- Beginning January 1, 2008, registration of businesses will be for a 12- (twelve) calendar month period, beginning the date of previous registration to the same date in the following year
- Fines and or appropriate actions will be enforced upon failure to abide by the above requirements.

**Procedure for processing Import Permit Declaration (IPD)  
for Essential Commodities**

1. Importer submits all relevant import documents (Invoices, Bill of Lading, etc) to Division of Foreign Trade for verification. The importer obtains the Import Permit Declaration (IPD) form from the Ministry of Finance or Ministry of Commerce & Industry **FREE of charge**
2. Importer then proceeds to the inspection company, (currently BIVAC) after the payment of the appropriate fee for pre-shipment or destination inspection, if applicable, to ensure correctness of quantity, quality, CIF price.
3. When steps are satisfied and all requirements are met, the import Permit Declaration (IPD) is issued and approved by the Ministry of Commerce & Industry for the applicant/importer to import the specified goods.
4. When the approved consignment arrives and is cleared from the port of entry to importer's warehouse, the importer submits its costing information to the **Ministry for price approval**.
5. The submission is then forwarded to the Division of Price Analysis and Monitoring (PAMD) for research and analysis.

Upon completion of research and analysis by PAMD, price ceiling approval is then granted by the Minister of Commerce and Industry.

**Special Notice**

Importers are advised to first obtain **PRICE CEILING APPROVAL** from the Ministry of Commerce & Industry **prior** to the sales of imported commodities on the Liberian market.

**Listing of essential commodities prices of which are subject to monitoring and regulation.**

- Petroleum products
- Building materials
- Pharmaceuticals
- Cement
- Rice

**Basic facts about the Cement market in Liberia**

- **Size of market**.....360,000 m.t. or 7,200,000 bags per annum
- **Monthly market demand**.....30,000 m.t. or 600,000 bags
- **Cemenco monthly production**.....20,000 m.t. or 400,000 bags
- **Monthly short fall**.....10,000 m.t. or 200,000 bags
- **Current approved prices**
  - ..Wholesale/Distribution:.....USD9.05
  - .. Large end users:.....abolished
  - .. Distributor/Retail:.....USD10.50

**Procedures for processing Import Permit Declaration (IPD) for Rice**

1. Importer submits a letter with proposal to the Minister requesting permission to import specified **quantity and quality** of rice into the Commerce of Liberia from a particular trading zone or country. The Importer also submits its costing information to the Ministry for price ceiling approval along with the application.
2. Upon receipt of the Importer's application or proposal, The Ministry **reviews** the proposal or request considering the stock and imports of each variety of rice at that point in time, **depending on demand and supply conditions** in the market of each variety, while making comparative assessments with other submissions or proposals. Importation of low grade quality of rice is discouraged and will not be approved.
3. The submission or proposal is then considered by Division of Price Analysis and Marketing (PAMD) to verify the cost variables submitted to establish the Ministry's official price.
4. The Importer is then officially notified through letter by the Minister of Commerce & Industry of the approval or otherwise and conditions therein of the proposal.
5. The Importer then obtains an IPD **free of charge** from the Ministry of Finance or Commerce & Industry and commences the pre-shipment inspection scheme to ensure correctness of quantity, quality and CIF price.
6. Issuance of a signed IPD by Ministry of Commerce & Industry follows. This constitutes the authority of an Importer to import, with all accompanying documentation and revenue receipts, invoices etc. Only **then** should the Importer finalize his or her order with suppliers for shipment into the commerce of Liberia of any commodities or goods.

Basic facts about the Rice market in Liberia

- **Size of market**.....210,000 m.t. or 4,200,000 bags per annum
- **Monthly market demand**.....17,500 m.t. or 350,000 bags
- **Current daily demand**.....583.33 m.t. Or 11,666 bags

**N.B.**

- There has been **no** procedure of "**bidding**" for importation of rice into the Liberian market. The practice has been to ascertain from the parties their import data and schedule.
- In this regard, decisions/approvals of IPD's for importation of rice **are not** governed by bidding, as the concept is normally understood. The term "bid" had **earlier** been used within the context of assessment of proposals/submissions of IPD's request as a **more rigorous analysis** than in the past of key factors were taken into account. Accordingly, **there is no bidding required for importation of rice.**

**All submissions or requests for IPD's for rice must be accompanied by confirmation of tax clearances to Government of Liberia.**

### Procedure for Export permit processing

The procedures in processing of Export Permit Declaration (EPD) are in three (3) categories with each category having a unique requirement that may not necessarily be applied to the other.

