

Forestry Development Authority
Regulation No. 107-07
Regulation on Certain Forest Fees

WHEREAS, the National Forestry Reform Law of 2006 establishes a transparent framework for the use, management, and protection of forest resources that balances the commercial, community, and conservation priorities of the Republic; and

WHEREAS, establishing, assessing, and collecting appropriate fees for forest sector activities will directly benefit local communities and governments, and also help to fund the Nation's conservation goals; and

WHEREAS, forest sector fees are necessary to support the efficient operation of the Forestry Development Authority and contribute to sustainable management of the Republic's forest resources; and

WHEREAS, the assessment and collection of fees must take place with full disclosure, through a transparent process that is subject to monitoring by civil society and the broader public; and

WHEREAS, the National Forestry Reform Law of 2006 authorizes the Forestry Development Authority to issue regulations and other rules necessary to implement the law (Section 19.1(a)), specifically with respect to fees, payments, and taxes under control of the Authority, and further authorizes the Authority to establish stumpage fees, land rental fees, and Forest Product fees (Section 14.2(b));

NOW, THEREFORE, the Forestry Development Authority does hereby rule and regulate as follows:

PART ONE: FEES GENERALLY

Section 1. General Definitions

In this Regulation, the following terms have the meaning indicated, unless the context otherwise requires:

- (a) Authority: Forestry Development Authority.
- (b) Board: Board of Directors of the Forestry Development Authority.
- (c) FOB: Free on board, meaning loaded for shipping without additional charge to the buyer.
- (d) Log: A portion of a tree, with or without side limbs and bark removed, otherwise substantially intact and intended for further processing.
- (e) Managing Director: Managing Director of the Forestry Development Authority.
- (f) Wood Product: A processed item made substantially of wood, including poles, sawn lumber, plywood, veneer, particleboard, pulp, wood chips, paper, firewood, or charcoal.

Other terms used in this Regulation have the meaning established in the National Forestry Reform Law of 2006, as amended.

Section 2. Definition of Fee Classes

(a) In conformance with Section 2108 of Phase One of the Reform Tax Code of Liberia, as amended, and Section 14.2 of the National Forestry Reform Law of 2006, as amended, the Authority's fixed fees fall into the following three classes:

(1) Stumpage fees.

(2) Land rental fees.

(3) Forest product fees.

(b) "Stumpage fees" are fees associated with the harvest of Forest Resources, including fees based on the type and amount of Forest Resources harvested.

(c) "Land rental fees" are fees associated with the use of Forest Land and include administrative fees and area-based fees assessed under a Forest Resources License.

(d) "Forest product fees" are fees associated with the production, processing, registration, transport, transfer of ownership, or export of Forest Products.

Section 3. Estimation of FOB Market Prices

(a) The Authority shall develop a list of estimated market prices of Forest Products derived from the tree species listed in Schedule I of this Regulation, as various kinds and grades of Logs and Wood Products, FOB Monrovia. The Authority shall revise the list at the start of each logging season and may revise the list more frequently in response to changing markets.

(b) The Authority shall base the estimates on the actual market prices in Liberia, other African countries, and international markets.

(c) In developing the list, the Authority shall consult with the Forest Management Advisory Committee established under the National Forestry Reform Law of 2006, as amended.

(d) The Authority shall submit the list to the Board for approval.

(e) Upon approval by the Board, the list becomes the standard for calculation of stumpage fees and establishes the minimum price guidelines for the assessment of forest product fees under this Regulation. The list remains in force until the Board approves a replacement list following the procedure required by this Section.

(f) The Authority shall make copies of the list in force available to the public in the same manner that it makes regulations, codes, and manuals available to the public under Section 41 of Authority Regulation No. 101-07, concerning public participation.

Section 4. Grading Standards for Use in Price Estimates

In assigning estimated prices, the Authority shall apply timber grades in use under the Authority's chain of custody system.

Section 5. Other Fees

(a) This Regulation is not intended to contain an exhaustive list of fees that the Authority may impose.

(b) The Authority reserves the right to impose other fees by regulation.

Sections 6 to 20. Reserved

PART TWO: STUMPAGE FEES

Section 21. Classification of Timber Trees by Species

For the purposes of Section 22 of this Regulation:

(a) The tree species listed in Schedule I of this Regulation are each classed into the category (A, B, or C) indicated in the column labeled "Class (stumpage fee)" of Schedule I.

(b) Tree species not listed in Schedule I are classed into category C.

Section 22. Log Stumpage Fee

(a) For purposes of this Section, when a tree is felled under a Forest Resources License, the Holder of the license is deemed the person felling the tree.

