ANNEX

ANNEX I
LEGISLATIVE PART

LAW No 77/10 OF 13 JULY 1977 TO INSTITUTE A HOUSING FUND TAX AMEND AND SUPPLEMENT LAW No 77–27 OF 6 DECEMBER 1977, LAW No 90–50 OF 19 DECEMBER 1990 THE NATIONAL ASSEMBLY DELIBERATED AND ADOPTED;

THE PRESIDENT OF THE REPUBLIC ENACTS THE LAW SET OUT BELOW:

Section 1 (New law No 90–50 of 19 December 1990).- This Law institutes taxes on wages paid out to be known as the Housing Loans Fund Tax and the Employment Fund Tax.

Section 2 (New Law No 90-50 of 19 December 1990)

(1) The proceeds from the Housing Loans Fund Tax, shall serve as a source of revenue for the Housing Loans Fund, the purpose of which is to give financial assistance to housing development projects.

(2) The proceeds from employment Fund Tax shall serve as a source of revenue, for the National Employment Fund, the purpose of which is to promote employment in Cameroon.

Section 3 (New Law No 90-50 of 19 December 1990)

(1) All wage-earners and employers in both the public and private sectors shall be subject to Housing Loans Fund, and the Housing Loans Fund Tax.

(2) All employers in public, semi-public and private sectors shall be liable to the Employment Fund Tax.

(3) Notwithstand the provisions of subsections 1 and 2 above, the following shall be exempted from the tax paid by employers to National Employment Fund:

- the State;
- councils;
- the Chamber of Commerce and Industry and the Chamber of Agriculture;
- the Diplomatic and Consular Missions;
- non-profit-making Associations and Bodies;

- and subject to conditions to be determined by decree;
- individual farmers and livestock breeders;
- private educational institutions;
- denominational hospital establishments;
- professional and lay social welfare institutions.

Section 4 (New Law No 77-27 of 6 December 1977).- The tax shall be levied as follows:

- as regards wage-earners, on the gross amount which serves as the basis for calculating the proportional tax;
- as regards employers, on the amount of wages, allowances, and perquisites as well as the real value of the benefits in kind in the form of housing, domestic servants, water, electricity, and food, paid or granted to their personnel.

Section 5 (New Law No 77-27 of 6 December 1977).- The following shall not be taxed:

- family allowances;
- pensions and life annuities;
- the wages of domestic servants;
- workers earning low wages under conditions to be fixed by decree.

Section 6 (New Law No 90-50 of 19 December 1990)

(1) The rate of the Housing Fund Tax shall be fixed at 1% for wage-earners, and at 1,5% for employers.

(2) The rate of the Employment Fund Tax shall be fixed at 1%.

(3) The amount on which the tax is levied shall be rounded to the nearest thousand francs below.

Section 7 (New Law No 90-50 of 19 December 1990)

(1) The tax paid by wage-earners to the Cameroon Housing Loans Fund shall be deducted at source by the employer and paid into the treasury, concurrently

with the tax paid to the National Employment Fund, within 20 (twenty) days from the end of the month for which the wages were paid.

Section 8 (New Law No 90-50 of 19 December 1990).-

(1) Taxes payable to the Cameroon Housing Fund, and National Employment Fund, shall be assessed on the basis of a return made by the employer on forms supplied by the Government. Such forms may be obtained from the Treasury accountant or from the Tax Inspectorate.

(2) The returns must contain the following information:

- full name or the firm's name;
- address;
- period of assessment;
- total gross amount of wages paid;
- amount of tax paid by the employer to Housing Loans Fund;
- amount of tax paid by wage-earners and deducted at source;
- amount of tax paid by the employer to National Employment Fund.

The returns, which shall be attached to the receipts showing payments made, must be certified, dated and signed by the taxpayer or his authorized representative.

Section 9 (New Law No 90-50 of 19 December 1990).- Any natural person or corporate body liable, as an employer, to the Cameroon Housing Fund and the National Employment Fund Taxes shall be bound to submit to the Tax-Inspector each year, within the time-limit allowed for the return of trading results, a statement showing the monthly or quarterly amount, as the case may be, of:

- wages paid;
- the amount of the tax paid by wage-earners and deducted at source;
- the amount of the tax paid by employers to the Housing Loans Fund and the National Employment Fund;
- the date and the numbers of the receipts for each payment made.

Section 10 (New Law No 90-50 of 19 December 1990)

(1) Any person failing to make the said return within the time-limit prescribed in Section 9 above shall be punished with a fiscal fine of 10, 000 francs.

(2) Any tax payable by employers to the Cameroon Housing Loans Fund and the National Employment Fund, and not paid up within the time-limit provided for by Section 7 of the present law shall be subject to interest at the rate of 1% per month or fraction of month as per delay in payment.

Section 11.- Any person making inadequate returns shall be liable to the following penalties:

i - Where the good faith, of the taxpayer is presumed or established, interest for delayed payment at the rate of 1% shall be charged on any sum in arrears.

ii - Where good faith is neither presumed nor established, the amount of the taxes in question shall be increased by 50%. They may be doubled in the case of fraudulent operations.

Section 12

(1) Failure to pay the sums deducted from the wages of employees, shall be punished by the payment of penalty of 25% and of interest for delayed payment at the rate of 10% per month, subject to a minimum of 1, 000 francs and a maximum equal to 100% of the amount of the deductions.

(2) As regards the tax payable by employers, only the 25% penalty shall apply.

Section 13.- Any taxpayer who, after receiving formal notice, does not produce the return within thirty days, shall be subject to arbitrary assessment and the amount due shall be increased by 50%. They may be doubled if the taxpayer cannot establish his good faith.

Section 14 (New Law No 90-50 of 19 December 1990).- In the event penalization and where the taxpayer established his good faith, the Director of Taxation shall have the power to effect a compromise where the amount of the penalty is less than 5, 000, 000 (five million) francs. For any amount above this sum, only the Minister in charge of Finance shall have competence to decide.

Section 15 (New Law No 90-50 of 19 December 1990)

(1) The rules concerning to make deductions, and the transfer or discontinuance of an undertaking shall be those applicable to DIPE in respect of tax paid by wage-earners.

(2) As regards the tax paid by employers to the Cameroon Housing Fund and the National Employment Fund, the provisions of Section 143 of the General Tax Code shall apply in the event of transfer of undertaking, discontinuance of activity or death.

Section 16 (New Law No 90-50 of 19 December 1990).- The decrees to lay down the conditions of implementations of Law No 77/10 of 13 July 1977 to institute a Housing Loans Fund Tax, are applicable to tax paid by employers to the National Employment Fund.

Section 17.- This law shall be registered, published according to the procedure of urgency and inserted in the official Gazette in French and English.

Yaounde, the 13 July 1977

The President of the Republic,
Ahmadou Ahidjo

ORDINANCE No 89/004 OF 12 DECEMBER 1989 TO INSTITUTE AN AUDIOVISUAL COMMUNICATION TAX

THE PRESIDENT OF THE REPUBLIC

Mindful of the Constitution;

Mindful of Law No 87/19 of 17 December 1987 to lay down the regulations governing Audiovisual Communication in Cameroon;

Mindful of Law No 87/20 of 17 December 1987 to set up the Cameroon Radio Television Corporation;

Mindful of Law No 89/1 of 1 July 1989 finance Law of the Republic of Cameroon for Financial year 1989/90,

HEREBY ORDERS AS FOLLOWS

Section 1.- A tax aimed at contributing to the development of audiovisual activities is hereby instituted for the benefit of the Cameroon Radio-Television Corporation (CRTV).

Section 2.- The following shall be subject to the audiovisual communication tax:

- employees of the public, semi-public and private sectors;
- natural persons and corporate bodies who pay the business licence.

Section 3

(1) The basis for calculating the audiovisual communication tax, to be paid by employees, shall be the gross amount on which the proportional tax on salaries is calculated.

(2) The fixed monthly amounts of the audiovisual communication tax for employee shall be as follows:

Tranche			Redevances
from 0	to	50,000 Fcfa	0
from 50,001	to	100,000 Fcfa	750
from 100,001	to	200,000 Fcfa	1,950
from 200,001	to	300,000 Fcfa	3,250
from 300,001	to	400,000 Fcfa	4,550
from 400,001	to	500,000 Fcfa	5,850
from 500,001	to	600,000 Fcfa	7,150
from 600,001	to	700,000 Fcfa	8,450
from 700,001	to	800,000 Fcfa	9,750
from 800,001	to	900,000 Fcfa	11,050
from 900,001	to	1,000,000 Fcfa	12,350
above		1,000,000 Fcfa	13,000

Section 4

(1) The audiovisual communication tax payable by natural persons and corporate bodies subject to the business licence, shall be assessed on the basis of the same rules, gurarantees, and penalties applicable to the business licence.

(2) The fixed annual amount of the audiovisual communication tax payable by the natural persons, and corporate bodies referred to above shall be equal to the prime amount of the business licence which they are liable to pay.

Section 5.- The audiovisual communication tax shall be deductible from personal income tax and company tax.

Section 6.- The following shall be exempted from the audiovisual communication tax:

- pensions and annuities;
- wages of household servants;

- wages of workers of individual agricultural or pastoral concerns;

- natural persons and corporate bodies shall be exempted from paying the business licence under the provisions of the General Tax Code.

Section 7.- The audiovisual communication tax, payable by employees shall be deducted at source by the employer, who shall pay the money to the appropriate Treasury within the first twenty days of the month, for salaries and wages paid during the preceding month.

Section 8

(1) The audiovisual communication tax due by employees shall be paid upon the presentation of a declaration of the said tax signed by the employer on forms supplied by the administration. The forms may be obtained from the Treasury or from the services of the Department of Taxation.

(2) The declaration shall have the following entries:

- full name or business name;

- address;

- period of assessment;

- amount of the audiovisual communication tax deducted at source.

(3) The declaration must be certified, dated and signed by the taxpayer or his authorized representative.

(4) Three copies of the declaration must be attached to the payment made to the Treasury.

(**5)** Where the employer fails to declare the audiovisual communication tax payable by his employees, he shall be liable to a fine of 10, 000 francs.

Section 9.- Any natural person or corporate body liable to the audiovisual communication tax, shall be required to submit to the Taxation Services each year and within the time limit allowed for their turnover a statement showing the monthly and individual amounts of the audiovisual communication tax, the date and the number of the receipt for each of the payment.

Section 10.- Failure to deduct or pay the audiovisual communication tax due by employees, or the late payment thereof shall come under the same penalties applicable to the direct tax on salaries and wages.

Section 11.- The audiovisual communication tax corresponding to the business licence shall be paid at the same time as the business licence, on the basis of the same rules guarantees and penalties.

Section 12

(1) The proceeds from the audiovisual communication tax shall be paid into a special account opened at the Treasury for the benefit of CRTV.

(2) The conditions for operating the account shall be laid down by an order of the Minister in Charge of Finance.

Section 13.- This ordinance shall be registered and published in the Official Gazette in English and French.

Yaounde, 12 December 1989

The President of the Republic,
Paul Biya

LAW No 2001/017 OF 18 DECEMBER 2001 TO REVIEW THE PROCEDURES FOR THE COLLECTION OF SOCIAL INSURANCE CONTRIBUTIONS

THE NATIONAL ASSEMBLY DELIBERATED AND ADOPTED,
THE PRESIDENT OF THE REPUBLIC HERBY EN ACTS
THE LAW SET OUT BELOW

Section 1.- This law reviews the procedures for the collection of social insurance contributions.

Section 2.- Contributions owed to the body in charge of social insurance by employers, shall be assessed, validated, and collected by the tax authority at the request of and for the National Social Insurance Fund under the same conditions and within the same deadlines as those provided for by the General Tax Code.

Section 3.- The basis of assessment of social insurance contributions shall be fixed in accordance with the assessment regulations governing social legislation.