They are:

- I. Commercial Export Permit;
- II. Re-Export Permit
- III. Personnel and / or Diplomatic Export Permit
  - a. Personal Effects
  - b. Diplomatic Missions

#### CATEGORY I. COMMERCIAL EXPORT

##### Requirement A.

- a) Business Registration Certificate
- b) Obtain EPD-**FREE OF CHARGE**
- c) Sales Contract /Sale Invoice
- d) BIVAC Inspection fee of US\$ 250.00 for export of a value ranging \$500 – 16,750 and any value above 16,750 is subject to \$1.4 fee on FOB

##### Requirement B. Logs, Scrap, Coffee and Cocoa Beans

- a) As in Category I Requirement A: (a-d)
- b) Logs, Timber obtain FDA Export Clearance
- c) Scraps – obtain Lands, Mines and Energy Clearance

##### Requirement C. Other Domestic Exports

- A) Same as in Category I Requirement A: (a-d)

#### CATEGORY II. RE-EXPORT PERMIT

##### Requirement

- a) Same as in Category I Requirement A: (a–d)
- b) Consumption Entry Free Custom
- c) Previous IPD for verification
- d) Inspection of items by the Ministry Inspectorate to ascertain quantity
- e) Transshipment fee of 2.5%
- f) EPD goes to Ministry of Finance for approval

#### CATEGORY III: PERSONAL EFFECTS

##### Requirements A.

- a) Same as in Category I Requirement A: (b–c)
- b) Packing List
- c) Inspection of goods by Foreign Trade Officers

#### Requirement B. Diplomatic Mission

- a) Exporter submits all relevant export documents to Division of Foreign Trade for verification.
- b) Packing List
- c) Obtain Gratis EPD from the Ministry of Finance
- d) EPD goes to BIVAC for stamping absolutely no fee

#### Requirement C. NGO's

- a) Same as above, but with requirement that NGO's must submit confirmation of registration with the Ministry of Planning & Economic Affairs
- b) Obtain tax exemption certificate
- c) Pay administrative fee

#### Required signatures on all of these categories of EPD are as follows:

- a) Office which the processing of EPD commences
- b) BIVAC official Stamp and authorized signature
- c) Director of Foreign Trade
- d) Assistant Minister for Commerce
- e) Deputy Minister for Commerce & Industry

#### Duration for the process

- a) Depending on the category in which the request falls, the entire process is for a day or two
- b) At least two days for all commercial export permits
- c) One day for all other export permits if requirements are met.

#### Important notice

- All Exporters, no matter what category of business, should ensure that the information given on the application form is true and accurate. Any mis-information may cause delays in the process and will subject importers to a false declaration fine in keeping with Section 1608 (Untrue declaration; recovery of duty; penalties) of the Revenue Code of Liberia.
- An EPD **must** be obtained to export all goods out of the Country whether for commercial purposes or not.

## Significance of role of Division of Foreign Trade in management of IPD and EPD

### I. WHY VERIFICATION?

- a. This is required to ensure that the correct statistical coding is placed on goods imported and exported.
- b. That invoices issued by suppliers are genuine.
- c. That contact numbers and taxpayers identification numbers for both importers and exporters are stated on the IPD/EPD for reference purpose.
- d. That Country of supply and country of origin are correct.
- e. That number(s) and sizes of container(s) are stated on the IPD/EPD with correct description of goods imported or exported for statistical classification.
- f. To verify quantity, unit Price, FOB, Cost Insurance Freight, (CIF) and BIVAC Fees; and
- g. To help educate users of IPD and EPD as how to fill in these forms.

### II. WHY – “OK FOR PRE-SHIPMENT INSPECTION”?

- a. To ensure that commodities being imported or exported fall within the guidelines set for same. That is, for commercial goods the importer must be legally registered and for non commercial or exemptible goods application for import and export permits should be approved by the Minister.
- b. To ensure that importers or exporters deal with commodities within their line of business.

