



Unveiling the Expatriate Employment Levy: A New Chapter in Nigeria's Employment Regulations

On February 27, 2024, President Bola Tinubu introduced the Expatriate Employment Levy (EEL) aimed at reshaping the employment landscape in Nigeria. The EEL is designed to promote local workforce development and reduce the country's dependence on foreign expertise by imposing a levy on employers who hire expatriates. Drawing inspiration from similar measures in other countries, particularly in the Middle East, the EEL seeks to balance economic growth with societal well-being and address demographic shifts through enhanced skill transfer and public-private sector collaboration.

Understanding the Expatriate Employment Levy

Under this scheme, companies employing expatriates are obliged to pay an annual levy of \$15,000 (USD) for Directors and \$10,000 (USD) for other expatriate categories. The levy payment process has been streamlined through the EEL's online portal, ensuring transparency and ease of compliance.

Who's Affected?

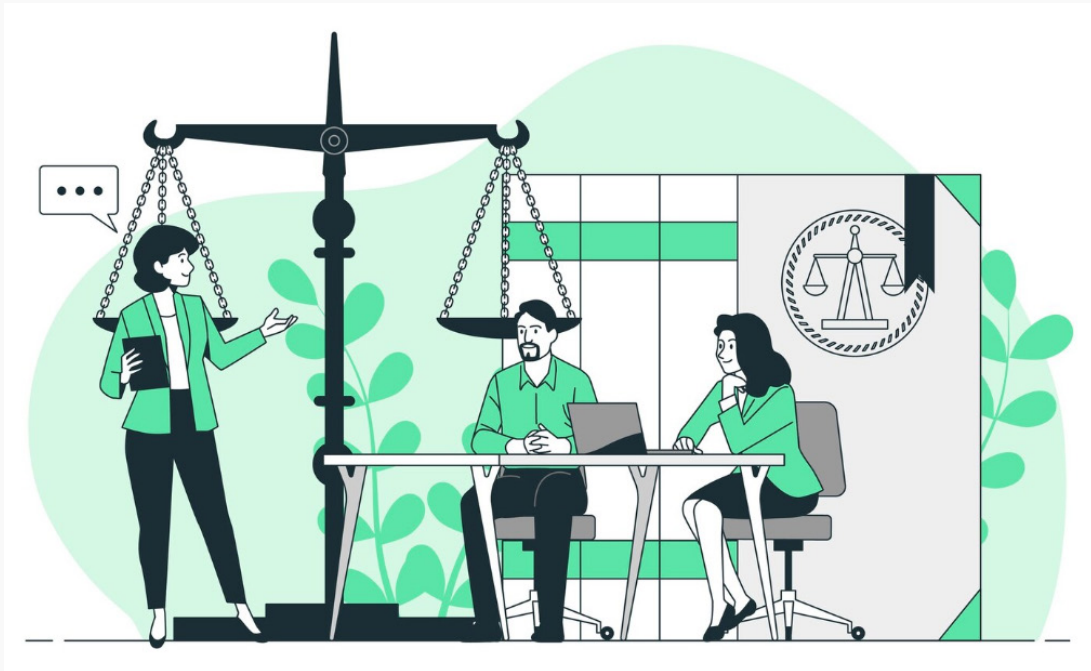
The scope of the EEL is extensive, covering



employers from various sectors including multinational corporations, and small and medium-sized enterprises (SMEs). It includes all non-citizen employees within Nigeria on work permits, visas, or temporary residency, provided their employment spans at least 183 days within a fiscal year.

Exemptions

Notably, the EEL framework exempts certain categories of expatriates: those employed within the public sector, accredited staff of Diplomatic Missions, and government officials along with their dependents.



Penalties for non-compliance

The policy outlines significant fines for non-compliance, ranging from failures in EEL filing to the submission of inaccurate information, emphasizing the government’s commitment to enforcement and transparency.

A Strategic Pause

Although the EEL was expected to commence officially on March 15, 2024, its implementation has been suspended for further stakeholder consultations amid concerns about its impact on foreign investment. A dedicated review committee has been established to refine the policy and ensure it aligns with Nigeria’s broader economic and developmental goals.

Navigating New Regulatory Landscape

As the landscape of employment regulation evolves with the introduction of the Expatriate Employment Levy, it is crucial for businesses to stay informed and compliant. Understanding these changes and adopting a strategic compliance approach will be key to navigating potential challenges successfully.

For comprehensive support in adapting to the Expatriate Employment Levy and other regulatory changes, reach out to SimmonsCooper Partners. Contact us at info@scp-law.com or visit our website at www.scp-law.com for personalized legal advice and strategic insights.