Section 4.- Social insurance contributions already validated, and finally notified to the employers before the enactment of this law shall be recovered under the same conditions as those provided for in Section 2 above.

Section 5.- The conditions for implementing this law shall be laid down by joint order of the Minister in Charge of Social Insurance and the Minister in Charge of Finance.

Section 6.- This law which repeals all previous provisions repugnant hereto shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French.

Yaounde, 18 December 2001

The President of the Republic,
Paul Biya

LAW No 2009/018 OF DECEMBER 2009 FINANCE LAW OF THE REPUBLIC OF CAMEROON FOR THE 2010 FINANCIAL YEAR

(OTHER FISCAL AND FINANCIAL PROVISIONS)

Section 7

(1) The assessment and collection of transit duty on pipeline oil shall come under the jurisdiction of the customs Administration.

(2) The conditions of application of these provisions shall be laid down by regulation.

Section 8.- Proceeds of additional council taxes derived from value-added tax shall be entirely transferred to regional and local authorities.

Section 9.- The value-added tax applied to the price components of a taxable transaction for December 2009 shall be deductible by one-twelfth until the end of the 2010 financial year.

Section 10

(1) A legal depreciable and non-depreciable tangible asset revaluation regime is hereby instituted.

(2) Any natural person or corporate body subject to the actual assessment regime shall be eligible for the revaluation regime referred to in subsection (1) above.

(3) Any natural person or corporate body that voluntarily carried out the revaluation of its fixed assets during the last four financial years shall be exempt from the obligation to carry out revaluation provided for in subsection (1) above.

(4) Revaluation shall be carried out no later than 31 December 2012.

(5) Revaluation shall not be partial or spread out. It shall be subject to a return appended to the Tax and Statistical Return for the financial year in which it was conducted.

(6) The revaluation surplus shall be subjected to a 10% levy in discharge from any other tax, duty, fee and royalty.

(7) The conditions of application of the provisions of this Section shall be laid down by regulation, where necessary.

Section 11.- The stipulation of section sixteen of the law No. 95/010 of 1 July 1995 on the finance law of the Republic of Cameroon for the 1995/1996 fiscal year instituting the tax payer's card are modified as follows.

Section 16.- (new) ……
.....……
……
……

The deliverance of the Tax Payer's Card as well as its renewal is free.

LAW No 2010/015 OF DECEMBER 21, 2010 INSTITUTING THE FINANCE LAW OF THE REPUBLIC OF CAMEROON FOR THE 2011 EXERCISE

CHAPTER THREE

PROVISIONS RELATING TO THE GENERAL TAX CODE

SECTION THREE:

Sections 3, 8 a, 21, 25, 27, 81, 82, 87, 92, 92 a, 111, 118, 119, 127, 128, 138, 142, 149, 150, 225, 230 a, 236, 262, 319, 546, 592, 597, 614, M 2, M 7, M 12, M1, M 15, M 24, M 26, M 40, M 42, M 49, M 74, m 75, C 4, C 24, C 26 , C 55, C 56 a, C 116, C 119, C 124, C 125, C 127, C 132, C 133 of the General tax Code are amended and/or supplemented as follows:

BOOK ONE

TAXES AND DUTIES

I: DIRECT TAXES

Section 3

……
……

(5) Micro finance establishments.

Section 8 a.- The charges referred to in Section 7 above of an amount equal to or greater than 1,000,000 (one million) CFA francs shall not be subject to deduction when paid in cash.

Section 21

……
……

(2) The 1% instalment referred to in subsection (1) above shall be deducted at source by public accountants and persons ranking as such during the settlement

of bills paid from the budget of the State, regional and local authorities, administrative public establishments, enterprises of the public or semi-public sector as well as certain enterprises of the private sector, the list of which shall be drawn up by regulation.

……
……

(3) The following transactions consisting in importing or purchasing good for resale ‘‘as is” shall be subject to advance payment of 1% of the amount derived there from:

- Importation of good by traders, with the exception of those under the Specialized Management Units of the Directorate General of Taxation.

The rest shall remain unchanged.

Section 25.- ……
……

(5) The staff of international organizations and diplomatic and consular missions recruited locally or not and not having the status of diplomatic personnel pursuant in international conventions shall automatically be liable to personal Income Tax in Cameroon.

Section 27.- The following persons shall be exempt from Personal Income tax:

(1) The head of diplomatic missions, consuls, personnel of diplomatic and consular missions of foreign nationality holding a diplomatic card issued by the Ministry of External Relations, but only in so far as the countries represented by the said diplomatic and consular missions grant similar benefits to Cameroonians diplomatic and consular personnel;

(2) Staff members of international organizations with diplomatic status, but only insofar as the Establishment Convention or headquarters Agreement of such international organizations explicitly makes provision of such exemption;

(3) The administrative and technical staff of diplomatic missions, consular posts and international organizations where it is established that they are subject to income tax in their countries of origin;

(4) Natural person, exclusively for their activities that are subject to the discharge tax.

Section 81.- ……..……

(2) Notwithstanding the provisions of sub-section 1 above and Section 74, the local staff of the international organizations and diplomatic and consular missions referred to in section 27 of this Code shall directly file their income tax returns with the tax office having territorial jurisdiction. To this end, the tax authority shall provide the persons concerned with the corresponding forms.

Similarly, such local staffs are required to file, no later than 15 March of each year, with the Taxation Center of the place of the taxation, a detailed statement of income they received during the past year on a form provided by the tax authority.

Section 82.- Personal income tax deducted at source in the manner stipulated in Section 81 above shall be paid no later than the 15th of the following month at the taxation Office of the registered of the employer's establishment.

However, revenues not having been subject to such deduction shall be declared and the tax paid no later than the 15 march of the year at the taxation Office with jurisdiction on a form provided by the tax authority.

Section 87.- A 10% deduction at source shall be levied on net real estate income calculated in compliance with the provisions of the section 48 of this Code.

……
……...……

Rents paid to enterprises assessed on the basis of actual earnings and depending solely on the specialized management units shall be exempt from the deduction.

Section 92.- The down payments referred to in section 91 above shall be deducted at source by public accountants and persons ranking as such during the settlement of invoices charges to the State budget, regional and local authorities, administrative public establishment, and companies with partly or entirely public capital and private sector enterprises the list of which shall be drawn up by regulation.

Section 92 a.- A 5% down payment deducted at source shall be levied by the State, regional and local authorities, administrative public establishments, companies with partly or entirely public capital and private enterprises on the honorarium, commissions, emoluments and remuneration for services provided occasionally or not, paid to individuals or legal entities domiciled in Cameroon.

Such down payment shall be paid to the Taxation Office with jurisdiction no later than the 15th of the month following the settlement of the invoice against the issue of a receipt.

Section111.- ……
……

(2) Provided that the following shall be exempted from company tax, tax on income from movable capital or any other similar tax or deduction.

Section118 (1)……
……

(2) Natural persons or legal entities who realize an annual turnover, net of taxes, of less than or equal to 100 (one hundred) million CFA francs may be members of the Approved Management Centers.

Section 119.- (1) Members of Approved Management Centres shall be entitled to a 50% discount on the declared taxable profit.

(2) A member shall forfeit the right to the benefits provided for in Subsection (1) above where his profit or income tax return is not filed on schedule.

PART II

PROVISIONS RELATING TO VALUE ADDED TAX AND EXCISE DUTY

Section 127.- The following transactions shall be taxable

……
……

(5) Real estate transactions carried out by real estate developers. The following shall be considered real estate developers:

- institutional developers;
- persons approved for the profession of real estate developer under the conditions laid down by the law in force;
- people who usually engage in transactions as intermediaries for the purchase or sale of real estate or business assets, share or share in real estate companies;
- people who usually purchase, on their belief, real estate or business assets, shares or shares in real estate companies for resale;
- people who usually parcel and sell, after carrying out development work, land acquired in return for payment;
- persons who usually engage in the leasing of commercial or industrial establishments provided with furniture and equipment necessary for their operation, whether the lease includes or not all or part of the intangible assets of the business or industry;

The rest shall remain unchanged.

Section 128.- The following shall be exempted from value added tax (VAT):

……
……

(16)Subject to reciprocity, headquarters agreement and quotas laid down by the Cameroonians authorities, all goods and services destined for the official use of foreign diplomatic and consular missions and international organizations, under conditions laid down by regulation.

Section138

(1) ……

……

(3) The basis of assessment for VAT and Excise Duty on imports of the following alcoholic beverages and tobacco products shall be the taxable value as defined by articles 23 to 48 of the CEMAC Customs Code.

Tariff No	Tariff description
……	……
240210	Cigars and cigarillos containing tobacco
240220	Cigarettes containing tobacco, like Aspen, Fine, Business Club, delta and others
240220	Cigarettes containing tobacco, like Benson, Malboro, Dunhill, craven, Rothman and others
240290	Other cigars, cigarillos and cigarettes of tobacco or tobacco substitutes
240310	Smoking tobacco whether or not containing tobacco substitutes in any proportion
240399	Other tobacco and substitutes
240399	Chewing tobacco and snuff
240399	Other manufactured tobacco

LAW N° 2011/020 OF 14 DECEMBER 2011 ON THE FINANCIAL LAW OF THE REPUBLIC OF CAMEROON FOR THE 2012 FINANCIAL YEAR.

CHAPTER THREE

PROVISIONS RELATING TO THE GENERAL TAX CODE

Section five

The provisions of sections 8 (a), 8 (b), 21, 22, 42, 52, 54, 58, 60 to 65, 65 (a), 68, 69, 70, 73, 91, 93 (b), 93 (c), 93 (d), 93 (e), 93 (f), 93 (g), 93 (h), 108, 115, 125, 128, 132, 143, 149, 150, 152, 225, 346, 560, M 1, M 1(a), M 1(c), M 19 (a), M 40, M 99, M 100, C 11, C 15, C 45, C 46, C 47, of the general tax code shall be supplemented and/or amended as follows:

BOOK ONE

TAXES AND DUTIES

PART I

DIRECT TAXES

Section 8 (a).- (1) the expenses referred to in section 7 ……
……
……
……
……

(2) The following taxes shall also be non-deductible:

- Expenses supported by invoices not bearing a single Identification number on the tax payers card, to the exclusion of invoices submitted by foreign suppliers;

- Expenses relating to remunerations of all kinds paid to liberal professionals exercising in violation of the regulations governing their respective profession.

Section 8 (b) (new)

(1) the cost and remunerations of all types posted in the accounts records by a natural persons or legal entity resident or established in Cameroon and linked to transactions with natural persons or legal entities resident or established in a territory or state considered to be a tax haven, shall not be deductible in determining the company tax or income tax of individuals in Cameroon.

(2) However, property and merchandise required for production purchased in their country of production and which have been cleared at the customs, as well as remuneration for services rendered in relation thereto shall be deductible.

(3) Any state or territory wherein the tax on income of a natural person or legal entity is less than a third of that paid in Cameroon, or any state territory considered not to be co-operative in matters of transparency or exchange of information required for fiscal purposes by international financial organizations shall be considered a tax haven.

IX. PAYMENT

Section 21.- (1) Company tax shall be paid of the tax payer's accord as follows:

- For persons assessed on the basis of actual earnings, a dow payment representing 1 % of the turnover realized during each month shall be paid no later than the 15th of the following month. Such down payment shall be increased be 10_ as levy for additional council tax;

- For persons under the simplified system, a down payment representing 3% of the turnover realized during each month by non-importing traders, and 5 % of the turnover realized during each month by producers, service providers and importing traders shall be paid no later than the 15tyh of the following month. Such down payment shall equally be increased by 10 _ as levy for additional council tax;

- ……
……
……
……

(3) The following transactions consisting in importing or purchasing good for resale "as is" shall be subject to advance payment of 5 % of the amount derived there from:

……
……
…… ;

The advance payment shall be 10 % for transactions carried out by enterprises which do not hold the taxpayer's card and by taxpayers liable to the flat-rate tax engaging in import operations.

