

Liberia

Liberia is taking steps to implement the aspects of the terms of reference (OECD, 2021^[3]) (ToR) for the transparency framework and to commence administrative preparations to ensure that it establishes an information gathering process (ToR I.A) and information on rulings will be identified and exchanged in a timely manner (ToR II.B). Liberia receives two recommendations on these points for the year in review.

In the prior year's peer review report, Liberia was not assessed for the transparency framework, as it did not issue any rulings. However, as Liberia now has implemented an administrative process to issue rulings, it is reviewed and recommendations have been made as relevant.

Liberia can legally issue one type of rulings within the scope of the transparency framework.

In practice, Liberia issued rulings within the scope of the transparency framework as follows:

Type of ruling	Number of rulings
Past rulings	0
Future rulings in the period 1 April 2017 – 31 December 2017	0
Future rulings in the calendar year 2018	0
Future rulings in the calendar year 2019	1
Future rulings in the calendar year 2020	0
Future rulings in the year in review	0

As no exchanges took place, no peer input was received in respect of the exchanges of information on rulings received from Liberia.

Information gathering process (ToR I.A)

761. Liberia can legally issue the following type of rulings within the scope of the transparency framework: cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles.

Past rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1, I.A.2.2)

762. For Liberia, past rulings are any tax rulings within scope that are issued either (i) on or after 1 January 2015 but before 1 April 2017; and (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2015.

763. Liberia confirms that no past rulings have been issued, as its administrative framework for issuing rulings only took effect at a later stage. Therefore, no recommendations are made regarding past rulings.

Future rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1)

764. For Liberia, future rulings are any tax rulings within scope that are issued on or after 1 April 2017.

765. Liberia indicates that there are not yet processes in place to ensure the implementation of the obligations relating to the transparency framework.

Review and supervision (ToR I.A.3)

766. Liberia did not yet have a review and supervision mechanism under the transparency framework for the year in review.

Conclusion on section A

767. Liberia is recommended to ensure that it has put in place an effective information gathering process to identify all relevant future rulings and all potential exchange jurisdictions and to implement a review and supervision mechanism, as soon as possible (ToR I.A).

Exchange of information (ToR II.B)

Legal basis for spontaneous exchange of information (ToR II.B.1, II.B.2)

768. Liberia has the necessary domestic legal basis to exchange information spontaneously. Liberia notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

769. Liberia has international agreements permitting spontaneous exchange of information, including: (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[1]) (“the Convention”) and (ii) bilateral agreements in force with 1 jurisdiction.¹ Liberia signed the Convention on 11 June 2018 and deposited its instrument of ratification on 26 August 2021. The Convention entered into force on 1 December 2021 and will have effect for administrative assistance related to taxable periods beginning on or after 1 January 2022.

Completion and exchange of templates (ToR II.B.3, II.B.4, II.B.5, II.B.6, II.B.7)

770. Liberia does not yet have a process to complete the templates on all relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions.

771. During the year in review, no exchanges took place and no data on the timeliness of exchanges is reported.

Conclusion on section B

772. Liberia is recommended to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework going forward (ToR II.B).

Statistics (ToR IV.D)

773. As there was no information on rulings exchanged by Liberia for the year in review, no statistics can be reported.

Matters related to intellectual property regimes (ToR I.A.1.3)

774. Liberia does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[2]) were imposed.

Summary of recommendations on implementation of the transparency framework

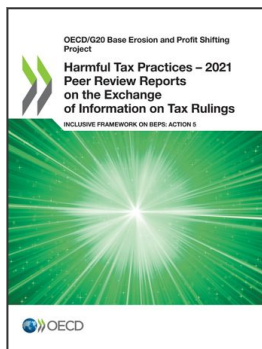
Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
Liberia does not yet have the necessary information gathering process in place.	Liberia is recommended to ensure that it has put in place an effective information gathering process to identify all relevant past and future rulings and all potential exchange jurisdictions and to implement a review and supervision mechanism, as soon as possible.
Liberia does not yet have a process to complete the templates on relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions.	Liberia is recommended to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework going forward.

References

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [3]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [2]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [1]

Notes

¹ Participating jurisdictions to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Liberia also has a bilateral agreement with Germany.



From:
**Harmful Tax Practices – 2021 Peer Review Reports
on the Exchange of Information on Tax Rulings
Inclusive Framework on BEPS: Action 5**

Access the complete publication at:
<https://doi.org/10.1787/4034ce42-en>

Please cite this chapter as:

OECD (2023), “Liberia”, in *Harmful Tax Practices – 2021 Peer Review Reports on the Exchange of Information on Tax Rulings: Inclusive Framework on BEPS: Action 5*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/66e2669c-en>

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