



DUALE, OVIA &  
ALEX-ADEDIPE



# Expatriate Employment Levy (EEL) Handbook

**The Expatriate Employment Levy (EEL) is a mandatory fiscal measure implemented by the Federal Government of Nigeria (FGN) to balance economic growth, social equity, and workforce development. It is imposed on employers who hire expatriate workers in Nigeria, aiming to balance the benefits of expatriate employment with the protection of Nigeria’s local labour markets and resources. The objectives of the EEL include the promotion of skill transfer and knowledge sharing; striking an optimal balance between generations of foreign direct investment and safeguarding the interests of indigenous workforce; enhancement of public/private sector collaboration; and addressing the dangers of demographic shifts attributed to ageing population and shortage of skilled labour.**

### **Scope**

The EEL applies to employers of varying sizes operating in Nigeria, including multinational corporations, small and medium-sized enterprises (SMEs), and other entities engaging expatriate talents. Expatriate workers subject to the EEL are non-citizens employed within Nigeria, including individuals on specific types of work permits, visas, or other temporary residency arrangements.

The EEL applies to businesses in sectors and industries that utilize foreign workforce or rely on expatriate labour, such as Construction, Information and Communication Technology (ICT), Agriculture, Manufacturing, Oil & Gas, Telecommunication, Banking and Finance.

### **Employees Caught under the EEL**

Employers that hire expatriate workers for a duration not less than 183 days within a fiscal year are liable to pay the EEL on an annual basis. Certain events or employment circumstances may trigger the application of the EEL, including but not limited to the issuance of work/residence permits, the renewal of employment contracts, or the change of an expatriate’s status from visitor to employee.

In the case of a cross-border assignment or secondment, the employer shall be liable to pay the EEL where the expatriate involved occupies a quota position in a Company operating in Nigeria. Expatriates that have obtained temporary work permits to work in Nigeria on seasonal and short-term employment may be liable to pay the EEL if they spend an aggregate of 183 days or more in Nigeria within a fiscal year.

However, the EEL payment does not apply to all accredited staff of Diplomatic Missions and government officials. Information on other categories of exempted organizations or persons can be obtained from the Nigeria Immigration Service.

### **Government Responsibilities**

The government provides online platforms for employers to report expatriate employment details electronically. These platforms streamline the reporting process and facilitate efficient data exchange between employers and government agencies.

The government agency responsible for EEL enforcement is the Nigerian Immigration Service (NIS) and they may conduct compliance audits to verify the accuracy of reported information. Employers should provide supporting documentation and cooperate with audit processes when requested.

The NIS may cross-check reported information with data from other sources, such as Immigration records, Tax filings, etc. Ensuring consistency across all records is vital for compliance.

### **Employers' Responsibilities**

Employers are required to maintain comprehensive records related to expatriate employees, including employment contracts, salary details, work permits, and other relevant documentation. Timely reporting of expatriate employment details is crucial for accurate EEL calculation. Employers must provide updated information to Government agencies within specified timeframes, which may coincide with payroll cycles or employment contract renewals.

Employers should promptly notify relevant Government Agencies of any changes in expatriate employment circumstances, including changes in job roles, salary, employment duration, and other significant factors that may impact EEL calculation. Filing deadlines for reporting expatriate employment details are critical, and employers should be aware of these deadlines.

Employers should consider providing training and awareness programmes for their Human Resource (HR) and Payroll teams to ensure that they are well-informed about EEL reporting requirements and compliance measures.

### **Expatriates' Responsibility**

Expatriates should ensure that their personal information and employment details are accurately reported to employers and the Nigerian Government. Providing accurate information helps employers fulfil their reporting obligations.

### **Offences and Sanctions/Penalties**

Inaccurate or incomplete reporting can lead to penalties. It is essential for employers to ensure that the information provided is accurate and up-to-date to avoid unnecessary financial and reputational risks. By virtue of Section 56(5) of the Immigration Act, 2015, any person who makes or causes to be made to an Immigration Officer, any return, statement or representation which he knows to be false or does not believe to be true shall be liable to imprisonment for a term of five (5) years or a fine of N1,000,000 or both. Further sanctions/penalties shall apply based on the provisions of Regulation 52(6) of the Immigration Regulations, 2017.

A fine of fine N3,000,000 (Three Million Naira) will be imposed where there is a failure:

- to renew the EEL before the expiry date, within thirty (30) days;
- to file the EEL within the specified thirty (30) days; and
- to register new employees within the designated time frame, specifically within thirty (30) days.

Furthermore, submission of forged information in the EEL is a fine N3,000,000 (Three Million Naira).

## Procedure for EEL Payment

Employers can pay the EEL by logging into the EEL portal - [www.eel.interior.gov.ng](http://www.eel.interior.gov.ng) - and following the defined steps to pay.

## Frequently Asked Questions

1. **Who is Eligible?** Non-citizen expatriates occupying quota positions.
2. **How much is the EEL?** 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.
3. **Is the EEL Mandatory?** Payment of the EEL is mandatory. Upon implementation of the EEL, expatriates in compliance will be issued an EEL card, which must be presented at the time of lawful exit and entry into the country.
4. **Exemptions?** Diplomatic staff, government officials, and accredited International Agencies are exempted. This exemption will however not apply to Dependents that are confirmed to be engaged in any employment while resident in Nigeria.
5. **Frequency of Payment?** The EEL payment is made annually.
6. **Short Term Employments?** Expatriates engaged in Short-term Employments/ Assignments may be exempted from the EEL, provided the duration of such employment/engagement is cumulatively less than 183 days in one (1) fiscal year, from the date of entry into Nigeria for such employment/engagement.
7. **Ensuring Compliance?** Employers can ensure compliance by maintaining accurate records, submitting timely reports, and adhering to departing deadlines. Employers can reallocate positions of employees who have left the company/organization to new employees without any charge till the existing EEL validation. Companies have till Monday, 15th April 2024 to ensure compliance.
8. **Implementation Date?** Implementation of the EEL will commence on Friday, 15th March, 2024.



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**LAGOS**

Plot 1B, Block 129  
Jide Sawyerr Drive  
Lekki Phase I  
Lagos State, Nigeria

**ABUJA**

4th Floor, Abia House  
Plot 979, 1st Avenue  
Off Ahmadu Bello Way  
Central Business District  
Abuja FCT, Nigeria

Tel.: 0700 DOALAW (0700 362529)  
Email: [info@doa-law.com](mailto:info@doa-law.com)  
[www.doa-law.com](http://www.doa-law.com)