The rest shall remain unchanged.

X- TAXPAYER'S OBLIGATIONS

Section 22. (1)……
……
…….

(2)……

……
……

However, as concerns taxpayers under the simplified system, the rate shall be increased to:

- 3 % for non-importing traders;

- 5 % for producers, service providers and importing traders.

The rest shall remain unchanged.

Section 42.- Tax on income from movable capital shall be levied on the net overall capital gains arising from the transfer of stocks, bonds and other capital shares made by natural and legal persons, occasionally or habitually, either directly or through a financial establishment.

The tax must be paid prior to the registration formality using a form provided by the taxation department.

X (IV):

HANDICRAFT, INDUSTRIAL AND COMMERCIAL PROFITS

II- DETERMINATION OF BASIS OF ASSESSMENT

Section 52 (new).- (1) the taxable profit of taxpayers liable to the simplified system referred to in section 93 © below and whose turnover is no less than 10 million and below 30 million shall be calculated on the basis of the operating results posted on the taxpayers accounts kept according to the minimum cash flow system.

Where the taxpayer's turnover is above 30 million and below 50 million, the taxable profit shall be the gross surplus of revenue over the expenses required for operation calculated according to the simplified system.

The rest shall remain unchanged.

X (V):

AGRICULTURAL PROFITS

II- DETERMINATION OF BASIS OF ASSESSMENT

Section 54.- Cancelled

X (vi):

AGRICULTURAL PROFITS

II- DETERMINATION OF BASIS OF ASSESSMENT

Section 58.- Cancelled

X (VII):

PROVISIONS COMMON TO HANDICRAFT, INDUSTRIAL, COMMERCIAL, AGRICULTURAL AND NON-TRADING PROFITS

Sections 60-65.- Cancelled.

Section 65 (a).- Shall remain unchanged.

X (IX):

TAXABLE EVENTS AND LIABILITY

Section 68.- (1) personal income tax as regards salaries, wages, pensions, life annuities, income from movable capital and non-trading profits for taxpayers assessed under the simplified taxation system, as well as from property, shall fall due upon payment.

The rest shall remain unchanged.

III - TAX CALCULATION

Section 69 ……
……;

……
……;

For taxpayers assessed under the simplified system, the minimum levy mentioned above shall stand at:

- 3 % for non-importing trader;

- 5 % for producers, service providers and importing traders.

Section 70 (new).- In the specific case of income from movable capital, a 15 rate shall be applicable to taxable income.

IV- ACCOUNTING OBLIGATIONS

Section 73 (new). (1) Taxpayers liable to the simplified taxation system with a turnover of no less than 10 million and below 30 million shall prepare their accounts in accordance with the minimum cash flow requirements set out in the OHADA accounting law.

(2) Taxpayers liable to the simplified taxation system with a turnover of no less than 30 million and below 50 million shall prepare their accounts in accordance with the simplified accounting system provided for by the OHADA accounting law.

(3) Taxpayers assessed under the actual earnings regime shall prepare their accounts with the standard accounting methods set out in the OHADA law and keeping the provisions of section 19 this Code.

Section 91.- ……

(1) Simplified taxation system:

A down payment of 3% of the turnover realized each month for non-importing traders and 5 % of the turnover realized each month for producers, service providers and importing traders shall fall due no later than the 15th of the following month on the basis of a return filed on a form provided by the tax authority which shall acknowledge receipt thereof.

(2) Actual earnings taxation system:

……
……

The provisions of section 21of this Code relating to advance payment on the purchase of good shall also apply to personal income tax. However, the above-mentioned payment shall be raised to 3% for local purchases made by non-importing traders who are not assessed under the actual earnings system and 5 % for purchases made by taxpayers who are producers and importing traders not assessed under the actual earnings system.

CHAPTER III

GENERAL AND COMMON PROVISIONS ON COMPANY AND PERSONAL INCOME TAX

SECTION 1

A- TAXATION SYSTEMS

Section 93 (b).- Natural or legal persons shall be assessed according to the following systems, determined on the basis of the turnover realized:

- Flat rate taxation system;

- Simplified taxation system;

- Actual earnings taxation system.

Section 93 (c) .- (1) sole proprietorships with an annual turnover of below 10 million, except for logging companies, professional officers and liberal professions, shall be liable to the flat rate taxation system.

(2) Sole proprietorships and legal persons that realize an annual turnover equal to or more than 10 million and below 50 million, except passenger transporters, enterprises of games of chance and games of entertainment referred to in sections 93 (f) and 93 (g) of this Code shall be liable to the simplified taxation system.

However, taxpayers under the simplified taxation system that realize an annual turnover of at least 30 million may request from the competent head of the taxation centre, before 1 February of the tax year, to be assessed under the actual earnings taxation system. Such option shall be irrevocable for a period of three years and shall equally be tantamount to opting for the value added tax system.

(3) Sole proprietorships and legal persons with an annual turnover, exclusive of tax of 50 million francs and above shall be liable to the actual earnings taxation system.

Section 93 (d).- enterprises with turnover below the ceilings referred to in section 93 © above shall remain in their initial systems for a period of two years.

B- EXCEPTIONS

Section 93 (e).- in any case, the profits of the companies referred to in section 26 shall be assessed under conditions provided for in the case of sole proprietorships and legal persons, according to the actual earnings taxation system as provided for in sections 93 (b) 93 (c), except real estate non-trading companies that are assessed under income from property where they do not opt for company tax.

Associates or partners of these companies shall be deemed to have received their share of profits by the close of the company's accounting year.

Section 93 (f).- the following taxation systems shall be applicable to inter-urban passenger transporters:

(1) Notwithstanding the provisions of sections 93 (b) and 93 (c), natural and legal persons engaging in inter-urban passenger transportation using minibuses and buses with less than 50 seats and operating no more than 5 vehicles shall be assessed under the simplified taxation system.

(2) Natural and legal persons engaging in the following activities shall be liable to the actual earnings taxation system:

- inter-urban and road passenger transportation using minibuses and buses with less than 50 seats and operating more than 5 vehicles;

- inter-urban road passenger transportation using buses with at least 50 seats, irrespective of the number of vehicles.

Section 93 (g).- specific taxation system for enterprises engaging in games of chance and games of entertainment.

(1) The following natural and legal persons shall fall under the simplified taxation system: operators of baby-foot having between 10 and 25 machines, operators of pinball and video games having between 5 and 15 machines and operators of slot machines having between 3 and 10 machines.

(2) The following natural and legal persons shall fall under the actual earnings taxation system: operators of baby-foot having more than 25 machines, operators of pinball and video games having more than 15 machines and operators of slot machines having more than 10 machines.

Section 93 (h): The taxable profits of taxpayers assessed on the basis of actual

earnings and legal persons falling under the simplified taxation system shall be determined as that for company tax.

Section 108: (1)……
……;

(3) Such reduction shall be granted to companies listed in the stock market within three (3) years with effect from 1 January 2012.

Section 115: large enterprises eligible for the special structuring projects regime shall be granted the following tax benefits:

1.……
……;

2. Free registration of incorporation, extension and capital increase deeds;

3. Registration at the fixed fee of 50 000 (fifty thousand) FCFA of real estate transfer deeds directly related to the project;

The rest shall remain unchanged.

PART II

VALUE ADDED TAX AND EXCISE DUTY

Section 125

1……
…….. ;

3. Cancelled

Section 128: The following shall be exempted from value added tax: six (6) essential goods listed under Annex 1, notably:

•

•

• Pharmaceutical products, the inputs thereof as well as the materials and equipment used in the pharmaceutical industry;

(7) Leasing transactions carried out by credit establishments for borrowers towards the acquisition of specialized agricultural equipment to be used in farming, livestock, breeding and fishing;

……
……
……

(17) Materials and equipment used in harnessing solar and wind energy

Section 132(new): The Value Added Tax shall be levied only on natural and legal persons who are assessed on the basis of actual earnings as defined in section 93(c) above.

Section 143: (1) Vat applied upstream on the price of a taxable operation, shall be deductible from the final tax applicable to such transactions, as concerns registered taxpayers assessed on the basis of actual earnings, in the following manner:

(a)……
…….

(b) To be deducted, VAT should appear:

a. on a bill duly issued by a registered supplier who is assessed on the basis of actual earnings and bearing his single identification number. However, these conditions shall not apply to suppliers abroad;

The rest shall remain unchanged.

- Cancelled.

Section 149: (1)……
……

(3) ……
……
……
…….

Non chargeable VAT credits shall, on the request of their holders and on the express authorization of the Director General of Taxation, be offset for the payment of Vat, excise and customs duties, on condition that the said holders show proof of an uninterrupted activity for the past two years and more at the time of the request and that they are not currently undergoing a limited or general audit of their books.

The rest shall remain unchanged.

Section 150: Taxpayers liable to VAT must:

(2) Cancelled

(3) Cancelled

(4) keep accounts in accordance with the standard system provided for by the OHADA accounting law;

(5) Issue to their clients bills that must bear the following indications:

The rest shall remain unchanged.

Section 152: (1) cancelled

(3) Taxpayers assessed on the basis of actual earnings shall be bound to file their returns within 15 (fifteen) days of each month following the month during which the relevant transactions were conducted.

The rest shall remain unchanged.

PART IV

MISCELLANEOUS TAXES AND DUTIES

CHAPTER III

SPECIAL INCOME TAX

Section 225: ……..

- Copyright related to all literary or artistic works regardless of the mode, value, genre or purpose, particularly literary works, musical compositions with or without lyrics, dramatic works, dramatic-musical works, choreographies works, pantomimes created for the stage, audiovisual works, drawings, paintings, lithography, etching or wood engraving and similar works of art, sculptures, bas-reliefs and mosaics of all types, architectural works both drawings and models as well as the building itself , tapestries and objects created through arts and applied arts trades, both the sketch or model and the work itself, maps as well as scientific or technical graphic and plastic drawings and reproductions, photographic works including works produced by processes similar to photography;

- Remuneration paid for the use or transfer of use of software, construed as computer applications and programs relating to the operation or functioning of an enterprise.

The rest remain unchanged.

PART IV

REGISTRATION, STAMP DUTY AND TRUSTEESHIP

……

However, in instruments relating to mergers and demergers of public or private limited companies and limited partnerships, the taking over by the combining company or the new company of all or part of the liabilities of the former companies shall be charged only at the fixed rate.

The rest remain unchanged.

Section 350: The fixed fee shall be charged on:

……
……
……

(3) The tax over by the combining or new company of all or part of liabilities of former companies as concerns instruments of limited liability merger or demerger.

Section 560: (1) claims by the administration in respect to inheritance tax shall lapse after 30 (thirty) years.

BOOK TWO

MANUAL OF TAX PROCEDURES

Section M1:……

A single identification number shall be attributed on a permanent basis, by the Directorate General of Taxation upon the effective location of the taxpayer. Any significant modification affecting the business (change of manager, cession, cessation, modification of business name, modification of business activity), and or the place of business shall also be declared fifteen (15) clear days from the declaration.

The obligation to declare shall equally apply to employers of the public and private sectors as well as to foreign taxpayers who are carrying out economic activities in Cameroon without a head office. They shall *ipso facto* designate a credible solvent representative to the taxation department.

Section M1 (a): (1) it shall be obligatory for the single identification number to be mentioned in any document showing any business transaction.

(2) Public or private corporate bodies shall be required to present it during any payments being effected or were necessary, for any other material or intangible transaction.

Section M (b): (1) the single identification number shall be attributed under the conditions laid down by law.

(2) To assign the single identification number, the services of the Directorate General of Taxation may take the finger prints and a photograph of the person to whom the number is been attributed.