(b) Any person felling a tree shall pay to the Government a log stumpage fee, based on the merchantable volume harvested, according to the following formulas:

(1) For category A species, 10 percent of the market price of the harvested logs, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(2) For category B species, 5 percent of the market price of the harvested logs, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(3) For category C species, 2.5 percent of the market price of the harvested logs, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(c) On private lands where the trees have been artificially regenerated, the fees in Subsection (b) of this Section are reduced by half.

(d) The person felling the tree shall pay the log stumpage fee no later than 30 days after the tree is cut, or sooner if required by a Forest Management Contract or Timber Sale Contract, and in any case before any part of the tree is exported.

(e) The fee under this Section does not apply to trees cut solely to produce poles or fuelwood.

Sections 23 to 30. Reserved.

PART THREE: LAND RENTAL FEES

Section 31. Bid Document Fees

The Authority shall charge the following fees to provide and process forms and documents related to the competitive bidding process for Forest Management Contracts and Timber Sale Contracts:

(a) For a prequalification application, ten United States dollars (US \$10).

(b) For a prospectus, ten United States dollars (US \$10).

Section 32. Contract Administration Fee

(a) For each Forest Management Contract and Timber Sale Contract, the Holder shall pay to the Government an annual administrative fee of one thousand United States dollars (US \$1000).

(b) The fees under this Section are due upon signing the contract and on the anniversary date of signing for each year the contract is in effect.

(c) If, on its anniversary date, the contract has less than a year to remain in effect, the Holder shall pay a prorated fee as follows:

(1) For a contract with fewer than 120 days remaining, no fee.

(2) For a contract with at least 120 days but fewer than 240 days remaining, five hundred United States dollars (US \$500).

(3) For a contract with 240 or more days remaining, one thousand United States dollars (US \$1000).

(d) The Government shall withhold signing of a Forest Management Contract or Timber Sale Contract until presented proof by the Holder that the initial contract administration fee has been paid.

Section 33. Area Fee

(a) Each Holder of a Forest Management Contract shall pay the Government an annual area fee equal to two dollars and fifty cents United States dollars (US \$2.50) for every hectare of land subject to the contract.

(b) Each Holder of a Timber Sale Contract shall pay the Government an annual area fee equal to one dollar and twenty-five cents on the United States dollar (US \$1.25) for every hectare of land subject to the contract.

(c) The fees under this Section are due upon signing the contract and on the anniversary date of signing for each year the contract is in effect.

(d) If, on its anniversary date, a contract has less than a year to remain in effect, the Holder shall pay a prorated fee as follows:

(1) For a contract with fewer than 120 days remaining, no fee.

(2) For a contract with at least 120 days but fewer than 240 days remaining, one half the fee specified in Subsection (a) or (b) of this Section.

(3) For a contract with 240 or more days remaining, the full fee specified in Subsection (a) or (b) of this Section.

(e) The fees under this Section are separate from, and in addition to, the land rental bids offered as part of the competitive bidding process for awarding contracts.

(f) The Government shall withhold signing of a Forest Management Contract or Timber Sale Contract until presented proof by the Holder that the initial annual area fee has been paid.

Section 34. Annual Coupe Inspection Fee

(a) The Holder of a Forest Management Contract or Timber Sale Contract shall pay the Government an annual coupe inspection fee of fifty United States dollars (US \$50) per square-kilometer block of area subject to harvest operations under the annual coupe plan.

(b) Payments under this Section are due when the Holder submits an annual coupe plan for approval.

(c) The Authority shall not approve the annual coupe plan before the Holder has paid the inspection fee, and shall withhold approval if the Holder has any other amounts past due under this Regulation or under the Holder's contract.

Sections 35 to 40. Reserved

PART FOUR: FOREST PRODUCT FEES

Section 41. Waybill Fee

Persons seeking waybills for transportation of Forest Products within the Authority's chain of custody system shall pay the Government one hundred and fifty United States dollars (US \$150) for each book of ten waybills.

Section 42. Timber Export License Fee and License

(a) No person shall export Forest Products from Liberia without a timber export license.

(b) The Authority may prescribe application forms for timber export licenses.

(c) Persons wishing to obtain a timber export license shall pay the Government a fee of one hundred United States dollars (US \$100) for each license.

(d) Upon receipt of a completed and signed application, proof of payment of the timber export license fee, and proof of payment of any other export-related fees imposed under this Part of this Regulation, the Authority shall determine through the chain of custody system whether all other Authority-administered fees related to the Forest Products have been paid.

