

Overview of the Expatriate Employment Levy Handbook



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INTRODUCTION

On 27 February 2024, the Federal Government of Nigeria launched the Expatriate Employment Levy Handbook. The Expatriate Employment Levy Handbook (EEL Handbook) contains guidelines for businesses that have expatriate employees in Nigeria. This article provides an overview of the EEL Handbook. Topics covered are the objective, scope, persons exempt, rate, registration process, responsibilities, and penalty.

1.0 Objective

The expatriate employment levy (EEL) seeks to develop the local workforce, lower reliance on foreign skills, and encourage companies to prioritize Nigerian citizens as employees. EEL aims to balance economic growth

and workforce development by ensuring equitable contributions from expatriate employment.

Currently, there is no indication that the new fee will be payable to a dedicated fund (EEL Fund) to monitor the purpose of creating the charge in the first place. An additional fiscal revenue is more beneficial when the Government takes care of citizens' welfare. The funds should also improve the skills of local talents.

2.0 Scope

The EEL is payable by employers who hire expatriate employees in Nigeria. Expatriate employees are non-resident individuals on an Expatriate Quota position or a Temporary Work Permit,

CATEGORIES

1

**Non-residents
on EQ**

2

**Short-term
assignee**

3

**TWP above 183
days**

except the short-term assignee spends less than 183 days within a year from the date of coming into Nigeria. The definition implies that companies in Nigeria who employ expatriates outside Nigeria without a physical presence are not covered here.

3.0 Persons exempt from EEL

Employees of diplomatic missions, government officials, international agencies accredited in Nigeria, and unemployed dependents of expatriates in Nigeria are exempt from EEL.

4.0 What is the rate for EEL?

EEL is an annual levy payable by employers who hire expatriate workers in Nigeria. Although the EEL Handbook defines EEL as a levy mostly on the offshore earnings of expatriates working in Nigeria, the charge is a flat rate per individual. The fee is 15,000 US Dollars for Directors and 10,000 US Dollars for other levels of expatriates.

Where a company has ten directors and ninety-five other expatriates in employment, the annual dues will be USD 1.1 million (10 * 15k USD plus 95 * 10k USD). The payment is an additional cost to the company and not the employee. Total payroll costs will be higher since several expatriates are on a tax equalization policy or receive their salaries net of payroll taxes. Businesses may decide to pass the additional cost to the final consumer. The revenue authority can consider the need to include EEL as a tax-deductible expense for taxpayers.

5.0 Registration and Procedure for Payment

There is an EELMS online portal for managing the Expatriate Employment Levy in Nigeria. The website is accessible at <https://eel.interior.gov.ng>. New users will be required to register before accessing the portal. Companies applying for an EEL Card for their employees must provide the documents below and complete the online form.

Company documents:

1. Incorporation documents
2. Corporate TCC (Tax Clearance Certificate)
3. PenCom certificate
4. Industrial Training Fund certificate
5. Renewal of Expatriate Quota Positions

Employee documents:

- International passport of the employee
- Digital passport size photograph (51 mm x 51 mm, maximum size limit 2 MB)
- Employee CERPAC (Combined Expatriate Residence Permit and Aliens Card)

6.0 Can the role of an expatriate be changed in the existing EEL?

Yes. The EELMS portal gives room for infinite modification within the verification period. Employers can reallocate the position of exit employees to new employees at no cost till the existing EEL expires.

7.0 Responsibilities

The Nigeria Immigration Service (NIS) determines expatriates who should be subject to EEL, enforces the levy and utilizes the data for national security and economic interests. To what extent will the new levy improve skills transfer to local employees? Data from the NIS will provide an informed decision to the stakeholders.

The Government will carry out periodic reviews of the company's records. Companies and expatriates should keep accurate records and meet the reporting deadline.

8.0 Effective date and filing deadline

The EEL handbook does not mention the effective date or the timeline for filing the annual return. A subsequent publication from the Nigeria Immigration Service or Federal Ministry of Interior will address the issue.

9.0 Penalty

- Inaccurate or incomplete reporting: Imprisonment for five (5) years or a fine of one million naira (NGN 1,000,000) or both.
- A fine of three million naira (NGN 3,000,000) applies to any of the four (4) activities below.
 1. Failure to file EEL within thirty (30) days, or
 2. Failure to register employee within thirty (30) days, or
 3. Failure to renew EEL within thirty (30) days, or
 4. Submission of false information.

CONCLUSION

Employers of expatriates in Nigeria can acquaint themselves with the new guidelines to meet the rules on documentation and reporting.

A dedicated EEL Help Desk is available via e-mail at contactus@eel.interior.gov.ng or telephone at +234 708 064 7200, or you can reach us via e-mail at info@bomesresourcesconsulting.com. To download the EEL Handbook, click [here](#).