(3) The process provided for under the preceding paragraph shall apply equally to corporate bodies, the main manager and to each partner having over 5% of the share capital.

Section M. 19 (a): (1) where in the course of an account auditing,

……
……
1. ……... ;
2. …… ;
3. ……... ;
4. …… ;

(2) However, legal persons established In Cameroon and falling within the competence of the structure in charge of large enterprises must, at the start of the accounts audit, automatically produce the documents referred to in sub-section (1) above where:

- more than 25% of their capital or voting rights is held directly or indirectly by an entity established or incorporated out of Cameroon;

- they themselves directly or indirectly hold more than 25% of a legal entity domiciled out of Cameroon.

Section M. 40: (1) Where accounts areed,……
……
…….

Such time limit shall be extended by 6 (six) months in case of control of transfer prices or in case of implementation of information exchange procedure provided for under tax agreements.

(2) In the context of an overall personal tax situation audit, ……
……
……

Section M.99: filing a return showing nil tax or a credit following an official notice, shall attract a fixed fine of 100 000 (one hundred thousand) francs.

Section M 100 :

(1) Any failure to file in, within the statutory deadline, an application to register a business or to modify some of the elements used in procuring the initial registration as well as any registration declaration that comprises manifestly erroneous information shall be liable to an all-in fine of equal to two hundred and fifty thousand (250 000) FCFA.

(2) Whoever engages in an economic activity without prior registration shall be liable to a fine of one hundred thousands (100 000) FCFA per month.

(3) Whoever uses a single identification number fraudulently shall be liable to a fine of one million (1000 000) FCFA per transaction.

(4) Persons who have only a salary income but are not registered within a three month deadline shall be liable to a fine of one hundred (100 000) FCFA.

BOOK THREE

LOCAL TAXATION

Section C.11.- the following shall not be liable to business license tax:

(9) Farmers, stock breeders and natural persons with a turnover of below 10 000 000 (ten million) FCFA, for the sale of harvest and fruits from the fields belonging to them or which they exploit, or for the sale of the animals they rare or fatten.

The rest shall remain unchanged.

Section C. 15: business license tax shall be determined on the basis of the following facts:

(3) However, a trader whose transactions of this nature amount to less than ten million (10 000 000) francs a year shall not be considered an importer.

Section C. 45: Taxpayers engaging in a commercial, industrial, handicraft or agropastoral activity falling neither under the assessment based on actual earnings nor the simplified taxation system shall be liable to a flat rate tax exclusive of the payment of business license tax and the personal income tax save in case of deduction at source.

Section C.46: (1) ……

(2)……

a) category A: producers , service providers and traders with an annual turn over of less than 2 500 000 CFA francs.

b) Category B: producers, service providers and traders with an annual turnover of between 2 500 000 and 5 000 000 CFA francs.

c) Category C: producers, service providers and traders with an annual turnover of between 5 000 000 and 7 500 000 CFA francs.

d) Category D: - Producers, service providers and traders with an annual turnover of between 7 500 000 and 10 000 000 CFA francs

- Operators of baby foot with less than ten (10) machines;
- Operators of pinball machines and video games with less than five (5) machines;
- Operators of slot machines with less than three (3) machines.

Section C.47: (1) ……;

(12) Where, for a taxpayer subject to the flat rate tax there is positive proof of a turnover of more than ten (10) million, such taxpayer shall be subject to the business license tax and as the case may be, to the simplified regime or the actual earning regime.

(14) Cancelled.

CHAPTER FOUR

OTHER FISCAL AND FINANCIAL PROVISIONS

In the 2012 financial year, the amount to be deducted from the proceeds of the Special Tax on Petroleum Products (STPP) as road user royalty shall be fixed at 55 000 000 000 (fifty five billion) francs.

Section six: The ceiling of resources intended to provision the earmarked account for the production of protected transport documents shall be fixed at 3 500 000 000 (three billion five hundred million) francs for the 2012 financial year.

Section seven: The ceiling of resources intended to provision the earmarked account for the financing of sustainable water and sanitation development projects shall be fixed at 500 000 000 (five hundred million) francs for the 2012 financial year.

Section eight: The ceiling of taxes to be transferred to the Special Forestry Development Fund shall be fixed at 2 000 000 000 (two billion) francs for the 2012 financial year.

Section nine: The ceiling of resources intended to provision the earmarked account for the tourism mechanism and activities shall be fixed at 1 000 000 000 (one billion) francs for the 2012 financial year.

Section ten: The ceiling of resources intended to provision the earmarked account for cultural policy shall be fixed at 1 000 000 000 (one billion) francs for the 2012 financial year.

Section eleven: The ceiling of resources intended to provision the earmarked account for the regulation of public contracts shall be fixed at 8 000 000 000 (eight billion) francs for the 2012 financial year.

Section twelve: The ceiling of resources intended to provision the earmarked account for the development of telecommunications shall be fixed at 10 000 000 000 (ten billion) francs for the 2012 financial year.

Section thirteen: The ceiling of the royalties paid by port authorities to the National Ports Authority shall be fixed at 1 500 000 000 (one billion five hundred million) francs for the 2012 financial year.

Section fourteen: The ceiling of resources intended to provision the earmarked account for the modernization of research in state universities shall be fixed at 9 600 000 000 (nine billion six hundred million) CFA francs.

Section fifteen: In 2012, state contribution intended to provision the Seed Fund shall be fixed at 1 000 000 000 (one billion) CFA francs.

Section sixteen: The ceiling of resources intended to provision the earmarked account for the development of the postal sector shall be fixed at 200 000 000 (two hundred million) CFA francs.

PERSONAL NOTE

PERSONAL NOTE

ANNEX II
STATUTORY PART

DECREE No 97-283-PM OF 30 JULY 1997 TO LAY DOWN THE CONDITIONS FOR IMPLEMENTING CERTAIN PROVISIONS OF LAW No 97-14 OF 18 JULY 1997: FINANCE LAW OF THE REPUBLIC OF CAMEROON FOR THE 1997-98

BY DECREE, No 97-283 OF 30 JULY 1997:

Section 1 - This decree lays down the conditions for implementing sections 5 and 12 of Law No 97-14 of 18 July 1997: Fincance Law of the Republic of Cameroon for the 1997-1998 financial year.

Section 2

(1) The felling tax on timber species and the selling price of drift timber washed ashore shall be calculated on the basis of the FOB value of each species.

(2) The export duty on logs and processed or semi-processed timber sold for export or to local processing mills having a special industrial free zone status applicable to the equivalent of processed timber shall be calculated as provided for in paragraph (1) above.

Section 3

(1) The FOB value of each species shall be the market value of the said species as obtained from world market factors, with particular reference to the following sources:

- the Reuters networks;
- the "*Société Générale de Surveillance*" network.

(2) In the event of differences over the FOB value of a species, the price retained shall be the average of the average of the both sources as provided for in paragraph (1) supra.

Section 4

(1) The felling tax shall be calculated on the basis of the FOB value per exploitation zone and per species.

(2) The FOB market value shall apply to species from exploitation Zone 2.

(3) The value of species exploited in Zone 1 shall be increased by 5%, while that of species exploited in Zone 3 shall be reduced by 5%.

(4) Export duties shall be calculated on the basis of the FOB value of species exploited from Zone 2.

Section 5 - (1) The FOB values of the various species shall be established and published by order of the Minister in Charge of Finance.

(2) Pursuant to the provisions of Article 3 above, the values shall be updated every six months by an ad hoc committee presided over by the Director of Customs, or his representative, and including the representatives of:

- the Department of Forestry;
- the Department of Taxation;
- each trade union and other associations of the forestry sector;
- the "*Société Générale de Surveillance*".

Section 6 - Upon notification of the provisional exploitation agreement, the amount of the tax payable by the concession holder shall be readjusted every year according to the infation rate in Cameroon as determined by the competent authorities.

Section 7

(1) Pursuant to Section 12 of the Finance Law for the 1997-1998 financial year, proceeds from the forestry tax shall be distributed as follows:

- 50% to the State budget;
- 40% to the budget(s) of the beneficiary council(s);
- 10% to the beneficiary local communities.

(2) In accordance with the provisions of Section 68 (2) of Law No 94-1 of 20 January 1994 to lay down forestry, wildlife and fisheries regulations, the forestry tax proceeds payable to local communities shall be used to carry out social projects towards the development of the beneficiary communities.

They shall be used strictly for the problems of the beneficiary communities, according to conditions fixed by joint order of the Ministers in Charge of Finance, Forestry and Territorial Administration.

(3) Without prejudice to some socio-economic projects undertaken by the exploiter to foster neighbourly relations with the populations, and to the provisions of paragraphs (1) and (2) above, infrastructures sponsored by the exploiter shall be determined during administrative authorities, the forestry services and the logging companies operating in the areas in question.

Section 8 - (1) Timber species exploited in Cameroon fall under the following three groups:

a) traditional species;

b) low value species;

c) species to promote.

(2) The classification of species under the groups provided for above has been annexed to this Decree.

Section 9 - The provisions of Decree No 96-643 PM of 17 September 1996 to determine the taxable values of timber repugnant hereto are repealed.

Section 10 - The Ministers in Charge of Finance, Forestry and Territorial Administration are responsible, in their respective spheres, for the implementation of this Decree which shall be registered, published according to the procedure of urgency, and inserted in the Official Gazette in English and French.

Yaounde, 30 July 1997

The Prime Minister, Head of Government,
Peter MAFANY MUSONGE

ANNEX TO DECREE No 97-283 OF 30 JULY 1997

Tariff classification of Timber Species

Species main name	Species scientific name	Customs tariff heading	Forestry Code
Acajou de bassam/Ngollon	Khava ivorensis	44 03 34 61	1103
Afroromosia/Assamela/Obang/Kokrodua	Péricopsis elata	44 03 99 02	1104
anigré	Aningeria altissima, A. Robuta	44 03 99 72	1207
Bété/Mansonia	Mansonia altissima	44 03 35 20	1106
Bossé	Guarea cedrata, G. Thompsonii	44 03 99 09	1107
Bubinga	Guibourtia Tessmannii, Gdemeusei	44 03 99 10	1109
Dibétou/Bibolo	Lovoa trichilioides	44 03 35 40	1111
Doussié	Afzelia bipindensis	44 03 99 13	1113
Doussié blanc/Apa/Pachyloba/Bella	Afzelia pachyloba, A. Bella	44 03 99 45	1112
Ebène	Diospyros spp.	44 03 99 14	1114
Longhi/Abam	Gambeya africana	44 03 99 77	1228
Makoré/Douka	Tieghemella africana	44 03 34 70	1120
Moabi	Baillonnella toxisperma	44 03 99 25	1121
Movingui	Distemonanthus benthamianus	44 03 99 26	1232
Ovengkol	Guibourtia ehié	44 03 99 51	1126
Padouk	Pterocarpus soyauxii, P. spp	44 03 99 33	1128
Pao Rosa	Swartzia fistuloides	44 03 99 34	1365
Sapelli	Entandrophragma cylindricum	44 03 34 40	1129

Sipo	Entandrophragma utile	44 03 34 50	1130
Wenge	Millettia laurentii	44 03 99 70	1138
Zingana/Amuk	Microberlinia bisulcata	44 03 99 37	1243
Ayous/Obéché	Triplochyton scleroxylon	44 03 34 30	1211
Azobé/Bongossi	Lophira alata	44 03 35 61	1105
Bilinga	Nauclea diderrichii	44 03 99 08	1318
Framiré	Terminalia ivorensis	44 03 99 16	1115
Kossipo	Entandrophragma candollei	44 03 99 20	1118
Kotibe	Nesogordonia papaverifera	44 03 99 21	1119
Koto	Ptervgota macrocarpa	44 03 99 46	1226
Okoumé	Aucoumea klaineana	44 03 34 11	1125
Teck	Tectona grandis	44 03 33 00	1134
Tiama	Entandrophagma angolense	44 03 35 10	1135
		44 03 99 98	
Abale/Abing/Essia	Petersianthus macrocarpus	44 03 99 78	1301
Abura/Bahia	Mitragina stipulosa, M. ciliata	44 03 99 01	1411
Agba/Tola	Gossweilerodendron balsamiferum	44 03 99 36	1137
Aiélé/Abel	Canarium schweinfurthii	44 03 99 03	1201
Ako/Aloa	Antiaris africana	44 03 99 04	1310
Amvout/Ekong	Trichoscypha acuminata, T. abrorea	44 03 99 67	1419

