

Government of Liberia Directives Against Exchange Rate Manipulation and Measures to Encourage the Use of Liberian Dollars

(Monrovia – June 28, 2023) – The Government of Liberia through the Ministry of Commerce and Industry (MoCI), the Liberia Revenue Authority (LRA), the Central Bank of Liberia (CBL), and Ministry of Finance and Development Planning (MfDP) has observed that some individuals and businesses are in the habit of frequently manipulating the exchange rate between the United States dollar and Liberian dollar for the purpose of profiteering, speculation and other selfish reasons at the detriment of the interest of the larger population. Such practices amount to economic sabotage, which is a crime under the Liberian law.

In this regard, and in addition to previous publication by the Ministry of Commerce and Industry, the Government of Liberia hereby issues these directives against exchange rate manipulation as well as to direct the acceptability of Liberian dollar for payments of goods and services as the official legal tender for Liberia in keeping with Part V, Section 22 of the Amendment and Restatement of the Act Establishing the Central Bank of Liberia 2020 (The Amended and Restated CBL Act). These directives take immediate effect upon publication and shall remain in full force until otherwise advised by the Government of Liberia.

A. Display of Exchange Rates at Business Entities

Consistent with Part II, Section 6 (d) and (e) and Part VI, Section 29 (2) of The Amended and Restated CBL Act (2020) governing exchange rate policy and management, all businesses including supermarkets, stores, schools, colleges, universities, hospitals or medical facilities, hotels, restaurants and forex bureaus are hereby required to publicly display their daily exchange rates between the US dollar and Liberian dollar at their respective places of business, which MUST be in line with the selling rate published by the CBL. The published daily selling rate can be found on CBL website and in several local newspapers.

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B. Acceptance of the Liberian Dollar

Part V, Section 22 (1) of the CBL Act clearly states that prices for all transactions in Liberia shall be indicated in Liberian dollars and cents. This means that the Liberian dollar is the official currency of transactions, notwithstanding the US dollar being a legal tender. In consonance with this statutory mandate, all businesses, including schools, hospitals, universities, hotels, restaurants, and other forms of business are required to state their prices in Liberian dollar (and their equivalent in US dollar) and also accept the Liberian dollar as a legal means of payment.

C. Penalties for Violation

Businesses and institutions failing to adhere to the above directives shall face stiff penalties under the law. To enforce these directives, the relevant government agencies have established hotlines to facilitate public interactions: Central Bank of Liberia (5455) and LRA (0777572572). Citizens and residents are encouraged to use these hotlines to report violators of these directives.

Other Policy Measures to Support Wider Use of Liberian Dollars

D. Payment of Taxes in Liberian Dollar

To address challenges taxpayers face in exchanging Liberian dollar to United States dollar for the purpose of paying taxes, the Government of Liberia encourages the payment of taxes in both Liberian and United States dollars. This measure means that taxpayers no longer have to convert from one currency to the other for the purpose of paying taxes to the Liberia Revenue Authority (LRA). For purpose of clarity, taxes stated in US dollars may be converted at the CBL's published selling rate on the day of payment.

E. Investment in CBL Liberian Dollar Bills (CBL Bills)

To stabilize the value of the Liberian dollar, the CBL issues CBL Bills every Friday through its regular auction window. The CBL Bills are part of the monetary policy tools of the Bank. As an individual or a business, you can directly buy the CBL Bills through your bank account by subscribing to the CBL auction. As part of its

recent monetary policy decision, the CBL increased the monetary policy rate (MPR) from 15% to 17.5%. This means that the interest rate on the CBL Bills now is 17.5% per annum, which is far higher than the current interest rates on savings and time deposits.

Individual investors are paid their investment plus interest every month or every three months. The CBL Bills promote the culture of saving and investment in Liberian dollar and is part of the broader strategy of the CBL to de-dollarize the Liberian economy and make the Liberian dollar the currency of choice for financial and business transactions in Liberia.


For more information on the CBL Bills, please visit CBL website or the Financial Markets Department at the CBL.

Conclusion

The Government of Liberia admonishes all concerned to abide by these directives and encourages all Liberians and foreign nationals residing in Liberia to exercise responsibility in the enforcement of these directives and to take advantage of the additional policy measures intended to support the use of Liberian dollars.

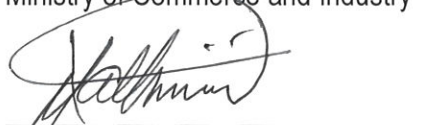
Signed:

1.



Honorable Mawine G. Diggs
Minister
Ministry of Commerce and Industry

2.



Honorable Thomas Doe Nah
Commissioner General
Liberia Revenue Authority

3.



Honorable J. Aloysius Tarlue, Jr,
Executive Governor
Central Bank of Liberia