

THE NIGERIAN GOVERNMENT SUSPENDS THE IMPLEMENTATION OF THE EXPATRIATE EMPLOYMENT LEVY.

Introduction

On March 8, 2024, The Federal Ministry of Interior (**FMI**) issued a Press Release announcing the suspension of the implementation of the Expatriate Employment Levy (**EEL**).

The EEL, which was introduced by the Nigerian Government on February 27, 2024, imposes a government-mandated contribution on employers who hire expatriate workers in Nigeria, ranging from \$10,000 USD to \$15,000 USD for each expatriate under employment in Nigeria.

Full implementation of the EEL was set to commence on March 15, 2024, until April 15, 2024 (the "**Deadline**"). However, the implementation has been suspended following concerns expressed by various stakeholders.

The decision to suspend the EEL came after a meeting held on March 8, 2024, which involved the FMI, Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA), as well as other significant trade and commerce associations.

Need-to-know Information!

The following resolutions were reached during the meeting:

1. The implementation of the Expatriate Employment Levy will be paused to allow for further consultations with NACCIMA and other vital stakeholders.
2. A joint committee, comprising members of the Ministry of Industry, Trade and Investment, the Ministry of Interior, NACCIMA, and other stakeholders, will be formed to review the EEL policy.
3. The rollout of the EEL, as initially proposed, will be deferred in accordance with the resolutions made.

Conclusion

The announcement of the EEL was met with widespread criticism due to its potential negative impact on Foreign Direct Investment, especially considering the current economic climate in Nigeria. This decision to suspend the EEL implementation is a positive step, showing a commitment to collaborative dialogue among stakeholders.

Further, the formation of a joint committee is expected to lead to a more inclusive and far-sighted decision-making process in shaping the EEL policy as it affects many businesses and expatriate workers in Nigeria.

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