

An Act To Amend An Act Creating The Forestry Development Authority By Repealing Section 16 Thereof And Adding Thereto Eight New Sections

It is enacted by the Senate and House of Representatives of the Republic of Liberia, in Legislature Assembled:

Section 1. Section 16 of An Act Creating The Forestry Development Authority is hereby repealed.

Section 2. That from and immediately after the passage of this act, an Act entitled: "An Act Creating The Forestry Development Authority" is hereby amended by adding thereto Eight new Sections to be Sections 16 through 23 to read as follows:

Section 16. Form and Content of Forest Products Utilization Agreement: In all negotiations concerning the awarding of a Forest Products Utilization Agreement between the Government of the Republic of Liberia and a prospective forest users, the Government of Liberia shall be represented by the Managing Director of the Forestry Development Authority and the Minister of Finance. Upon the successful conclusion of said negotiations, the Minister of Finance and the Managing Director of the Forestry Development Authority shall for and sign on behalf of the Government of Liberia; attested by the Minister of Justice and the prospective forest user by an authorized representative. Notwithstanding the above, the Forest Products Utilization Agreement shall be valid only upon the approval of the President of Liberia and subsequent ratification by the Legislature of the Republic of Liberia.

Section 17. Performance Bond and Minimum Expenditure: A Forest Concessionaire shall be required to deposit with the Forestry Development Authority a Performance Bond or a Manager's Check of US \$150,000 in favour of the Government of Liberia warranting that the Concessionaire shall faithfully and promptly commence survey and other operations and performance of all the terms and conditions of the Forest Product Utilization Agreement

~~within two years and shall within two-year period after the effective date of the Agreement between the concessionaire and the Government of Liberia spend a sum not less than US \$500,000 on the construction and installation of a processing plant. Any concessionaire who on the coming into force of this Act has already complied with the old regulation on performance bond shall not be retroactively affected by the provision of this Section. A Salvage Permit Holder shall be required to deposit with the Forestry Development Authority a Performance Bond or Property Valuation of US \$50,000 or Manager's Check of US \$50,000 in favour of the Government of Liberia, and shall be required to invest not less than US \$200,000 within two years of operation.~~

Section 18. Protection of Liberian Salvage Permit Holders:

~~No law, executive order or regulation shall be passed depriving Liberian citizens the right to apply and be granted forest salvage permits from the Forestry Development Authority if such category of forests is available for leasing.~~

Section 19. Land Rental Fee: The concessionaire shall in respect of the Concession granted under the Forest Product Utilization Agreement, pay to the Government of Liberia in advance an annual surface land rental fee of US 0.50 cents per acre or *pro rata* for part thereof for all land held by the concessionaire. In the case of the forest salvage permit holders, the annual Land Rental per acre of the Exploitation Area to be paid shall be US 0.50 cents per acre of *pro rata* for part thereof for all land held by the permit holders, and said amount shall be paid in advance to the Government.

Section 20. Import Duties: The concessionaire shall be granted duty free privilege for the importation into Liberia during the first two years upon coming into force of the Forest Products Utilization Agreement signed between the concessionaire and the Government of Liberia, any equipment, machinery or similar items of a capital nature having a useful life of five years or more for use in the harvesting, processing, transportation and marketing of timber products; provided, however, that all such items to be exempted from duties shall be exempted only if items reasonably comparable in price and quality are not obtainable in Liberia; it being understood that Forest Salvage Permit Holders shall also be granted duty

~~free of duty for a period of two years. Liberia equipment, machinery and tools, from a date of importation for a period of not less than two years. Notwithstanding the foregoing, the period of exemption from the payment of Import Duties (2) two years, shall not be extended nor renewed after the expiration of the said (2) two years period.~~

Section 21. Payment of Forestry Fees in U. S. Currency:
The concessionaire and the forest salvage permit holders shall pay all their respective forest fees in U. S. Currency after assessment by the Forestry Development Authority (FDA).

Section 22. Wood Processing: The concessionaire shall comply with the requirements of the Forestry Development Authority regarding the percentage of total production to be sawn or otherwise processed in Liberia and that the export of logs and processed wood shall be in accordance with the Forestry Development Authority Regulations; however, the percentage of processed wood for export shall be a maximum of 5% (five percent) of export logs during 1988 and 1989. Beginning 1990 the percentage of processed wood for export shall be a minimum of 5% (five percent) and a maximum of 10% of export logs. It being understood that all Forest Salvage Permit Holders shall process at least 5% (five percent) of their total log production for either local or export markets.

Section 23. Employment of Professional Liberian Foresters:
A concessionaire having a valid Forest Utilization Agreement shall be required to employ a minimum of four (4) trained Liberian Foresters while a Salvage Permit Holder shall employ at least one (1) trained Liberian Forester.

Section 3. This Act shall take effect immediately upon publication in hand-bills.

Any law to the contrary notwithstanding

Approved: July 21, 1988

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