

MINISTRY OF COMMERCE AND INDUSTRY

MOCI/No.002/2019

REPUBLIC OF LIBERIA MINISTRY OF COMMERCE & INDUSTRY

ADMINISTRATIVE REGULATION MoCI/NO.002/2019

REGULATION MANDATING THE USE OF LIBERIAN DOLLARS FOR ALL COMMERCIAL TRANSACTIONS IN LIBERIA

ARTICLE 1.0: GENERAL RULE

WHEREAS, Part II, Executive Branch Generally; Chapter 10, General Provisions; Section 10.5 of Title 12, Liberia Code of Laws Revised (Executive Law); grants authority to the head of each ministry or independent agency in the Executive Branch, subject to the approval of the President, the power to prescribe regulations not inconsistent with the law of the operation of the ministry or agency, the accomplishment of its lawful functions;

WHEREAS, Chapter 29, Section 29.2(c) of the Executive Law mentioned supra, grants the Minister of Commerce and Industry the power to establish and enforce standards of business practices;

WHEREAS, Part V, section 19(1) (**Monetary Unit of Liberia, Legal Tender**) of the Banking Law (National Bank of Liberia Act) - Title 6 - Liberian Code of Laws Revised provides among other things that the monetary unit of Liberia shall be the Liberian Dollar, divided into one hundred cents, and the Liberian Dollar shall be the currency of Liberia and legal tender. Prices for all transactions in Liberia shall be indicated in Liberian Dollars and Cents. The Liberian Dollar shall be prefixed by the sign "L\$", and Liberian Cents shall be suffixed by the sign "¢". The Liberian Dollar shall be the currency for all accounting, financial reporting, and official purposes in Liberia;

COGNIZANT, of the fact that Liberia permits the use of two legal tenders (Liberian Dollar and United States Dollars), some businesses operating within the Republic of Liberia are transacting businesses only in United States Dollars;

REALIZING, that the vast majority of the citizens/residents in the Republic of Liberia salaries are being paid in Liberian Dollars;

REALIZING, that the decision by some businesses to transact business in the Republic of Liberia only in United States Dollars is creating serious commercial challenge for the vast majority of the people of Liberia;

NOW THEREFORE, it is hereby issued this Administrative Regulation mandating all Businesses operating within the Republic of Liberia to carry on all commercial transactions in both Liberian and United States Dollars as legal tenders:



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ARTICLE 2.0: PURPOSE AND SCOPE

- 2.1. To provide equal opportunity for all citizens/residents within the bailiwick of the Republic of Liberia to freely carry on commercial transactions using any of the legal tenders available to them.
- 2.2. To promote wide use of the Liberian Dollars as a medium of exchange in the Republic of Liberia.
- 2.3. To stimulate economic development through free participation by all in the commerce of the Country.

ARTICLE 3.0: DEFINITIONS

- 3.1. **Liberian Dollar:** shall be the official currency and Legal Tender of the Republic of Liberia.
- 3.2. **United States Dollar:** is the official currency of the United States of America and Legal Tender in the Republic of Liberia.
- 3.3. **Exchange Rate:** is the rate at which the Liberian Dollar can be converted against other foreign currencies, which shall be freely determined by the prevailing market.

ARTICLE 4.0: EXCHANGE RATE

- 4.1. The exchange rate to be used shall be determined by the prevailing market rate on the day of the commercial transaction(s).

ARTICLE 5.0: PENALTY

- 5.1. There shall be imposition of fines on individual(s) or business entity(ies) in proven violation of this regulation. The fine shall be LD50,000.00 or its United States Dollars equivalent for first offense, LD100,000.00 for second offense, and suspension or revocation of Business License for any further violation by the same violator, which shall be determined by the Minister of Commerce & Industry from time to time depending on the gravity of violation.

ARTICLE 6.0: This Administrative Regulation comes into force on August 1, 2019.

Signed:


Prof. Wilson K. Tarpeh

Minister of Commerce And Industry

