



**March 2021**

**N°15**

TAX AND CUSTOMS COMMISSION

# **TAX & LEGAL NEWSLETTER**

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## **2021...**

### **MAKEOVER**

This year we have decided to make a complete makeover, with a newsletter that allows you to remain at the heart of tax and legal news and that will also allow us to share on the issues of our members.

# TAX NEWS

- ❖ **Circular Note No.007/MINFI/DGI/DLRI/L/ February 26, 2021 on the handling of declaratory or payment failures attributable to the tax administration's IT system.**

The Director General of Taxation addressed the directors of the tax authorities and the heads of the regional tax centers in this circular note, instructing them not to apply penalties or late payment interest to taxpayers under Divisional Tax Centers, in the event of failure to declare or pay, when the delay is attributable to a malfunction in the tax authority's system.

- ❖ **Press release No.00001222/MINFI/SG/DCRP of the Minister of Finance, dated 22 February 2021 registration certificate.**

By press release dated 22 February 2021, the Minister of Finance brought to the attention of the(e) public opinion and state agents That Registration Certificate is now available online through the **ebulletin** application.

- ❖ **Order n°00000889/MINFI/DGD of 28 December 2020 fixing the customs conversion rates of foreign currencies into local currency.**

Consult this decree issued by the Minister of Finance to the attention of Cameroonian economic and administrative actors. It specifies the exchange ratio applicable to the customs conversion of foreign currencies into local currencies from 28 December 2020 to 9 April 2021.

- ❖ **Decree No. 0000002/MINFI/DGI of 26 January 2021 setting out the list of private companies, public enterprises, public institutions and decentralized local authorities, required to carry out the withholding of value-added tax and income tax down payment for the 2021 financial year.**

Through this decree taken under the provisions of Articles 21, 92, 92 bis, 143 and 149 of the General Tax Code, the Minister of Finance has published the updated list of entities entitled to carry out the withholding of value-added tax and income tax down payment fiscal year 2021.

- ❖ **Press release No. 00000167/MINFI/SG/DCRP of the Minister of Finance dated 11 January 2021 relating to active taxpayers.**

In a press release dated 11 January 2021, the Minister of Finance informed taxpayers that the status of an active taxpayer will now be compulsory to initiate financial transactions with the Cameroonian administration.

❖ **Information note n°0002/21/DG/PAD dated 05 January 2021 relating to the application of value added tax to services rendered to ships by the Autonomous Port of Douala.**

This information note from the Director General of PAD informs Cameroonian economic operators that in application of Article 130 Bis of the new Finance Law, VAT at the rate of 19.25% is applicable to the invoicing of services rendered to ships by the Autonomous Port of Douala.

❖ **Decree N°2020/798 of 29 December 2020 ratifying the multilateral convention for the implementation of measures relating to tax treaties to prevent the erosion of the tax base and the transfer of profits**

On 29 December 2020, through the publication of Decree N°2020/798, the State of Cameroon officially ratified the multilateral convention adopted on 24 November 2016 for the implementation of measures relating to tax treaties to prevent the erosion of the tax base of profit transfers.

# LEGAL NEWS

- ❖ **Letter LC-COB/12/DREGRI/DRNM/TPO Of General Secretary of COBAC of 11 February 2021 as part of the formalization of the mandates of the leaders of the reporting institutions**

The Secretary General COBAC addressed to all the liable institution by a letter dated 11th February 2021, for Remind that in line with the applicable regulation, the General Director and the Deputy Director General must be bound to the establishment by a Mandate given by the Board of Directors and not by an employment contract. This letter was also opportunity for him to invite institutions to regularize their situation.

- ❖ **COSUMAF Press Release No.01/21 of 08 February 2021**

By this release dated on February 08, 2021, COSUMAF informs economic stakeholders that the official mode of transmission of documents to be instructed is the postal route or express mail.

- ❖ **Decree N°2020/798 of 29 December 2020 ratifying the agreement between the Government of the Republic of Cameroon and the Government of the United Arab Emirates on air services between their respective territories and beyond.**

This decree formalizes the acceptance by the State of Cameroon of the agreement signed with the Arab Emirates within the framework of air services between their territories and beyond.

- ❖ **COBAC Regulation R-2020/04 dated 30 July 2020 relating to the minimum guaranteed banking service**

This regulation, adopted on July 30, 2020, precisely defines the transactions that fall within the scope of the minimum guaranteed services for in-scope financial institutions as well as the effective dates of their entry in force.

- ❖ **COBAC Regulation R-2020/05 dated July 3, 2020 relating to the specific obligations of institutions subject to regulation for the protection of consumers in the provision of payment services.**

By this regulation, COBAC defines the obligations of the institutions subject to the regulation in order to guarantee the protection of consumers of payment products/services.

- ❖ **Decree N°2020/800 of 29 December 2020 ratifying the cooperation agreement on migration between the Government of the Republic of Cameroon and the Swiss Federal Council.**

On December 29, 2020, the State of Cameroon officially ratified the cooperation agreement with the Swiss Federal Council on September 26, 2014.

