

## THE FEDERAL GOVERNMENT OF NIGERIA INTRODUCES EXPATRIATE EMPLOYMENT LEVY

### Introduction

On **February 28, 2024**, President Bola Tinubu announced the implementation of the Expatriate Employment Levy (**EEL**), a government-mandated contribution imposed on employers hiring expatriate workers in Nigeria. The EEL scheme aims to close the remuneration gaps between expatriates and the Nigerian labour force, while fostering skill transfer and knowledge sharing from expatriates to local employees.

The Nigeria Immigration Service (**NIS**) has been tasked with enforcing this policy, with implementation schemes already underway. The EEL Handbook, released alongside the announcement, provides comprehensive details about this levy.

### Need-to-know Information!

1. The EEL applies to employers in all sectors, including multinational corporations, SMEs, and other entities hiring expatriate workers in Nigeria.
2. Expatriate workers subject to the EEL include non-citizens employed within Nigeria under various arrangements such as work permits, visas, and temporary residency.
3. The EEL does not apply to expatriates employed in the public sector, accredited staff of Diplomatic Missions and government officials and their dependents.
4. Expatriate workers employed for a duration of not less than 183 days within a fiscal year are liable to pay the EEL. This includes expatriates working in Nigeria under Temporary Work Permits.
5. The EEL is required to be paid annually for each expatriate under employment in Nigeria.
6. Employers may need to provide evidence of EEL payment for work permit issuance, contract renewal, or change of employment status for expatriates.
7. Employers of expatriates covered by the EEL are required to pay \$15,000 (USD) for Directors and \$10,000 (USD) for other categories of expatriates.
8. Payments for the EEL can be made online through the EEL portal <http://www.eel.interior.gov.ng/> and the procedure for carrying out the payment is outlined on the website.
9. The Nigeria Immigration Service is saddled with the responsibility of enforcing the EEL. Some of its powers and functions with respect to the EEL includes determining which expatriate falls within the EEL purview, enforcing the levy, and conducting compliance audits.
10. Employers must maintain accurate records, submit timely reports, and adhere to reporting deadlines to ensure compliance with the EEL Handbook.
11. For offences such as failure to file EEL within thirty (30) days of it becoming due, failure to register new employees, submitting forged information and failure to renew the EEL before its expiry date, the employer will be liable to a fine of Three Million Naira (N3,000,000) for each violation.

### Conclusion

While the aim of this levy, as provided in the Handbook, is to balance the benefits of expatriate employment with the protection of Nigeria's local labour markets and resources, there are legitimate concerns about its potential impact on foreign investment and the expatriate community in Nigeria, particularly given the significant financial implications involved. Consequently, despite its well-intentioned objectives, further discussions are necessary to address uncertainties surrounding its implementation and potential consequences.

Companies employing expatriates in Nigeria are advised to fully understand their responsibilities regarding this newly imposed levy to avoid potential sanctions.

**For additional information, please contact Bloomfield LP Email- [immigration@bloomfield-law.com](mailto:immigration@bloomfield-law.com) or your usual contact at Bloomfield LP.**