



**UDO UDOMA &
BELO-OSAGIE**

**EMPLOYMENT AND
IMMIGRATION UPDATE**

IMPLEMENTATION OF THE EXPATRIATE EMPLOYEE LEVY



The Federal Government of Nigeria, on 27th February 2024, approved the implementation of the Expatriate Employee Levy Scheme (“EEL Scheme”). The EEL Scheme is meant to:

- increase employment opportunities for Nigerians with companies operating in Nigeria who employ expatriates,
- generate revenue for the government,
- improve nationalisation and indigenization,
- balance employment opportunities between Nigerians and expatriates,
- close wage gaps between the expatriates and the Nigerian labour force, and
- facilitate knowledge transfer in order to grow the economy.

The implementation of the EEL Scheme will be based on the provisions of the Expatriate Employment Levy Handbook (“Handbook”) which was issued by the Federal Ministry of Interior (“FMI”) and the Nigerian Immigration Service (“NIS”) in October 2023.

Highlights of the EEL Scheme

1. **Eligibility:** The EEL Scheme applies to employers in private sector industries that employ foreign workers or rely on expatriate labour.
2. **Scope:** The EEL Scheme applies to expatriate workers (defined as non-citizens employed within Nigeria) who occupy expatriate quota positions, or have temporary work permits, or visas or other temporary residency arrangements or are employed in Nigeria for a period of 183 days or more within a year.
3. **Rates:** Employers are required to pay USD15,000 for Directors and USD10,000 for other categories of expatriates to the FMI. The payment is to be made annually through an online portal set up by the FMI.
4. **Exemptions:** The EEL Scheme does not apply to all accredited members of staff of Diplomatic Missions, government officials, accredited international agencies as well as the dependants of all expatriate employees. This exemption, however, will not apply where such dependants are employed while resident in Nigeria.
5. **Reporting/Compliance:** The FMI, through a communique on their website, has stated that the EEL Scheme is to take effect from 15 March 2024 and set the deadline for compliance as 15 April 2024. Employers are required to maintain comprehensive records of their expatriate employees, ensure timely reporting of the details of the expatriates, notify the relevant government agencies of any change that may affect the computation/payment of the EEL, and abide by the stated deadlines for filing.
6. **Offences and Penalties:** Offences and penalties under the Handbook include:

S/N	Offence	Penalty
1.	Failure to file the EEL	NGN3,000,000 (three million Naira) fine
2.	Failure to register new expatriate employees within the stipulated time of 30 (thirty) days	NGN3,000,000 (three million Naira) fine
3.	Submitting forged information	NGN3,000,000 (three million Naira) fine

S/N	Offence	Penalty
4.	Failure to renew the EEL before the expiry date	NGN3,000,000 (three million Naira) fine
5.	Inaccurate or incomplete reporting	i) NGN3,000,000 (three million Naira) fine ii) 5 years imprisonment or NGN1,000,000 (one million Naira) fine or both as stated under section 56(5) of the Immigration Act 2015.

7. **Relevant Government Agency:** The NIS is the relevant government agency with the responsibility to execute the EEL Scheme by determining which expatriates are covered and enforcing the payment of the EEL. The NIS is permitted to conduct compliance audits to verify the accuracy of information submitted under the EEL Scheme.

The EEL Scheme has been received with criticisms and challenges from various interest groups, including the Nigeria Employers' Consultative Association ("NECA") and the Center for the Promotion of Private Enterprise. This is still an evolving issue and we will continue to keep you updated of all new developments.

If you have any questions about this update or require any assistance or information about our practice area offerings, please contact us at el@uubo.org and we will be glad to be of assistance and to tell you about our employment law practice.