Andoung	Monopetalanthus spp.	44 03 99 05	1204
Angueuk	Ongokea gore	44 03 99 50	1206
Asila/Kioro/Omang	Maranthes chrysophylla	44 03 99 59	1424
Avodiré	Turreaensthus africanus	44 03 99 06	1209
Bodioa	Anopysis kalineana	44 03 99 68	1212
Cordia/Ebe	Cordia platyhyrsa	44 03 99 65	1319
Dabema/Atui	Piptadeniastrum africanum	44 03 99 11	1214
Dambala	Discoglypremma caloneura	44 03 99 88	1434
Diana/Celtis/Odou	Celtis tesmannii, Celtis spp.	44 03 99 58	1322
Ebiara/Abem	Berlinia grandiflora, B. bracteosa	44 03 99 53	1215
Ekaba	Tetraberlinia bifoliata	44 03 99 49	1216
Ekouné	Coelocaryon preussii	44 03 99 89	1333
Emien/Ekouk	Alstonia bonnei	44 03 99 61	1334
Esak	Albizia glaberrima	44 03 99 79	1529
Eseng/Lo	Parkia bicolor	44 03 99 75	1353
Essessang	Ricinodendron heudelotii	44 03 99 80	1449
Esson	Stemonocoleus micranthus	44 03 99 81	1335
Etimoé	Copaifera mildbraedii	44 03 99 82	1217
Evène/Ekop évène	Brachystegia mildbreadii	44 03 99 86	1235
Eveuss/Ngon	Klainedoxa gabonensis	44 03 99 74	1336
Evoula/Vitex	Vitex grandifolia	44 03 99 87	1452

Eyek	Pachyelasma tessmannii	44 03 99 71	1231
Eyong	Eribroma oblogum	44 03 99 15	1218
Faro	Daniella oaea, D. kainei	44 03 99 43	1342
Fromager/Ceiba	Ceiha pentandra	44 03 99 17	1344
Gombé/Ekop gombé	Didelotia letouzeyi	44 03 99 54	1221
Latandza/Evouvous	Albizia ferruaillea	44 03 99 57	1345
Ilomba	Pynallthus anaolensis	44 03 35 30	1346
Kanda	Beilschmiedia anacardioides	44 03 99 83	1533
Kapokier/Bombax	Bombax buonopozense	44 03 99 63	1348
Kondroti/Ovonga	Rodognaphalon brevicuspe	44 03 99 84	1492
Kumbi/Ekoa	Lannea welwitschii	44 03 99 73	1458
Landa	Erythroxylum mannii	44 03 99 69	1350
Limba/Frake	Terminalia superba	44 03 35 50	1220
Limbali	Gilbertiodendron dewevrei	44 03 99 56	1227
Lotofa/Nkanang	Sterculia rhinopetala	44 03 99 52	1229
Mambode/Amouk	Detarium mcacrocarpum	44 03 99 47	1230
Moambé jaune	Enanthia chlorantha	44 03 99 90	1468
Mukulungu	Autranella congolensis	44 03 99 85	1122
Mutundo	Funtumia elastica	44 03 99 91	1471
Naga/Ekop naga	Brachystegia cynometroides	44 03 99 42	1234
Niové	Staudtia kamerunensis	44 03 99 29	1238
Oboto/Abodzok	Mammea africana	44 03 99 55	1240

Okan/Adoum	Cylicodiscus gabonensis	44 03 99 48	1124
Olon/Bongo	Fagara heitzii	44 03 99 30	1213
Onzabili/Angongui	Antrocaryon klaineanum, A. micrasler	44 03 99 44	1489
Osanga/Sikon	Pteleopsis hylodendron	44 03 99 62	1242
Ouochi/Albizia/angoyemé	Albizia zygia	44 03 99 64	1359
Ovoga/Angalé	Poga oleosa	44 03 99 31	1361
Ozigo	Dacryodes buettneri	44 03 99 32	1363
Tali	Erythropleum ivorense	44 03 99 41	1132
Tchitola	Oxystigma oxyphyllum	44 03 99 35	1133
Tsanya/Akela	Pausinystalia macroceras	44 03 99 76	
Other species to promote		44 03 99 99	

DECREE No 98-9 PM OF 23 JANUARY 1998 TO LAY DOWN THE BASIS OF ASSESSMENT AND PROCEDURE FOR COLLECTING THE DUTIES, ROYALTIES AND TAXES RELATING TO FORESTRY ACTIVITIES

THE PRIME MINISTER, HEAD OF GOVERNMENT,

Mindful of the Constitution;

Mindful of Ordinance No 62-OF-4 of 7 February 1962 to regulate the mode of presentation, conditions for executing the State budget, its revenue expenses and all operations relating thereto;

Mindful of the stamp duty code;

Mindful of Law No 94-1 of 20 January 1994 to lay down forestry, wildlife and fisheries regulations;

Mindful of Law No 97-14 of 17 July 1997: Finance Law of the Republic of Cameroon for the 1997-98 financial year, and in particular Section 12 thereof;

Mindful of Decree No 92-245 of 26 November 1992 to organize the Government and as amended;

Mindful of Decree No 97-205 of 7 December 1997 to organize the Government;

Mindful of Decree No 97-206 of 7 December 1997 to appoint the Prime Minister, Head of Government,

HEREBY DECREES AS FOLLOWS:

CHAPTER I

GENERAL PROVISIONS

Section 1 - This decree lays down the basis of assessment and the procedure for collecting the duties, royalties, taxes and proceeds from sales relating to forestry activities.

Section 2 -

(1) The basis of assessment and collection of the forestry royalties, felling taxes and transfer tax as well as the proceeds from the sale of forest products shall be made by the Taxation Department.

(2) The basis of assessment of the export levy for logs and lumber shall be made by the Customs Department. The collection of the said levy shall be done by the relevant services of the Treasury Department.

CHAPTER II

BASIS OF ASSESSMENT AND COLLECTION

Section 3 - The act constituting liability for each duty shall be:

- the holding of a concession, sale of standing volume and/or, where applicable, a licence, in the case of forestry royalties;
- the felling of a tree, in the case of the felling tax and the proceeds from the sale of forest products;
- the transfer of a concession, in the case of the transfer tax.

Section 4 - An exploitation authorization to fell or sell forest products in the case of proceeds from the sale of forest products.

Section 5 - The duties be settled as follows:

- in the case of forestry royalties, transfer tax and proceeds from the sale of forest products, by the Taxation Department, following notification of the exploitation document by the Forestry Department with a copy forwarded to the Taxation Department;
- for this purpose, the Forestry Department shall maintain a special register for notification of forest exploitation documents marked and initialled by the Taxation Department;
- in the case of the felling tax, by the Taxation Department upon presentation of for DF 10 and monthly production statements;
- in the case of export levies, by the Customs Department.

Section 6 - (1) The statements referred to in section 4 above shall bear:

- the full name or company name;
- the exploiter's address;
- the taxpayer's registration number;
- the assessment period;
- the number of the sale of standing volume, felling permit, concession and/or, where applicable, the licence, exploitation permit, individual felling authorization, as well as the zone and place of exploitation;
- the surface area exploited and the surface area of the exploitation document;
- the results of the exploitation inventory approved by the services in charge of forests;
- the felling assessment number in the case of a concession or where applicable, of a licence;
- the volume of species felled, per species and per exploitation document;
- the volume of locally sold species, per species, indicating the name, address and taxpayer's number of the purchasers;
- the volume of species exported, per species and exploitation document in conformity with the specifications drawn up by the forestry services;
- the volume of species bought, per specie indicating the name and address of the supplier and the references, where applicable, of his exploitation document;
- the volume of locally processed species per specie and exploitation document;
- the nature and amount of taxes due.

(2) The said statements shall be certified, dated and signed by the taxpayer or his representative. They shall be accompanied by the photocopies of the corresponding form DF 10 and way-bills.

Section 7 - The statements referred to in section 5 above shall be drawn up in two copies to be submitted to the Taxation and Forestry Departments within 10 (ten) days following every business month.

Section 8 - For the settlement of the felling tax and the proceeds from the sale, the exploiter shall furnish the Taxation and Forestry Departments with the plan of his operations and the results of verification.

The statements referred to in section 5 above must have a connection with the plan of operations notified to the departments concerned.

Section 9

(1) The felling tax and proceeds from sales shall be settled monthly by the relevant services of the Taxation Department on the basis of monthly production statements supplied by the taxpayers referred to in Section 5 above.

(2) The felling tax and proceeds from sales shall be paid by the taxpayer not later than the 10th of the month following the business month.

(3) For sales of standing volume, concessions, licences or any other documents exploited by third parties, the concessionaire shall be jointly and severally liable for payment of the felling tax and proceeds from sales owed by the holder of the exploitation document.

(4) The felling tax or proceeds from sales shall be deducted at source by any natural person or corporate body when settling bills for local purchase of logs, sale of standing volume or any other exploitation document, on the basis of the way-bill filled by the vendor, who shall be responsible for the accuracy of the details entered on the said way-bill.

In such case, the volumes indicated on the way-bill shall be automatically increased by 20%.

Section 10

(1) Forestry royalties shall be assessed on the basis of the surface area of the forest exploitation document.

(2) Floor rates of the forestry royalties shall apply to forest exploitation documents granted by private agreement.

(3) For licences and concessions, forestry royalties shall be paid by taxpayers in three equal instalments by the following prescribed dates:

- First instalment : 30 September;
- Second instalment: 31 December;
- Third instalment: 31 March.

(4) For sales of standing volume, the royalties shall be paid at the time of granting or renewal of the exploitation document.

(5) For exploitation documents granted after 31 December, the royalties shall be liquidated on a prorata temporis basis and settled within the 45 (forty-five) days following their notification.

(6) For sales of standing volume, concessions and licences exploited by third parties, the concessionaire shall be jointly and severally liable for the exploitation document concerned.

Section 11 - (1) For the settlement of forestry royalties, three settlement notes shall be issued, one for payment of the State's share, one for payment of the share for councils, and the third for the share of the local communities.

(2) Payment certificates for the share of forestry royalties belonging to councils shall be issued in the name of each council revenue collector concerned.

(3) Where a council does not have an autonomous revenue office, the tax collector shall open a transit account to receive payments owed the said council.

(4) The share of the royalties for local communities shall be entered in a standing account in the tax collector's register. A joint order of the Ministers in Charge of the Treasury and of Territorial Administration shall determine the conditions for the use of the corresponding sums.

CHAPTER III

GRADUATED SURTAX

Section 12 - In accordance with Law No 94-1 of 20 January 1994 to lay down forestry, wildlife and fisheries regulations, the direct or indirect legal minimum processing of a volume of logs from the exploitation of documents of the same exploiter shall be 70%.

Section 13 - Non-compliance with the provisions of paragraph (1) above shall subject the holder of a valid sale of standing volume, concession or licence to the payment of the graduated surtax.

Section 14 - For sales of standing volume, concessions and licences exploited by third parties, the concessionaire shall be jointly and severally liable for payment of the graduated surtax owed by the holder of the exploitation document.

Section 15

(1) The Forestry Department shall in conjunction with the Taxation Department, monitor the obligation to process logs.

