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LRA/TDN/'19/019

March 18, 2019

Hon. C. Mike Doryen
Managing Director
Forestry Development Authority
Paynesville, Liberia

Tax Credit certificate to Euro Logging Company

Dear Hon. Doryen:

Please accept our professional compliments.

We write in reference to the Memorandum of Understanding (MOU) signed in March 2017 between the Government of Liberia (GOL) through the Ministry of Public Works (MPW), Ministry of Finance and Development Planning (MFDP) and Forestry Development Authority (FDA) and Euro Liberia Logging Company to rehabilitate 166.0 km of road linking two sections of the highway from River Gee County, through Grand Gedeh to Sinoe County. A segment of the road spanning 130.0 km of laterite road from Combat Gate, River Gee County to Greenville, Sinoe County has been completed and confirmed by Ministry of Public Works. A Copy of the above mentioned MOU is attached for your ease of reference. See Annex 1.

In keeping with the requirements of the MoU, the Ministry of Public Works has issued certificates of completion for the works completed by the company, thereby confirming GoL's obligation to the company in respect of which LRA is required to grant tax credit against taxes payable as they fall due for said company. Copies of the certificates of completion of works and the letter from the Minister of Justice are attached for your reference. See Annex 2.

The total amount of work completed by Euro Logging and confirmed by the certificates of completion from the Ministry of Public Works is equivalent to US\$3,209,268.39 (Three Million, Two Hundred and Nine Thousand, Two



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Hundred Sixty-Eight and 39/100 United States Dollars). Of this amount the LRA has already awarded tax credit to Euro Logging in the tone of US\$ 823,079.84 (Eight Hundred and Twenty-Three Thousand, Seventy-Nine and 84/100 United States Dollars) to date. The LRA has received another request from Euro Logging for its current tax obligation in the tone of US\$1,662,977.42 (One Million Six Hundred Sixty-two Thousand Nine Hundred seventy-seven and 42/100 United States Dollars). (See attached schedule of invoices as Annex 3). An analysis of the request revealed that US\$634,175.00 (Six Hundred Thirty-Four Thousand One Hundred Seventy-Five United States Dollars) relates to a period that predates the referenced MOU. Thus for the purpose of issuing the tax credit, LRA has informed Euro Logging that this full amount will be paid by cash. A separate payment planned has been signed between LRA and Euro Liberia Logging Company for this portion of its tax liability on its invoice. Please see Annex 4.

The remaining applicable tax amount of the invoice is US\$1,028,802.42 (One Million Twenty-eight Thousand Eight Hundred Two and 42/100 United States Dollars). After careful consideration, the LRA is issuing this tax credit certificate that covers 85% (eighty-five percent) of the above amount which is US\$874,482.06 (Eight Hundred Seventy-Four Thousand Four Hundred Eighty-two and 06/100 United States Dollars) as presented in the table below. The remaining 15% (Fifteen Percent) which is US\$154,320.36 (One Hundred Fifty-Four Thousand Three Hundred Twenty and 36/100 United States Dollars) will be paid in cash.

Description	All Stumpage fees (USD)	Export Estimate Invoices	Area & Annual Contract Adm Fees	2% CIT	Total (USD)
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Total Current Tax Liability Due	182,887.07	197,142.09	637,175.00	11,598.26	1,028.802.42
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