



# Introduction of the Expatriate Employment Levy

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**ÁELEX**

LEGAL PRACTITIONERS & ARBITRATORS

# Introduction

On 27th February 2024, the Federal Government of Nigeria introduced the Expatriate Employment Levy (“EEL”), a mandatory contribution levied on employers who hire foreign workers in Nigeria.

## Objectives

The EEL serves several objectives as follows:

1. Encouraging the transfer of knowledge and skills from expatriates to local employees through training and mentorship programs, strengthening the domestic workforce.
2. Balancing the attraction of Foreign Direct Investments and protecting the rights and opportunities of local workers, ensuring both economic development and social welfare.
3. Fostering collaboration between government entities, industry associations, and businesses, facilitating continuous dialogue to address sectoral needs and achieve national goals.
4. By responding to demographic changes like aging populations and skilled labour shortages, the EEL encourages businesses to prioritize local talent acquisition and invest in workforce development for long-term economic prosperity.

## Eligibility and Applicability Requirements

Private sector employers are liable to pay the EEL for expatriate workers employed in Nigeria for at least 183 days annually.

Accredited staff of diplomatic missions, government officials and international agencies as well as their dependents are exempted from payment of the EEL. However, this exemption does not apply to dependents engaged in any employment in Nigeria.

## **EEL Rates**

Employers are required to pay \$15,000 for directors and \$10,000 for other categories of expatriates. The EEL is to be paid annually. Payment of the EEL can be made through the EEL portal – [www.eel.interior.gov.ng](http://www.eel.interior.gov.ng).

## **Sanctions for non-compliance**

Employers failing to comply with reporting and payment requirements are subject to penalties of up to N3,000,000.

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