To ensure that regulations and policies of Government are adhered to regarding Imports and exports

### III. WHAT DOES THE DIRECTOR LOOK FOR ON THE IPD & EPD?

- The Director makes sure that the IPD and EPD go through the various stages of checking and verification, checks to see that BIVAC's Inspection report is in order and the relevant attachments are attached. Reviews the information on the face of the IPD to be sure that it corresponds with the final Invoice; than he affixes first signature of authority to confirm technical review has been completed by the Division of Foreign Trade.

## Synopsis on the movement of IPD/EPD “IN PROCESS”

When an IPD/EPD (Import or Export Permit Declaration) has been technically reviewed by the Division of Foreign Trade, it goes through the following steps:

1. Taking to the bank for payment of the Pre-shipment Inspection fees;
2. Thereafter, taken to BIVAC for verification, seal stamping, and abstraction of a copy for information transmission to its local agent in the supplier's country;
3. Within ten days, the process should be completed by BIVAC and goods ready for shipment;
4. An inspection report, (Clean Report of Finding or Non-Negotiable Report of Finding) is issued to the Importer by BIVAC, to form part of the final set to be submitted to the Ministry of Commerce for approval or otherwise;
5. The Importer or Exporter submits the final set to the Division of Foreign Trade for Technical review to ensure full compliance with all requirements for Import/export. If all is well, the Director signs and forwards the set to the Assistant Minister for Commerce & Trade;
6. The Assistant Minister, who has oversight responsibility for the Division of Foreign Trade, as the Senior Technician, signs in acknowledgement and forwards the document to the Deputy Minister for Commerce and to the Minister of Commerce for final signature and approval, taking into consideration processes in place.
7. The office of the Minister **stamps** the approved IPD/EPD's which are collected by the importer.
8. The copies (the green for import and pink for export) are forwarded to the Division of Foreign Trade for recording and statistical purposes.
9. In order to monitor and track the processing, dates of each signatures are affixed

#### NOTE:

- When an Importer, for good reasons, fails to obtain Clean Report of Finding, he/she writes to the Director of Foreign Trade to state why and apply for **destination inspection**. IPD/EPD exempted by the Ministry of Finance are free of BIVAC's inspection and therefore do not pay inspection fees. NGOs, Religious Organization, PVOs duly registered and recognized by the Ministry of Planning, Diplomatic Mission, Charity Groups, etc. are among groups that enjoy duty free and exemptions. Certificate of NGO's to be attached to submission.
- All fees are paid to the Ministry of Finance
- Processing of IPD's/EPD's takes an average of one-two days once submission is made to Ministry of Commerce & Industry as per item "4" above, assuming all requirements have been met.
- Exempt institutions must pay administrative fee, ECOWAS Trade levy, and GST where applicable.
- Current processing is being clearly monitored for improvements and greater efficiency. As such any suggestion with appropriate rationale are welcomed.

## **Trans-shipment and Re-Export Procedures**

### **Transshipment of goods**

1. Importer presents import document indicating that goods are actually intended for transshipment.
2. Write a formal letter of request to the Minister of Commerce expressing desire to transship goods/items.
3. Attach original copies of Import document. ( Not photo copy)
4. Purchase EPD for processing.
5. Submit customs transshipment entry to the Ministry of Commerce for verification.
6. Upon final approval of the request and subsequent issuance of EPD, the exporter submits processed documents to custom authorities for onward transshipment of goods to final destination.

### **Ministry of Finance**

- a. Pay transshipment;
- b. Obtain CRF;
- c. Obtain bond;
- d. Transshipment and export approval by Deputy Minister for Revenue and Customs Commissioners.

### **Re-Export Procedures**

Basically, there are no laws prohibiting the Re-export of goods from Liberia. What the Division of Foreign Trade normally does as a procedure however, is to request the exporter to provide the following relevant documents:

- IPD
- Transshipment entry from the Bureau of Customs at the Ministry of Finance  
The invoice previously obtained to ascertain that goods were never smuggled into the country and that the applicant for Re-export is the real owner of the goods.