(2) The graduated surtax shall be collected by the Taxation Department after notification by the forestry services.

(3) Proceeds from the graduated surtax shall be shared as follows:

- 40% to be Special Forestry Development Fund;
- 35% to the Public Treasury;
- 12,5% to involved staff of the Forestry Department;
- 12,5% to involved staff of the Taxation Department.

CHAPTER IV

Section 16 - (1) Subject to the provisions of Law No 94-1 of 26 January 1994 to lay down forestry, wildlife and fisheries regulations, the penalties provided for by the tax and customs legislation in force shall apply *mutatis mutandis* to the assessment and collection of the forestry taxes and royalties.

(2) The assessment and collection services shall, for the enforced recovery of forestry royalties and taxes, have the prerogatives recognized them by the tax and customs legislation for the collection of direct taxes, turnover tax and custom duties and taxes.

(3) Notwithstanding the preceding provisions mixed control teams comprising staffs of the taxation assessment services and of the Forestry Department shall be organized as the need arises to ensure the sincerity of taxpayer's statements.

(4) The Forestry Department shall contribute to the assessment and collection of the royalties duties and taxes referred to in section 2 (1) above by forwarding to the Taxation Department all information that may facilitate the two operations and all management acts with a financial incidence.

Section 17 - This decree repeals the provisions of Decree No 96-642 PM of 17 September 1996 to lay down the basis of assessment and procedure for collecting the duties, royalties and taxes relating to the forestry business and all other previous provisions repugnant hereto.

Section 18 - The Minister of State in Charge of the Economy and Finance and the Minister of the Environment and Forestry are responsible, each in his own sphere, for the implementation of the provisions of this decree which shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French.

Yaounde, 23 January 1998

The Prime Minister, Head of Government,
Peter Mafany Musonge

DECREE No 2008/2304/PM of 29 July 2008

SETTING OUT THE RULES FOR APPLYING THE SPECIAL TAX REGIME FOR ANCHOR PROJECTS OF THE GENERAL TAX CODE.

THE PRIME MINISTER, HEAD OF GOVERNMENT,

Mindful of the constitution;

Mindful of the General Tax Code;

Mindful of law No. 2007/005 of 26 December 2007 concerning the finance law of the Republic of Cameroon for the year 2008;

Mindful of Decree No. 92/089 of 14 May 1992 setting out the powers of the Prime Minister, as amended and supplemented by Decree No. 95/145 of 04 August 1995;

Mindful of Decree No. 2004/320 of 08 December 2004 concerning the organization of the Government, as amended and supplemented by Decree No. 2007/268 of 07 September 2007;

Mindful of Decree No. 2004/321 of 08 December 2004 concerning the appointment of a Prime Minister.

D E C R E E S :

CHAPTER I

GENERAL PROVISIONS

Section 1- This decree sets out the rules for applying the special tax regime for anchor projects of the General Tax Code.

Section 2- The special tax regime for anchor projects applies to large, small-and-medium-size enterprises both new and old.

Section 3- For the purposes of this Decree:

- "large enterprise" refers to an enterprise whose annual turnover is equal to or greater than (01) billion CFA francs;

- "small-and-medium-size enterprise" refers to an enterprise whose annual turnover is less than one (01) billion CFA francs;

- "new enterprise" refers to an enterprise that is registered in the trade register in the year under consideration and who reports to the tax office for a first registration;

- "old enterprise" refers to an enterprise already registered in the trade register and undertaking new projects.

CHAPTER II

CONDITIONS OF ELIGIBILITY

SECTION 1

IN TERMS OF THE FORM

Section 4

(1) Companies that seek to benefit from the special tax regime for anchor projects must submit a file to that effect with the Ministry in charge of finance (Directorate General of Taxation).

(2) The file must consist of the following documents:

- a stamped application at the rate in force;

- an investment plan specifying:

• the nature and amount of planned investments;

• the period over which the investment shall stretch and the different stages of completion;

• the number of management, mid-level and juniour positions envisaged;

• evidence of financing for the project.

SECTION 2

IN TERMS OF THE CONTENT

Section 5- For an "anchor project" to qualify and enjoy the benefits of the special tax regime introduced by the Finance Law for the year 2008, the project must meet the following conditions collectively:

1) Be a centre of economic and social development;

As such, a structuring project must constitute for the locality in which it is implemented an instrument inducing economic and social progress. In particular, its implementation must be designed to induce the development of a network of subcontractors or related activities, the use of local raw materials, the rise of activities that create added value and contribute to job creation in the locality of its location and the environs. On the social front, the structuring character is appraised in the light of infrastructures such as roads, evacuation routes, staff quarters, schools, health facilities.

2) Create jobs

a - For large companies, the projects must lead to the creation of permanent jobs within the company, i.e at least:

- Twenty (20) management positions;

- Fifty (50) mid-level positions and;

- One hundred (100) junior positions;

b - For Small and Medium Size Enterprises, these jobs shall respectively be at least

- Four (04) management positions;

- Ten (10) mid-level positions;

- Vingt (20) junior positions.

3) Giving rise to significant investment

To benefit from the regime of anchor projects, large companies must submit to the Tax Administration a plan of investment to be realised of at least five billion CFA francs (5,000,000,000), while small-and-medium-size enterprises can make-up with projects estimated to cost at least five hundred million CFA francs (500,000,000).

However, in assessing the minimum thresholds of the required investment, the cost of pre-feasibility or feasibility studies of the project is not taken into account. Only additional studies eventually setting in during the implementation phase shall be taken into account.

In any case, benefits may not be granted to investments over a period of four (04) years.

4) Be implemented in priority sectors

The projects must be carried out in the following sectors:

- agricultural, including livestock and fisheries;

- industrial, ie all industries that manufacture or process products;

- energy which for the purposes of this regime, is constituted by companies specializing in the production of electric, wind, nuclear and solar energy or bio-fuels and gas ;

- tourism, excluding catering ;

- social housing, with the proviso that a habitat can only be considered social within the meaning of this decree, when it is intended to be sold or ceded at a price not exceeding 25% of the prices charged by the National Housing Corporation.

Section 6

(1) For projects in the sector of social housing, the project promoter shall sign an agreement with the State, in which he shall undertake to perform the prices set out in article 5 of this decree.

(2) Any failure to comply with the provisions of paragraph 1 of this article shall entail the recall of evaded duties without prejudice to the penalties and interest for late payment provided for in the General Tax Code.

Section 7- Where the conditions set out in articles 4 and 5 above are met, the Tax Administration shall issue an admittance to the regime of structuring projects to the requesting company. Otherwise, it will notify the rejection of his request.

CHAPITRE III

GUIDANCE OF TAX BENEFITS

SECTION 1

MODALITIES FOR IMPLEMENTATION OF BENEFITS

Section 8- When the project is conducted by an old enterprise, the latter must keep two separate accounts, one on the old activities, and the other relating to the new project.

Section 9- (1) In the case of old enterprises, the exemption from business license referred to in paragraph 7 above shall apply only on the fraction of Revenue relating to the anchor project, the turnover generated by pre-existing activities shall remain, pursuant to the provisions of section 162 bis of the General Tax Code, subject to tax.

Section 10- Benefiting from registration at the fixed rate of 50,000 CFA F does not exempt from the payment of stamp duties which shall remain outstanding.

Section 11- (1) The special regime for anchor projects is cumulative with the reinvestment and stock exchange regimes.

SECTION 2

RULES FOR THE CONTROL OF INVESTMENTS

Section 12

(1) The Tax Administration shall control the effectiveness of investments on an annual basis.

(2) If at the end of the above mentioned control, the announced investments were not made, the eligibility may be revoked, subject to the provision of conclusive evidence by the beneficiary company.

Section 13

(1) If at the end of the four (4) year period provided for the full implementation of the project, the amount of investment required is not met, the elibility shall be automatically cancelled and the Tax Administration shall proceed to recall evaded duties without prejudice to the penalties and interest for late payment provided for in the General Tax Code.

(2) The recall of duties shall concern Corporation Tax, Value Added Tax, registration duties and the business license.

(3) However, as regards the business license, the recall of duties pertaining thereto can only be made for old enterprises, with the exclusion of new ones.

CHAPTER V

FINAL PROVISIONS

Section 14- The special tax regime for anchor projects set out in this Decree shall apply as from 1 January 2008.

Section 15- The Minister of Finance is responsible for the implementation of this decree which shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French.

Yaounde, the 29 July 2008

The Prime Minister,
Head of Government,
Inoni Ephraïm

ORDER N° /0002/ MINFI / DGI/ OF 9TH JANUARY 2014 ESTABLISHING THE LIST OF PRIVATE SECTOR COMPANIES, MIXED COMPANIES, PUBLIC COMPANIES, PUBLIC ADMINISTRATIVE ESTABLISHMENTS AND LOCAL AND DECENTRALIZED BODIES TO WITHHOLD AT SOURCE THE VALUE ADDED TAX AND THE PREPAYMENT ON INCOME TAXES FOR THE 2014 EXERCISE

THE MINISTER OF FINANCE

Mindful of the constitution;
Mindful of the General Tax Code;
Mindful of decree No 2011/408 of December 9, 2011 organizing the Government;
Mindful of decree No 2011/410 of December 9, 2011 forming the Government;
Mindful of decree No 2013/066 of February 28, 2013 organizing the Ministry of Finance;

HEREBY ORDERS AS FOLLOWS:

Section 1. - Pursuant to the provisions of sections 21, 92 and 143 of the General Tax Code the following private sector companies, mixed companies, public companies, public administrative establishments and local and decentralized bodies listed in the appendix of this order are entitled to to withhold at source the Value Added Tax and prepayments on income tax.

Section 2.- The aforementioned withholdings are carried out during the settlement of suppliers and service providers invoices at the rates of 19.25% for the value added tax and 1.1%, 3.3 % or 5.5% as the case may be with regards to the prepayments on income tax.

Section 3.- The withholdings are carried out regardless of the tax regime of the supplier or service provider.

Section 4.- The remittance of the taxes withheld shall be accompanied by a list of all companies subject to the withholdings.

Section 5.- Failure to withhold at source or repay in due time, shall be sanctioned in accordance with the provisions of the Manual of Tax Procedures of the General Tax Code.

Section 6.- Any compensation between sums withheld at source and taxes owed by the collector is prohibited.

Section 7.- Local and decentralized bodies, public administrative establishments and companies listed in the appendix are exempted from withholdings at source on billings made on their mutual benefit.

Section 8.- The act constituting liability and the liability for withholding at source are those provided for in the General Tax Code.

Section 9.- Companies authorized to withhold at source are required to pay the sums withheld into the public treasury on or before the 15th of the month following that in which the withholding is executed.

Section 10.- In the case of nonpayment of taxes withheld, as stipulated in section 9 above, forceful collection measures provided for in the General Tax Code shall immediately be implemented against the offenders, without prejudice of the application of section 11 below.

Section 11.- The entitlement to withhold at source can be suspended or temporarily awarded by the Director general of taxation during an exercise.

Section 12.- The Director General of Taxes, the Director General of the Treasury and Financial and Monetary Cooperation and the Director General of the Budget are each be charged in what concerns the application of this Order.

Section 13.- This order shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French .