# CALENDAR OF YOUR OBLIGATIONS FOR THE MONTH

## Legal Obligations

OBLIGATION	RESPONSIBLE	APPLICABLE LAW	DEADLINE
Filing of Financial Statements at the Court Registry	Each local entity	Article 269 UACCEIG	D+30 after AA

## Tax Obligations \*

NATURE OF TAX	TAX	APPLICABLE LAW	DEADLINE
Monthly declaration of taxes and duties for companies under permanent contracts in Douala, Yaounde, Bamenda and Limbe for the month of February.		Radio/press release n°00000025/MINFI/DGI/CIC of the Minister of Finance dated 11 January 2021	31 March
Company Income Tax (CIT)	<p>CIT rate : 33% for companies with more than 3 billion in turnover and 30.8% for others</p> <p>Monthly Advance CIT:</p> <ul style="list-style-type: none"> <li>▪ 2.2% or 5,5% of the Turnover</li> <li>▪ 15,4% gross margin (administered margin sector)</li> </ul> <p>Withholding tax on purchases:</p> <ul style="list-style-type: none"> <li>▪ 2%, 5%, 10%, 15%, 20%</li> </ul>	<p>Article 17 of GTC</p> <p>Article 21 of GTC</p>	No later than the 15th of the month following the reporting month.

	14% gross margin (administered margin sector)		
CIT Withholding tax for service providers	Tax 5,5%	Article 92(a) of GTC	No later than the 15th of the month following the reporting month
Value Added Tax (VAT)	Local/Import = 19,25% Export = 0%	Article 142(a) paragraph 3 of GTC CGI	No later than the 15th of the month following the reporting month
Income from Stocks and Shares (IRCM)	16.5%	Article 70 of CGI	No later than the 15th of the month following the reporting month
Special Income Tax (TSR)	General Rate: 15% Medium Rate : 10% Reduced Rate : 5% Super reduced Rate: 2%	Article 225 of GTC	No later than the 15th of the month following the reporting month
Annual Tax Declaration (DSF)  Transfer Pricing Documentation		Article 18 of GTC	No later than 15th March
Personal Income Tax (IRPP)	According to a scale (11% to 38,5%)	Articles 69 and 71 of GTC	No later than the 15th of the month following the reporting month
Audiovisual Tax (RAV)	According to a scale	Ord. N°89/004 of 12 December 1989	No later than the 15th of the month following the reporting month
Employers contribution to land tax (CF/ part patronale)	Tax rate : 1,5 %	Law n ° 77/10 of July 13, 77 modified by Law n ° 90/050 of December 19, 1990	No later than the 15th of the month following the reporting month
Employees Contribution to land tax (CF/ part salariale)	Tax rate : 1 % Base of calculation IRPP	Law n ° 77/10 of July 13, 77 modified by Law n ° 90/050 of December 19, 1990	No later than the 15th of the month following the reporting month
National Employment Fund (FNE)	Tax rate : 1 %	Law n ° 77/10 of July 13, 77 modified by Law n ° 90/050 of December 19, 1990	No later than the 15th of the month following the reporting month
Family Allowance (AF)	7% pensionable salary capped at 750,000 FCFA monthly	Article 2 of Decree 2016/072 of 15 February concerning rates of social security contributions	No later than the 15th of the month following the reporting month

Old Age Pension Allowance (PVID)	8.4% (Employer 4.2% and Employee 4.2%)  pensionable salary capped at 750,000 FCFA monthly	Article 3 of Decree 2016/072 of 15 February concerning rates of social security contributions	No later than the 15th of the month following the reporting month
occupational diseases and industrial accidents allowance (AT)	Group A : 1,75%  Group B : 2,5%  Group C :5%	Article 8 of Decree 2016/072 of 15 February concerning rates of social security contributions	No later than the 15th of the month following the reporting month
Union dues	1% of the phased categorical salary of the worker	Article 21 Decree No.72 / 610 of 3 November 1972	No later than the 15th of the month following the reporting month
Excise Duties (DA)	<b>DA Ad valorem</b>  Tax (variable according to the nature of the product) :  25 %; 12,5 %; 5%; 3%; 0,5%  <b>DA on tobacco and alcoholic drinks</b>  <b>DA specific to non-returnable packaging</b>	Article 142 of GTC	No later than the 15th of the month following the reporting month

**\*Note the existence of specific tax regimes resulting from tax treaties, oil / mining / gas codes, and private investment incentives in Cameroon.**

## PREVISIONNEL PLANNING - LEGAL CLINIC GICAM

THEMES	Date
Amicable resolution of commercial disputes	24th February
Managing relations with administrations	25th February
Tax litigation: procedure, what does the law say if you want to challenge a decision of the tax administration after a check?	03 March
Understanding and mastering customs litigation	10th March
The company's survival in times of crisis: corporate restructuring	17th March
Best practices for optimal management of relations with economic partners in times of crisis (suppliers, creditors, customers).	24 March
Intellectual property: trademark protection, neighboring rights, corporate responsibilities, what to know?	31 March
Rights and obligations related to assets	07 April
Mastery of legal structures and corporate governance: OHADA requirements for companies, what should they put in place?	14th April
Key clauses in contracts for service providers	21 April