(e) If the chain of custody system database verifies payment of these other fees, the Authority shall issue the applicant a timber export license.

(f) Each timber export license is valid for one shipment of Forest Products, of the amounts, types, and chain of custody system identifiers described on the application form, confined to a single vehicle, vessel, or aircraft.

Section 43. Timber Export Classifications

For the purposes of Sections 44 and 45 of this Regulation:

(a) The tree species listed in Schedule I of this Regulation are each classed into the category (A, B, or C) indicated in the column labeled “Class (forest product fees)” of Schedule I.

(b) Tree species not listed in Schedule I are classed into category C.

Section 44. Log Export Fee

(a) Any person exporting one or more Logs shall pay to the Government a log export fee according to the following formulas:

(1) For Logs from category A species, 10 percent of the market price of the Log, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(2) For Logs from category B species, 5 percent of the market price of the Log, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(3) For Logs from category C species, 2.5 percent of the market price of the Log, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(b) No person shall export a Log without proof of payment of the log export fee.

Section 45. Wood Product Export Fee

(a) Any person exporting Wood Products covered in the list approved under Section 3 of this Regulation shall pay to the Government a wood product export fee according to the following formulas:

(1) For Wood Products from category A species, 5 percent of the contract price of the Wood Products, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(2) For Wood Products from category B species, 2.5 percent of the contract price of the Wood Products, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(3) For Wood Products from category C species, 1.5 percent of the contract price of the Wood Products, FOB Monrovia, as determined in the list approved under Section 3 of this Regulation.

(b) If the Wood Products include material from more than one species mixed in a way that makes it difficult to determine the amount from each species, the Government shall calculate the Wood Products export fee at the highest rate that applies to any species in the mix.

(c) No person shall export Wood Products without proof of payment of the Wood Products export fee.

Section 46. Sawmill Permits

(a) In this Section, “sawmill” means any mechanized facility processing wood in any manner (except for a facility producing only charcoal), and includes facilities producing sawn lumber; partially sawn, barked, or shaped logs or cants; veneer; plywood, particleboard, or related bonded wood products; wood chips; sawdust; pulp; cardboard; or paper.

(b) No person shall operate a sawmill without the permit required under this Section.

(c) Operators of sawmills processing 1500 cubic meters or more of wood per year shall obtain a Class A annual operator’s permit from the Authority and pay to the Government an annual fee of two thousand five hundred United States dollars (US \$2500).

(d) Operators of sawmills processing at least 750 but less than 1500 cubic meters of wood per year shall obtain a Class B annual operator’s permit from the Authority and pay to the Government an annual fee of one thousand United States dollars (US \$1000).

(e) Operators of sawmills processing less than 750 cubic meters of wood per year shall obtain a Class C annual operator’s permit from the Authority and pay to the Government an annual fee of seven hundred and fifty United States dollars (US \$750).

(f) Fees under this Section are due on the date that the sawmill begins operation and on each anniversary of that date (or for sawmills already in operation on the effective date of this Regulation, fees are due on that effective date and its anniversary). The Authority shall require proof of payment of the fee before issuing or renewing a permit under this Section.

Sections 47 to 50. Reserved

PART FIVE: TRANSPARENCY

Section 51. Disclosure

(a) Every six months, the Authority shall compile in writing, and make available for public inspection, a disclosure document containing the following:

(1) The names of persons assessed fees during the previous six months under this Regulation, along with the amounts and dates of the fees assessed for each person named and the basis for those fees, including identification of the species and volumes of Forest Resources or Forest Products involved and the Forest Resources License under which the Forest Resources were harvested;

(2) The names of persons assessed bid payments to the Government under Forest Management Contracts or Timber Sale Contracts during the previous six months, and the amounts and dates of the assessments for each person named; and

(3) The amounts of such fees and payments owed but unpaid since the effective date of this Regulation, together with the name of each person owing fees or payments and that person's amount in arrears.

(b) If any person makes a reasonable claim to the Authority that the disclosure document contains an error, the Authority shall promptly investigate the claim and make necessary corrections to the disclosure document and any copies of the document in its possession.

(c) The Authority shall make copies of the disclosure document, offer them for public review at the Authority's headquarters and electronically through the Internet, and offer paper copies for sale to the public at a cost not exceeding one United States dollar (US \$1) for every twenty pages of the document.

Section 52 to 60. Reserved.

PART SIX: LATE PAYMENTS

Section 61. Definitions

(a) In this Part, "amounts" means fees due under this Regulation and money due to the Government under Forest Management Contracts or Timber Sale Contracts.

