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NEWSLETTER

Tax and Legal

October
2020

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RECENTLY PUBLISHED:

Tax

❖ **Joint release OF MINFI-MINPOSTEL N°000044 of 28 September 2020 on the new system for collecting customs duties and taxes on telephones and telephone terminals by digital means**

A joint release of MINFI and MINPOSTEL dated 29 September 2020 announced the effective implementation, as of 1 October 2020, of the system for collecting customs duties and taxes digitally on mobile phones, tablets and telephone terminals. It should be noted that this is an application of Article 7 of the Finance Act for the 2019 financial year. Please consult the press release for the relevant details.

❖ **Ministerial Instruction n°0000221/MINFI/CAB/DGD/DG I/DGTCFM of August 12, 2020 specifying the procedures for shipping and exporting locally produced manufactured products.**

By instruction dated 12 August 2020, the Minister of Finance specifies the procedures applicable to shipments and exports of locally produced manufactured products, including the rules for clearing declarations and release of deposits, and for issuing certificates of shipment or export for the purposes of VAT credit refunds.

❖ **Press release n°0000807/MINFI/DGI/DEPRF of 28 July 2020 on the registration of taxpayers**

In this press release, the Minister of Finance extended to 1 January 2021 the mandatory deadline for the production of NIU or the tax registration certificate for operations of an economic nature.

❖ **Circular n°001/CAB/PRC of 10 July 2020 relating to the preparation of the State budget**

❖ **for the financial year 2021**

Circular dated 10 July 2020 gives the main guidelines relating to the State budget for the financial year 2021. It is noted that the State intends, among other things, to curb the adverse effects of the COVID 19 pandemic, pursue the implementation of a customs policy to encourage the industrialization of Cameroon, as a prelude to the implementation of the African Continental Free Trade Zone, and optimize oil revenues while promoting a fiscal environment conducive to business development.

❖ **Order N°00000711/MINFI/DGD of 09 July 2020 fixing the parity of the main foreign currencies and the currency of the Franc zone**

By this decree, the parity between the main foreign currencies and the currency of the Franc zone was updated for the period from 07 July 2020 to 07 October 2020.

❖ **Abolition of customs duties on various products in Cameroon**

Since 04 August 2020, the third stage of tariff dismantling of products eligible for trade preferences under the stepping stone agreement towards the Economic Partnership Agreement (EPA) between the European Union and Cameroon has been initiated. At this stage, there is a discount of 10% per year on customs duties for products with high fiscal returns such as fuel, cement, passenger and passenger transport vehicles and motorbikes.

For further information :

Please note the effective implementation of the OTP (Online Tax Payment) system.

Other legislation

❖ **Decree N°2020/375 of 07 July 2020 on the general regulation of public accounting.**

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RECENTLY PUBLISHED:

Legal

- ❖ **Decree of 19 August 2020 on the creation, organization and operation of the Electricity Sector Development Fund (ESDF)**

On 19 August 2020, the President of the Republic created a special trust account for the financing of the electricity sector called the Electricity Sector Development Fund (ESDF). This fund will be financed, among others, by the annual contributions of operators holding a title of concession or license in the electricity sector, up to 1% of their annual turnover excluding taxes. Please consult the relevant decree.

- ❖ **Release of 10 August 2020 relating to the 35th session of the Council of Ministers of the Economic Union of Central Africa (UMAC)**

The UMAC Council of Ministers announced the abolition of roaming charges within CEMAC as of 1 January 2021. On the same occasion, the UMAC Council of Ministers adopted the Community regulation establishing free roaming. This is not available at this time.

- ❖ **Circular letter N°011/GR/2020 of 6 August 2020 on the implementation of the eTransfer application**

By this letter, the Governor of the BEAC brings to the attention of all economic agents the implementation of the eTransfer application since 1st September 2020, via the address <https://portail.beac.int:444/login>. This application intervenes in the dynamics of dematerialisation of the process of analysis of transfer requests outside the zone.

- ❖ **COBAC Decision D-2020/104 of 30 July on measures to adapt the prudential regulations applicable to institutions subject to COBAC**

In addition to the temporary exemptions granted by COBAC on 15 April 2020, the Banking Commission adopted, on 30 July 2020, measures to adapt the prudential regulations applicable to institutions subject to COBAC, in particular credit institutions and microfinance institutions. It should be noted that the measure suspending the distribution of dividends for the financial years 2020 and 2021 should be maintained.

Do not miss to consult the related decision for all the measures taken.

Other texts

- ❖ **Law N°2020/010 of 20 July 2020 governing statistical activity in Cameroon ;**
- ❖ **Law N°2020/005 of 20 July 2020 authorizing the President of the Republic to ratify the protocol for the elimination of illicit trade in tobacco products;**
- ❖ **Law N°2020/009 of 20 July 2020 to amend and supplement certain provisions of Law N°90/053 of 19 December 1990 relating to freedom of association.**

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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"> ▪ 2.2% or 5,5% of the Turnover ▪ 15,4% gross margin (administered margin sector) Withholding tax on purchases: <ul style="list-style-type: none"> ▪ 2%, 5%, 10%, 15%, 20% ▪ 14% gross margin (admsinstered margin sector) 	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% 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

*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)	DA Ad valorem Tax (variable according to the nature of the product) : 25 %; 12,5 %; 5%; 3%; 0,5% DA on tobacco and alcoholic drinks DA specific to non-returnable packaging	Article 142 of GTC	No later than the 15th of the month following the reporting month