Done in Yaoundé, 09th of January 2014

The Minister of Finance,
Alamine Ousmane Mey

APPENDIX I
LIST OF PRIVATE COMPANIES AUTHORIZED TO WITHHOLD TAXES AT SOURCE FOR THE 2011 EXERCICE

	NAME / BUSINESS NAME	ABBREVIATION
1)	ACTIVA ASSURANCES	ACTIVA
2)	AFRICA SECURITY	AFRICA SECURITY
3)	AFRILAND FIRST BANK	AFRILAND
4)	ALLIANZ ASSURANCES	ALLIANZ
5)	ALLIOS FINANCE	ALLIOS
6)	ALPICAM INDUSTRIE	ALPICAM
7)	ANDRADE GUTTIEREZ	ANDRADE
8)	ARAB CONTRACTORS	ARAB CONTRACTORS
9)	ASQUINI ENCORAD	ASQUINI ENCORAD
10)	AXA ASSURANCE	AXA
11)	BANQUE ATLANTIQUE	BA
12)	BATI SERVICE	BATI
13)	BENEFICIAL LIFE INSURANCE	SERVICE BENEFICIAL
14)	BGFI BANK CAMEROUN	BGFI BANK
15)	BOLLORE AFRICA LOGISTICS	BAL
16)	CAMEROON COCOA SERVICES	CAMCOS
17)	CAMI TOYOTA	CAMI
18)	CAMOA	CAMOA
19)	CARTEL CAMEROUN	CARTEL
20)	CHANAS ASSURANCES	CHANAS
21)	CHOCOLATERIE CONFISERIE CAMEROUNAISE	CHOCOCAM
22)	CIE D'OPERATIONS PETROLIERE SCHLUMBERGER	SCHLUMBERGER
23)	CIFM	CIFM
24)	CITI BANK NA CAMEROUN	CITI
25)	COMMERCIAL BANK OF CAMEROUN	CBC
26)	COMPAGNIE DE TRANSPORT	COTRAVA
27)	CORLAY CAMEROUN SA	CORLAY CAMEROUN

28)	COTCO	COTCO
29)	DOUALA INTERNATIONAL TERMINAL	DIT
30)	DTP TERRASSEMENT	DTP
31)	ECOBANK CAMEROUN	ECOBANK CAMEROUN
32)	EGIS CAMEROUN	EGIS CAMEROUN
33)	ETS EBOBO	EBOBO
34)	ETS NDONGO ESSOMBA	ETS NDONGO ESSOMBA
35)	FAKOCO SARL	FAKOCO SARL
36)	GETMA CAMEROUN	GETMA
37)	GRAS SAVOYE	GRAS SAVOYE
38)	GROUP 4 SECURITY	G4S
39)	GUINNESS CAMEROUN SA	GUINNESS
40)	HOTEL HILTON	HILTON
41)	HYGIENE ET SALUBRITE DU CAMEROUN	HYSACAM
42)	KETCH SARL	KETCH
43)	LABORATOIRE BIOPHARMA	BIOPHARMA
44)	LIBYA OIL CAMEROUN	OIL LIBYA
45)	MAERSK CAMEROUN	MAERSK
46)	MOBILE TELECOMMUNICATIONS NETWORK CAMEROUN	MTN
47)	MOVIS CAMEROUN	MOVIS
48)	NATIONAL FINANCIAL CREDIT	NFC
49)	NEPTUNE OIL SA	NEPTUNE
50)	NESTLE CAMEROUN	NESTLE
51)	OMNIUM SERVICES	OMNIUM
52)	ORANGE CAMEROUN	ORANGE
53)	PALMES RAFFINERY	PALM RAFF
54)	PARI MUTUEL URBAIN DU CAMEROON	PMUC
55)	PLANTATIONS DU HAUT PENJA	PHP
56)	PLANTATIONS D'UNILEVER AU CAMEROON	UNILEVER
57)	PROMETAL EXPORTS LTD	PROMETAL
58)	RAZEL CAMEROUN	RAZEL
59)	SIAC ISENBECK SA	SIAC ISENBECK
60	SIC CACAO	SIC CACAO

61)	SOCAPALM	SOCAPALM
62)	SOCIEITE UGC	UGC
63)	SOCIETE ADM	ADM
64)	SOCIETE BUNS CAMEROUN	BUNS
65)	SOCIETE CAMEROUNAISE DE VERRERIE	SOCAVER
66)	SOCIETE FINANCIERE ET COMMERCIALE	SFC
67)	SOCIETE INDUSTRIELLE ET FORESTIERE DE LA DOUME	SFID SA
68)	SOCIETE NOVEL	NOVEL
69)	SOGEA SATOM CAMEROUN	SOGEA SATOM CAMEROUN
70)	STANDARD CHARTERED BANK	STANDARD CHARTERED
71)	STE DES EAUX MINERALES DU CAMEROUN	SEMC
72)	STE DES PALMERAIES DE LA FERME SUISSE	SPFS
73)	STE D'EXPLOITATION CACAO CAMEROUNAIS	SECC
74)	STE FAKOKO	FAKOKO
75)	STE OLAMCAM	OLAMCAM
76)	SUD CAMEROUN HEVEA	SUD CAMEROUN HEVEA
77)	TELCAR COCOA	TELCAR
78)	TOTAL CAMEROUN	TOTAL
79)	TRADEX	TRADEX
80)	UCB	UCB
81)	UNION BANK OF CAMEROON	UBC
82)	UNITED BANK FOR AFRICA	UBA

APPENDIX II
LIST OF PUBLIC SECTOR COMPANIES AUTHORIZED TO WITHOLD TAXES AT SOURCE FOR THE 2011 EXERCISE

N°	NAME/ BUSINESS NAME	ABBREVIATION
1.	AEROPORTS DU CAMEROUN	ADC
2.	AGENCE NATIONALE D'APPUI AU DEVELOPPEMENT FORESTIER	ANAFOR
3.	CAMAIR-CO	CAMAIRCO
4.	CAMEROON DEVELOPMENT CORPORATION	CDC
5.	CAMEROON HOTEL CORPORATION	CHC
6.	CAMEROON POSTAL SERVICES	CAMPOST
7.	CAMEROON RADIO AND TELEVISION	CRTV
8.	CAMEROON WATER UTILITIES	CAMWATER
9.	CREDIT FONCIER DU CAMEROUN	CFC
10.	ELECTRICITE DU CAMEROUN	EDC
11.	IMPRIMERIE NATIONALE	IN
12.	LABORATOIRE NATIONAL DE GENIE CIVIL	LABOGENIE
13.	LABORATOIRE NATIONAL VETERINAIRE	LANAVET
14.	MISSION D'AMENAGEMENT DES ZONES INDUSTRIELLES	MAGZI
15.	MISSION D'AMENAGEMENT ET D'EQUIPEMENT DES TERRAINS URBAINS ET RURAUX	MAETUR
16.	MISSION DE DEVELOPPEMENT DES PECHES DU CAMEROUN	MIDEPECAM
17.	PARC NATIONAL DE MATERIEL DE GENIE CIVIL	MATGENIE
18.	PORT AUTONOME DE DOUALA	PAD
19.	SOCIETE D'EXPANSION ET DE MODERNISATION DE LA RIZICULTURE DE YAGOUA	SEMRY
20.	SOCIETE DE DEVELOPPEMENT ET D'EXPLOITATION DES PRODUCTIONS ANIMALES	SODEPA
21.	SOCIETE DE PRESSE ET D'EDITION DU CAMEROUN	SOPECAM
22.	SOCIETE DE RECOUVREMENT DES CREANCES DU CAMEROUN	SRC
23.	SOCIETE DES TELECOMMUNICATIONS INTERNATIONALES DU CAMEROUN	CAMTEL
24.	SOCIETE IMMOBILIERE DU CAMEROUN	SIC

25.	SOCIETE NATIONALE D'INVESTISSEMENT	SNI
26.	SOCIETE NATIONALE DES HYDROCARBURES	SNH
27.	SOCIETE SUCRIERE DU CAMEROUN	SOSUCAM
28.	UPPER NOUN VALLEY DEVELOPMENT AUTHORITY	UNVDA

APPENDIX III
LIST OF MIXED ECONOMY COMPANIES AUTHORIZED TO WITHHOLD TAXES AT SOURCE FOR THE 2011 EXERCISE

N°	NAME/ BUSINESS NAME	ABBREVIATION
1.	AES SONEL	AES
2.	ALUCAM	ALUCAM
3.	BANQUE INTERNATIONALE POUR L'EPARGNE ET LE CREDIT	BICEC
4.	CAMEROON RAILWAYS	CAMRAIL
5.	CHANTIER NAVAL ET INDUSTRIEL DU CAMEROUN	CNIC
6.	CIMENTERIES DU CAMEROUN	CIMENCAM
7.	DIBAMBA POWER DEVELOPMENT COMPANY	DPDC
8.	LA CAMEROUNAISE DES EAUX	CDE
9.	PAMOL PLANTATIONS	PAMOL
10.	SCB CREDIT AGRICOLE	SCB-CA
11.	SOCIETE AFRICAINE FORESTIERE ET AGRICOLE DU CAMEROUN	SAFACAM
12.	SOCIETE ANONYME DES BRASSERIES DU CAMEROUN	SABC
13.	SOCIETE CAMEROUNAISE DE DEPOT PETROLIER	SCDP
14.	SOCIETE DE DEVELOPPEMENT DU COTON	SODECOTON
15.	SOCIETE GENERALE DES BANQUES DU CAMEROUN	SGBC
16.	SOCIETE NATIONALE DE RAFFINAGE	SONARA

APPENDIX IV
LIST OF PUBLIC ADMINISTRATIVE ESTABLISHMENTS ENTITLED TO WITHHOLD TAXES AT SOURCE FOR THE 2014 EXERCISE

	RAISON SOCIALE	SIGLE
1)	AGENCE D'ELECTRIFICATION RURALE	AER
2)	AGENCE DE REGULATION DES MARCHES PUBLICS	ARMP
3)	AGENCE DE REGULATION DES TELECOMMUNICATIONS	ART
4)	AGENCE DE REGULATION DU SECTEUR D'ELECTRICITE	ARSEL
5)	AGENCE DE PROMOTION DES INVESTISSEMENTS	API
6)	AGENCE DES NORMES ET DE QUALITE	ANOR
7)	AGENCE NATIONALE DE RADIO PROTECTION	ANRP
8)	AGENCE NATIONALE DES TECHNOLOGIES DE L'INFORMATION ET DE LA COMMUNICATION	ANTIC
9)	ALLIANCE FRANCO-CAMEROUNAISE	AFC
10)	AUTORITE PORTUAIRE NATIONALE	APN
11)	BUREAU CENTRAL DE RECENSEMENTS ET DES ETUDES DE LA POPULATION	BUCREP
12)	CAISSE AUTONOME D'AMORTISSEMENT	CAA
13)	CAISSE DE DEVELOPPEMENT DE L'ELEVAGE DU NORD	CDEN
14)	CAISSE DE STABILISATION DES PRIX DES HYDROCARBURES	CSPH
15)	CAISSE NATIONALE DE PREVOYANCE SOCIALE	CNPS
16)	CAMEROON CIVIL AVIATION AUTHORITY	CCAA
17)	CAMEROON OIC	OIC
18)	CENTRE D'APPROVISIONNEMENT PHARMACEUTIQUE REGIONAL DU NORD	CAPRN
19)	CENTRE DE FORMATION AGRICOLE DE NKONJOCK	CFAN
20)	CENTRE HOSPITALIER UNIVERSITAIRE DE YAOUNDE	CHUY
21)	CENTRE NATIONAL D'ETUDES ET D'EXPERIMENTATION DU MACHINISME AGRICOLE	CENEEMA
22)	CENTRE NATIONAL D'APPROVISIONNEMENT EN MEDICAMENTS CONSOMMABLES ESSENTIELS	CENAME
23)	CENTRE NATIONAL DE REHABILITATION DES PERSONNES HANDICAPEES CARDINAL PAUL EMILE LEGER	CNRPH