Thereafter, The Division of Foreign Trade dispatches technicians from the Division to make an on-the-spot inspection of goods intended for re-export to ensure the availability of what is intended for re-export.

**Trans-shipment and Re-Export request will be granted after confirmation and assurance by the Ministry that there will be no adverse effect on the supply condition of the particular commodity on the commerce and or the Liberian market.**

## **Conditions for importation of donated strategic commodities for monetization**

A policy to govern the conditions under which importation of donated strategic commodities intended for monetization, will enter the commerce of Liberia and their subsequent sales is being developed by the Ministry of Agriculture and Ministry of Commerce & Industry.

**Policy pronouncement on Intellectual Property  
Materials and Businesses**

**Whereas** the Copyright Office, an autonomous institution within the Executive Branch of the Government of the Republic of Liberia was established to among other things draw up guidelines, and regulations to govern the importation of Copyright related items into the Liberian Commerce; and whereas currently there is wide spread piracy and infringement of Copyright / Industrial Property related materials within the Liberian Commerce and whereas these Intellectual Property items are not registered on the Import Permit Declaration Form (**IPD**) a situation which renders it difficult to determine the source of origin of these goods, their manufacturers, date of Manufacturing/Expiration, and the means to calculate Government of Liberia revenue intake on Intellectual Property goods; and

**Whereas** most Intellectual Property Materials are imported under, the caption of General Merchandise, and whereas because of this informal and illegal marketing, the Liberia Government is losing million of dollars from non revenue intake from these imported goods; and whereas, some of these illegal imported related materials render predictable health hazard to the Liberian public;

**And whereas** some of these mal practices also affect the works and lives of local stakeholders in the Intellectual Property Trade Businesses especially so as it relates to the infringement of their economic rights;

**Now therefore**, as of today's date, January 10, 2007, with approval of the Copyright & Industrial Property offices in collaboration with the Ministry of Commerce & Industry & the Stakeholders of the Artistic Industries of Liberia (SAIL), the following guidelines should be observed on the registration of the within stated intellectual property materials.

- That all imported goods including Intellectual Property Materials be registered on the Import Permit Declaration Form and not under the caption of general merchandise; and that all Intellectual Property Businesses be registered as separate and distinct entities.
- That the items listed on page 12 of this booklet constitute Copyright and Industrials Property related now on the Liberian Market (Works of authorship in Copyright and Industrial Property.

(a) *Books, pamphlets, computer programs and other writings;*

(b) Lectures, addresses, sermons and other works of the same nature;

(c) Dramatic and dramatic-musical works;

(d) Musical works (vocal or instrumental);

(e) Choreographic works and pantomimes;

(f) Audiovisual works;

(g) Works of drawing, painting, architecture, sculpture, engraving, lithography and tapestry;

(h) Photographic works, including works expressed by processes analogous to photography;

(i) Works applied art, whether handcraft or produced on an industrial scale;

(j) Illustration, maps, plans, scotches, and three-dimensional works relative to geography, topography, architecture or science;

Work inspired by expressions of folklore;

Translations, adaptation, arrangements and other transformations of the literary, dramatic-musical and artistic works and words inspired by folklore (and derivative works) etc.

Industrial designs, Patents, Trademarks, etc

## MINISTRY OF COMMERCE AND INDUSTRY FEEDBACK CARD

*This is important for us – it will assist us in improving our services*

HOW LONG DID THE IPD PROCESS TAKE (Circle one) 1 2 3 4 5 DAYS

DID WE SERVE YOU IN A PROFESSIONAL MANNER? YES [ ] NO [ ]

OTHER THAN OBTAINING THE IPD FORM:

WERE YOU ASKED TO PAY AN EXTRA AMOUNT FOR THE PROCESSING  
OF YOUR DOCUMENT? YES [ ] NO [ ]

IF YES, HOW MUCH \_\_\_\_\_

IF YOU WERE ASKED TO PAY EXTRA, PLEASE WRITE THE NAME OF  
THE DIVISION WHERE YOU HAD TO PAY EXTRA \_\_\_\_\_

*This is optional- you do not have to answer this*

DO YOU WANT TO BE CALLED TO GIVE MORE INFORMATION TO  
ASSIST US WITH IMPROVING OUR SERVICES?

NAME \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_







