

NARRATIVE REPORT ON LIBERIA



PART 1: NARRATIVE REPORT

The narrative report is based on information from October 2013 - though all references to FSI scores or ratings reflect the 2015 results.

The Republic of Liberia, established in 1847, is Africa's oldest republic. Since 1940 it has served as a 'flag state' providing corporate and maritime 'tax haven' services to vessel owners and operators. In practice, Liberia's shipping registry is administered from offices in Virginia in the United States, and also has offices in Germany. By 2008, the Liberian-flagged fleet consisted of 2,600 vessels of more than 80 million gross tons.

Moreover, Lowtax.net reported that 'aged shelf corporations are available.' The registry also offers the formation of companies whose directors may be foreign corporations.

Read more:

- [Full data for Liberia](#)
- [Liberia on TJN Blog](#)
- [Full Methodology](#)
- TJN-Africa, Tax Us If You Can: Why Africa Should Stand Up for Tax Justice (January 2011), http://www.taxjusticeafrica.net/index.php?option=com_docman&Itemid=9&lang=En
- LowTax: Global Tax and Business Portal: <http://www.lowtax.net/lowtax/html/liberia/jlaobs.html#ship>
- Khadija Sharife, "Building African tax havens" (December 2010), www.aefjn.org/tl_files/aefjn-files/Africa/Info%20Africa%20eng/101202%20Building%20Africa%5C's%20tax%20havens.doc; 16.10.2015.

Rank: 33

Chart 1 - How Secretive?

83
Secrecy Score

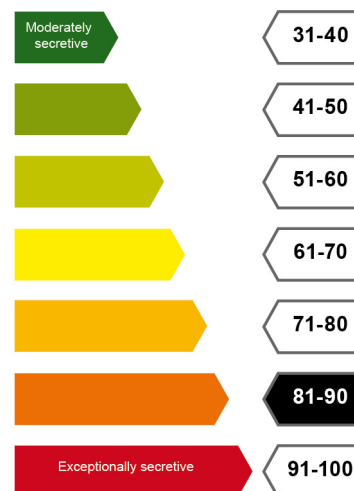
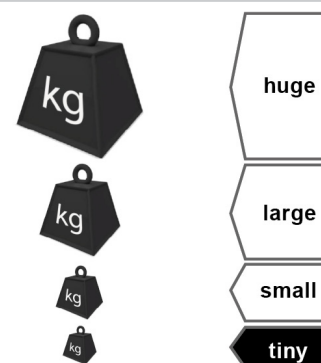


Chart 2 - How Big?



Liberia accounts for less than 0.1 per cent of the global market for offshore financial services, making it a tiny player compared with other secrecy jurisdictions.

The ranking is based on a combination of its secrecy score and scale weighting.

- Read more
- [Full data](#)
 - [Liberia on TJN Blog](#)
 - [Full Methodology](#)

PART 2: LIBERIA'S SECRECY SCORE

TRANSPARENCY OF BENEFICIAL OWNERSHIP – Liberia

- 1 ▶ **Banking Secrecy:** Does the jurisdiction have banking secrecy?
Liberia partly curtails banking secrecy
- 2 ▶ **Trust and Foundations Register:** Is there a public register of trusts/foundations, or are trusts/foundations prevented?
Liberia does not disclose or prevent trusts and private foundations
- 3 ▶ **Recorded Company Ownership:** Does the relevant authority obtain and keep updated details of the beneficial ownership of companies?
Liberia does not maintain company ownership details in official records

KEY ASPECTS OF CORPORATE TRANSPARENCY REGULATION – Liberia

- 4 ▶ **Public Company Ownership:** Does the relevant authority make details of ownership of companies available on public record online for free, or for less than US\$10/€10?
Liberia does not require that company ownership details are publicly available online
- 5 ▶ **Public Company Accounts:** Does the relevant authority require that company accounts are made available for inspection by anyone for free, or for less than US\$10/€10?
Liberia does not require that company accounts be available on public record
- 6 ▶ **Country-by-Country Reporting:** Are all companies required to publish country-by-country financial reports?
Liberia does not require public country-by-country financial reporting by companies

EFFICIENCY OF TAX AND FINANCIAL REGULATION – Liberia

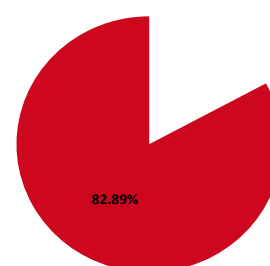
- 7 ▶ **Fit for Information Exchange:** Are resident paying agents required to report to the domestic tax administration information on payments to non-residents?
Liberia does not require resident paying agents to tell the domestic tax authorities about payments to non-residents
- 8 ▶ **Efficiency of Tax Administration:** Does the tax administration use taxpayer identifiers for analysing information efficiently, and is there a large taxpayer unit?
Liberia does not use appropriate tools for efficiently analysing tax related information
- 9 ▶ **Avoids Promoting Tax Evasion:** Does the jurisdiction grant unilateral tax credits for foreign tax payments?
Liberia does not avoid promoting tax evasion via a tax credit system
- 10 ▶ **Harmful Legal Vehicles:** Does the jurisdiction allow cell companies and trusts with flee clauses?
Liberia partly allows harmful legal vehicles

INTERNATIONAL STANDARDS AND COOPERATION – Liberia

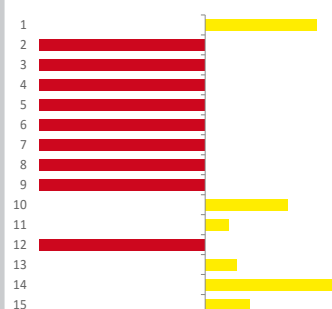
- 11 ▶ **Anti-Money Laundering:** Does the jurisdiction comply with the FATF recommendations?
Liberia partly complies with international anti-money laundering standards
- 12 ▶ **Automatic Information Exchange:** Does the jurisdiction participate fully in multilateral Automatic Information Exchange via the Common Reporting Standard?
Liberia does not participate in Automatic Information Exchange
- 13 ▶ **Bilateral Treaties:** Does the jurisdiction have at least 53 bilateral treaties providing for information exchange upon request, or is it part of the European Council/OECD convention?
As of 31 May, 2015, Liberia had less than 53 tax information sharing agreements complying with basic OECD requirements
- 14 ▶ **International Transparency Commitments:** Has the jurisdiction ratified the five most relevant international treaties relating to financial transparency?
Liberia has ratified less than five of the most relevant international treaties relating to financial transparency
- 15 ▶ **International Judicial Cooperation:** Does the jurisdiction cooperate with other states on money laundering and other criminal issues?
Liberia partly cooperates with other states on money laundering and other criminal issues

Secrecy Score

Liberia - Secrecy Score



Liberia KFSI-Assessment



Notes and Sources

The ranking is based on a combination of its secrecy score and scale weighting (click [here](#) to see our full methodology).

The secrecy score of 83 per cent for Liberia has been computed by assessing its performance on 15 Key Financial Secrecy Indicators (KFSI), listed on the left. Each KFSI is explained in more detail, [here](#).

Green indicates full compliance on the relevant indicator, meaning least secrecy; red indicates non-compliance (most secrecy); and yellow indicates partial compliance.

This paper draws on data sources including regulatory reports, legislation, regulation and news available as of 31.12.2014 (with the exception of KFSI 13 for which the cut-off date is 31.05.2015).

Full data on Liberia is available here: <http://www.financialsecrecyindex.com/database/menu.xml>

All background data for all countries can be found on the Financial Secrecy Index website: <http://www.financialsecrecyindex.com>