



**TAX AND LEGAL  
NEWSLETTER**

**October  
2019**

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#### RECENTLY PUBLISHED:

- ❖ **Circular N°032/MINFI/DGI/LRI/L of October 04, 2019 specifying the methods of application of the fiscal provisions of the Law N°201/022 on the Finance Law for the fiscal year 2019**

The General Tax Directorate **has finally made public its implementing Circular specifying the fiscal provisions of the Finance Law for 2019.** As usual, this Circular comments and clarifies the new tax provisions introduced in the General Tax Code by the aforementioned financial law.

- ❖ **COBAC Regulation R-2019/01 dated September 23, 2019 relating to the approval and changes of situation of Payment Service Providers (PSP)**

Through the new COBAC Regulation R-2019/01, the Central African Banking Commission (COBAC, in French) has set the rules for obtaining approval to operate as a PSP (applicable to the credit institution, microfinance institution, and payment institution), as well as the conditions to the modification of their legal situation.

- ❖ **COBAC Regulation R-2019/02 of 23 September 2019 on prudential standards for payment institutions**

Through COBAC Regulation R-2019/02, COBAC has just set the minimum share capital of payment institutions at 500,000,000 XAF. The Regulations also specify the management and operating rules that they must be complied with in order to guarantee their liquidity, solvency, the balance of their financial situation and the sustainability of their activities.

- ❖ **COBAC Regulation R-2019/03 dated September 23, 2019 on the**

#### **procedures for the application and recovery of financial penalties by the Banking Commission of Central Africa**

Pursuant to Regulation No. 04/18 / CEMAC / UMAC / COBAC relating to payment services, the new COBAC Regulation R-2019/03 clarifies the nature and types of offenses that may be committed by PSP, as well as the related penalties or sanctions.

- ❖ **COBAC Regulation R-2019/04 dated September 23, 2019 on the methods of publication of the disciplinary and pecuniary sanctions pronounced by the Banking Commission of Central Africa**

By this Regulation R-2019/04, COBAC specifies that in addition to the traditional means of publication of penalties imposed on financial holding companies, credit institutions, microfinance institutions, payment institutions, their auditors and management structures i.e. board of directors/managing directors, etc. (publication in official journal of the CEMAC, the domiciliary state, etc.), it may also require the publication of the sanction imposed on the website of the latter.

- ❖ **Order N°00000508/MINFI/DGD of the Directorate General of Customs dated September 30, 2019 fixing the parity of the main foreign currencies and currency of the Franc zone**

Note, the update by the Customs, for the period going from 06 October 2019 to 06 January 2020, of exchange parities between the foreign currencies and XAF.

#### **Other publications :**

**Resolutions of the Ordinary Session of October 02, 2019 of the Ministerial Committee of the UMAC**



To be continued...

#### **What's new at GICAM?**

*The GICAM Arbitration Center (CAG) becomes the GICAM Mediation and Arbitration Center (CMAG).*

*The conference to present this reform is scheduled for November 07th, 2019.*

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## 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
Company Income Tax (CIT)	CIT Rate 33%  Monthly Advance CIT: <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> Withholding tax on purchases: <ul style="list-style-type: none"> <li>▪ 2%, 5%, 10%, 15%, 20%</li> <li>▪ 14% gross margin (administered margin sector)</li> </ul>	Article 17 of GTC  Article 21 of GTC	No later than the 15th of the month following the reporting month.
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%	Article 225 of GTC	No later than the 15th of the month following the reporting month
Annual Tax Declaration (DSF)		Article 18 of GTC	No later than 15th March
Transfer Pricing Documentation			

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

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### TAX OBLIGATIONS

NATURE OF TAX	TAX	APPLICABLE LAW	DEADLINE
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 : 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 : 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 : 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