(b) In this Part, in the case of a permit that is obtained late or not obtained at all, the amount is due on the date the person should have obtained the permit.

(c) In this Part, the "standard interest rate" is the market rate published by the Central Bank as used for delinquent taxes under Section 11 of Phase One of the Reform Tax Code of Liberia, as amended.

Section 62. Grace Period

Persons owing amounts past due for 30 days or fewer may pay the amounts in full without interest or penalty.

Section 63. Penalties and Interest

(a) On amounts past due more than 30 days, the Authority shall assess and the Government shall collect a penalty of five percent.

(b) On amounts past due more than 60 days, the Authority shall assess and the Government shall collect interest at the standard interest rate, compounded monthly, on all amounts and penalties past due, with interest accruing on both the amounts past due and the penalty, from the date that the amounts were due.

(c) To facilitate collection of debt, the Authority may waive penalties under this Section if the person in arrears pays all amounts due, with interest, within one year of the amounts coming due.

(d) Subsection (c) of this Section does not apply if anyone has filed a lawsuit to collect the amounts.

Section 64. Prohibitions on Felling, Processing, Trade, and Export

(a) If a person owes amounts past due for log stumpage fees, that person shall not fell trees, process Forest Products, trade in Forest Products, or export Forest Products until the person has paid all amounts, penalties, and interest due.

(b) If a person owes amounts past due for export-related fees due under Part Four of this Regulation, that person shall not trade in Forest Products or export Forest Products until the person has paid all amounts, penalties, and interest due.

(c) The Authority shall issue administrative orders to enforce the prohibitions in this Section, and the courts may enforce those orders or enforce the prohibitions directly under the courts' inherent powers.

(d) If wood or Wood Products harvested under a Forest Resources License are exported without paying the required log stumpage or export fees, the Authority may terminate the Forest Resources License or suspend the Forest Resources License until the fees are paid.

Sections 65 to 70. Reserved

PART SEVEN: PAYMENTS

Section 71. Central Bank

Persons owing money under this Regulation shall pay the amount owed by deposit to a bank account designated for this purpose by the Authority, in conjunction with the Central Bank and the Ministry of Finance.

Section 72. Special Funds and Community Payments

The Authority shall inform the Central Bank, or other bank managing the accounts of the Authority, if by law the Bank must hold any of the funds in special accounts, including trust funds for the benefit of conservation or local communities.

Sections 73 to 80. Reserved

PART EIGHT: REPEALS AND EFFECTIVE DATE

Section 81. Repeals

The following provisions are repealed:

- (a) Regulation 23, Section IV(a), concerning administrative fees for concessionaires.
- (b) Regulation 21, Section V, concerning fees for replacement of canceled hammers.
- (c) Regulation 21, Section IV, concerning fees for annual coupe inspections.
- (d) Regulation 21, Section III, concerning fees for timber export permits.
- (e) Regulation 23, Section IV(b), concerning Forest Survey permits.
- (f) Regulation 23, Section IV(E), concerning sawmill operator's permits.
- (g) Regulation 23, Section IV(F), concerning lumber dealers.
- (h) Regulation 23, Section IV(G) concerning furniture producers.
- (i) Regulation 24, Sections I through IV, concerning minor forest products permits.

Section 82. Effective Date

- (a) This Regulation is effective on _____, 2007.
- (b) The Authority shall announce this Regulation and make it available to the public and the media.

SIGNED:

**Managing Director
Forestry Development Authority**

SCHEDULE I: CLASSIFICATION OF TREE SPECIES

Abbreviation	Botanical name	LOCAL/TRADE NAMES LIBERIA	Class (stumpage fee)	Class (forest product fees)
HAL	<i>Hallea ciliata</i>	Abura (Bahia)	A	A
CAN	<i>Canarium schweinfurthii</i>	Aiele	A	A
GUI	<i>Guibourtia ehie</i>	Amazakoue (Bubinga)	A	A
ANI	<i>Anigeria robusta</i>	Aningre (Annegre)	A	A
GUA	<i>Guarea cedrata</i>	Bosse	A	A
CEI	<i>Ceiba pentandra</i>	Ceiba (Fromager)	A	A
PIP	<i>Piptadeniastrum africanum</i>	Dahoma	A	A
AFZ	<i>Afzelia</i> spp (bella, africana)	Doussie (Afzelia, Apa)	A	A
LOP	<i>Lophira alata</i>	Ekki (Azobe)	A	A
TES	<i>Terminalia superba</i>	Frake (Limba, Afara)	A	A
TEI	<i>Terminalia ivorensis</i>	Framire (Baji, Emire)	A	A
CHL	<i>Chlorophora</i> spp (regia, excelsa)	Iroko (Odum, Kambala)	A	A
KHA	<i>Khaya anthotheca</i>	Khaya (Acajou blanc)	A	A
KHI	<i>Khaya ivorensis</i>	Khaya (Acajou d'Afrique)	A	A
ENTC	<i>Entandrophragma candollei</i>	Kosipo (Abourd, Kro)	A	A
NAU	<i>Nauclea diderrichii</i>	Kusia (Bilinga, Opepe)	A	A
GIL	<i>Gilbertiodendron preussii</i>	Limbali	A	A
LOV	<i>Lovoa trichilioides</i>	Lovoa (Dibetou)	A	A
TIE	<i>Tieghemella heckelii</i>	Makore (Baku, Douka)	A	A
DIS	<i>Distemonanthus benthamianus</i>	Movingui	A	A
BRA	<i>Brachystegia leonensis</i>	Naga	A	A
TAR	<i>Heritiera utilis</i>	Niangon (Whismore)	A	A
TRI	<i>Triplochiton scleroxylon</i>	Obeche (Samba, Wawa)	A	A
ENTCY	<i>Entandrophragma cylindricum</i>	Sapele (Sapelle, Aboudikro)	A	A
ENTU	<i>Entandrophragma utile</i>	Sipo (Utile)	A	A
TET	<i>Tetraberlinia tubmaniana</i>	Tetra (Sikon)	A	A
ENTA	<i>Entandrophragma angolense</i>	Tiama (Edinam)	A	A
PER	<i>Pericopsis elata</i>	Afromosia	B	B
CHR	<i>Chrysophyllum</i> spp	Akatio (Longui)	B	B
ANT	<i>Antiaris africana</i>	Ako	B	B
RHO	<i>Rhodoguaphalon brevicuape</i>	Alone (Kondrotti)	B	B
CYN	<i>Cynometra ananta</i>	Apome	B	B
TUR	<i>Turraeanthus africanus</i>	Avodire	B	B
HAP	<i>Haplormosia macrophylla</i>	Black gum (Idewa)	B	B
BOM	<i>Bombax buonopozense</i>	Bombax	B	B
DID	<i>Didelotia idea</i>	Bondu	B	B
NES	<i>Nesogordonia papaverifera</i>	Danta (Kotibe)	B	B
DAN	<i>Daniella thurifera</i>	Faro	B	B
PYC	<i>Pycnanthus africanus</i>	Ilomba	B	B
ANO	<i>Anopyxis klaineana</i>	Kokoti	B	B
PTE	<i>Pterygota macrocarpa</i>	Koto (Ake)	B	B
MAM	<i>Mammea africana</i>	Mammea (Oboto)	B	B
MAN	<i>Mansonia altissima</i>	Mansonia (Bete)	B	B
OLD	<i>Oldfieldia africana</i>	Oldfieldia (Dantoue)	B	B
SAC	<i>Sacoglottis gabonensis</i>	Ozouga	B	B
ERY	<i>Erythrophleum ivorensis</i>	Tali (Sassawood)	B	B
COM	<i>Combretodendron macrocarpum</i>	Abale	C	C

ONG	Ongokea gore	Angueuk (Kuwi)	C	C
ANH	Anthonotha fragrans	Anthonotha (Kibokoko)	C	C
ARA	Araliopsis tabouensis	Araliopsis (Grenian)	C	C
CAL	Calpocalyz aubrevillei	Badio (Calpocalz)	C	C
CEL	Celtis spp (aldolfi-friederiei)	Celtis (Lokenfi)	C	C
DIA	Dialium spp	Dialium (Eyoum)	C	C
ALS	Alstonia boonei	Emien	C	C
COP	Copaifera salikounda	Etimoe	C	C
FAG	Fagara macrophylla	Fagara (Olondu)	C	C
FUN	Funtumia elastica	Funtumia (Mutundu)	C	C
HAN	Hannoa klaineana	Hannoa (Effeu)	C	C
BEI	Beilschmiedia mannii	Kanda	C	C
KLA	Klainedoxa gabonensis	Klainodoxa (Eveuss)	C	C
AMP	Amphimas pterocarpoides	Lati (Bokanga)	C	C
PAR	Parinari excelsa	Parinari (Songue)	C	C
PAK	Parkia bicolor	Parkia (Lo)	C	C
BER	Berlinia confusa	Pocouli (Ebiara)	C	C
UAP	Uapaca guinensis	Uapaca (Rikio)	C	C