24)	CENTRE PASTEUR DU CAMEROUN (ANNEXES)	CPC
25)	CHAMBRE D'AGRICULTURE DES PECHES DE L'ELEVAGE ET DES FORETS DU CAMEROUN	CAPEF
26)	CHAMBRE DE COMMERCE D'INDUSTRIE, DES MINES ET DE L'ARTISANAT	CCIMA
27)	CONSEIL NATIONAL DES CHARGEURS DU CAMEROUN	CNCC
28)	CRBP/CARBA- NJOMBE	CRBP/ CARBA
29)	ECOLE DES TRAVAUX PUBLICS (ET SES ANNEXES)	ETP
30)	ECOLE NATIONALE D'ADMINISTRATION	ENAM
31)	ECOLE NATIONALE DES POSTES (ET ANNEXES)	ENP
32)	FONDS NATIONAL DE L'EMPLOI	FNE
33)	FONDS ROUTIER	FR
34)	FONDS SPECIAL D'EQUIPEMENT ET D'INTERVENTION INTERCOMMUNAL	FEICOM
35)	GENERAL CERTIFICATE OF EDUCATION BOARD	GCE BOARD
36)	GRASS FIELD PARTICIPATORY RURAL DEVELOPMENT PROJECT	GP-DERUDEP
37)	INSTITUT AFRICAIN DE L'INFORMATIQUE	IAI
38)	INSTITUT DE RECHERCHE AGRICOLE ET DE DEVELOPPEMENT (ET ANNEXES)	IRAD
39)	INSTITUT DE RECHERCHE GEOLOGIQUE ET MINIERE	IRGM
40)	INSTITUT DE RECHERCHE MEDICALE ET D'ETUDES DES PLANTES MEDICINALES	IMPM
41)	INSTITUT DE SCIENCES HALIEUTIQUES DE YABASSI	ISHY
42)	INSTITUT NATIONAL DE LA STATISTIQUE	INS
43)	INSTITUT SUPERIEUR DE MANAGEMENT PUBLIC	ISMP
44)	INSTUTUT NATIONAL DE CARTOGRAPHIE	INC
45)	LABORATOIRE NATIONAL DE CONTROLE DE QUALITE DES MEDICAMENTS ET D'EXPERTISE	LANACOME
46)	LABORATOIRE NATIONAL VETERINAIRE	LANAVET
47)	LATEX PLANT PROGRAMME	LPP
48)	LIMBE PORT AUTHORITY	LPA
49)	LOCAL GOVERNMENT TRAINING CENTRE	CEFAM
50)	MISSION D'ETUDE ET D'AMENAGEMENT DE L'OCEAN	MEAO
51)	MISSION D'ETUDE POUR L'AMENAGEMENT ET LE DEVELOPPEMENT DE LA REGION DU NORD	MEADEN
52)	MISSION DE DEVELOPPEMENT DE LA REGION DU NORD-OUEST	MIDENO
53)	MISSION DE DEVELOPPEMENT DE LA PECHE ARTISANALE MARITIME	MIDEPECAM

54)	MISSION DE DEVELOPPEMENT INTEGRE DES MONTS MANDARA	MIDIMA
55)	MISSION DE PROMOTION DES MATERIAUX LOCAUX	MIPROMALO
56)	NATIONAL ADVANCE SCHOOL OF PENITENTIARY ADMINISTRATION BUEA	ASP
57)	NATIONAL PRINTING PRESS ANNEX BUEA	NPP
58)	NORTH WEST DEVELOPMENT AUTHORITY	NOWEDA
59)	NORTH WEST LIVESTOCK DEVELOPMENT PROJECT	CDENO
60)	NORTH WEST RURAL DEVELOPMENT PROJECT	NWRDP
61)	OFFICE CEREALIER	OC
62)	OFFICE DU BACCALAUREAT DU CAMEROUN	OBC
63)	OFFICE NATIONAL DE ZONES FRANCHES INDUSTRIELLES	ONZFI
64)	OFFICE NATIONAL DE CACAO ET DE CAFE	ONCC
65)	PAN-AFRICAN INSTITUTE FOR DEVELOPMENT	PAN-AFRIQUE
66)	PROGRAMME NATIONAL DE DEVELOPPEMENT PARTICIPATIF	PNDP
67)	RUMPI PROJECT	RUMPI
68)	SOUTH WEST DEVELOPMENT AUTHORITY	SOWEDA
69)	SOUTH WEST DEVELOPMENT AUTHORITY	SOWEDA
70)	UNITE DE TRAITEMENT AGRICOLE PAR VOIE AERIENNE	UTAVA
71)	UPPERNOUN VALLEY AUTHORITY	UNVDA

INTERMINISTERIAL INSTRUCTION No 0060/MINFI/DIPL

OF 28 MARCH 2010 RELATIVE TO THE APPLICATION OF DIPLOMATIC PRIVILEGES IN FISCAL AND CUSTOM ISSUES.

Mindful of the Constitution;

Mindful of the Vienna Convention on diplomatic on relations of April 18, 1961;

Mindful of the Vienna Convention on consular relations of April 24, 1963;

Mindful of the Vienna Convention on privileges and immunities of the UNO of February 13, 1966;

Mindful of the Vienna Convention of December 29, 1951 on privileges and immunities of specialized UNO institutions;

Mindful of the General Tax Code;

Diplomatic privileges in taxation and customs are regulated in the Republic of Cameroon as follows;

TITLE I

TAX PRIVILEGES

CHAPTER I

DEFINITIONS AND OVERVIEWS

Section 1. Definitions

A) Diplomatic and consular franchise

Within the meaning of this Instruction, "diplomatic and consular franchise" mean privileges accorded to diplomatic missions, consular posts and accredited international organizations or their headquarters in Cameroon, and members of their staff enjoying diplomatic and consular privileges and immunities, for their exclusive use:

1. Franchise of duties and taxes on products or imported objects;

2. Exemption of income taxes as well as special taxes other than indirect taxes that are normally incorporated in the prices of products;

B) Head of mission

The definition of the "Head of mission", as the case may be is, the Ambassador, the High Commissioner, Consul General, Consul, any diplomatic agent heading a diplomatic mission or a Representation of an International organization.

C) Diplomatic agent

A "diplomatic agent" is defined as any agent of a diplomatic mission enjoying diplomatic status.

D) Consular officer

A consular officer is he who by career is in charge of consular functions.

E) International civil servant

An international civil servant should be understood as a member of staff of an international organization benefiting of a diplomatic status.

F) Goods and services destined for official use

Should be understood as "goods and services destined for official use", goods and services intended for the official use of the diplomatic representation, consulate or international organization.

These goods and services include:

1 – Acquiring property to house the chancery and residence of the Head of Mission;

2 – Acquiring materials destined for the construction of the chancery and the residence of the Head of Mission;

3 – Works and real estate services related to the development and securing of buildings referred to in 1) and 2) when the cost is borne directly by the mission;

4 – Services relating to water supply, gas, electricity, telecommunications and cable distribution in the premises of the chancery and residence of the Head of Mission;

5 – The procurement of goods and services for the equipment of the premises of the mission or the residence of the Head of Mission. These include:

- Furniture and office equipment (including supplies and equipment destined to maintain offices);
- Appliances, telecommunication and cable distribution equipments;
- Official vehicles and other means of conveyance used in connection with the mission whose list was duly transmitted to the Ministry in charge of External Relations together with copies of registration cards and certificates of insurance;
- Estimates of repairs and maintenance of official vehicles of diplomatic missions, consulates or representations of international organizations;
- Purchases of fuel for official vehicles in the limits set out in schedule 2.

Section 2. Overviews

A) Reciprocity clause

Can only benefit from diplomatic exemptions under this instruction, the accredited countries that have agree on reciprocal basis, to accord similar advantages to Cameroons diplomatic missions or consulates, which are or would be in place.

B) Exclusions

Cameroonian nationals of foreign diplomatic and consular missions and international organizations as well as their family members are barred tax franchise benefits.

Members of the service staff (people employed as domestic servants of diplomatic missions, consulates and international organization) and “private servants” (employees at the private service of a member of the representation) do not enjoy tax franchise.

C) Special clauses

For international organizations, the establishment agreement which governs or the Headquarters Agreement signed with the Republic of Cameroon must

explicitly provide the benefit of the advantages accorded under this instruction, as well as the ranks and functions of the benefiting officers.

A possible check may be conducted only in the presence and with the consent of the diplomatic or consular officer, the international civil servant concerned or his authorized representative.

CHAPTER II

THE SCOPE OF DIPLOMATIC FRANCHISE

Section 1. Of personal income tax

A) The exempt personnel

Are exempt from paying PIT in Cameroon for activities in connection with their official duties:

- The Head of mission;
- Diplomatic or consular officers holders of a diplomatic card issued by the Minister External Relations;
- Members of staff of international organizations of diplomatic status and those who the Establishment Agreement or Headquarters agreement clearly states the franchise.

B) The special case of the administrative and technical staff

The technical and administrative staffs of diplomatic missions and similar bodies are exempt from the payment of PIT once it is established that they are liable to income tax in their country of origin.

In any case, if there is absence of evidence establishing their liability to income tax in their countries of origin, they remain subject to PIT under the provisions of tax law of Cameroon.

Section 2. Of Value Added Tax (VAT)

A) Applicable regime to Diplomatic mission, Consulates and international organization

Diplomatic missions, consulates and international organizations are exempt from the payment of VAT for the purchase of movable and immovable property for the equipment of their premises.

This exemption also covers expenditures for vehicle repairs, the acquisition of uniforms for the working staff, water supply, electricity, gas, cable distribution and telecommunication as well as goods and services acquired during exceptional circumstances such international days and official festivals of the international organization, diplomatic mission and consulates.

The above exemption also covers the purchase of fuel in the quantities specified limits set out in schedules 1 and 2.

B) The applicable regime to the Head of mission

The Head of mission is exempt from VAT on the purchase of movable property for his residence, spending on maintenance and repair of administrative or service vehicles, as well as on supplies of water, electricity, gas, telecommunication and cable.

This exemption also extends to quarterly purchase of personal property within the quantities specified limits set out in schedules 1 and 2.

C) The regime applicable to the diplomatic staff

The diplomatic staffs of diplomatic missions, consulates and international organizations accredited to Cameroon enjoy the same advantages as heads of diplomatic missions within the quantities specified set out in schedules 1 and 2.

D) The regime applicable to the administrative and technical staff of diplomatic missions, consulates and international organizations

The administrative and technical staffs of diplomatic missions, consulates and international organizations accredited to Cameroon enjoy, within the six (06) months their first installation, the exemption from VAT on purchases of goods and services for their personal use.

The tax law in force in Cameroon shall be applicable to the staff that do not benefit of the privileges enshrined in this instruction.

Section 3. Of the special Tax on Petroleum Products

The diplomatic mission, consulate, international organization and the staff of diplomatic rank are exempt from the payment of the special tax on petroleum products in the quantities specified in schedules 1 and 2.

Section 4. Of registration fees, stamp and tax on land ownership

As concerns registration fees, stamp and tax on real estate, diplomatic missions, consulates and international organizations enjoy the following:

- Acts for which registration is incumbent upon an international organization are registered for free unless otherwise stipulated in a Headquarter agreement with a country of the Economic and Monetary Organization of Central Africa.

- Acts established by foreign diplomatic missions and Consulates of the Economic and Monetary Organization of Central Africa are exempt from the formality of registration.

- Subject to reciprocity, nationals who are not members of CEMAC are exempt from stamp duty on passports and visas.

- The following are exempt from stamp duty on resident permit:

✓ Assistance staff or of technical cooperation;

✓ Staff of military or police cooperation;

✓ Non diplomatic staff of diplomatic mission, consulates and international organizations accredited to Cameroon.

- Exemption from property tax on real estate belonging to diplomatic missions and international organizations haven signed a headquarter agreement with Cameroon. However, the tax is due where the diplomatic mission, consulate or international organizations are no longer tenants of the building. In this case the owner of the property remains liable to property tax.

- Exemption from stamp duty on motor vehicles (vignette automobile) for vehicles owned by those enjoying diplomatic or consular privileges and vehicles used exclusively on temporary admission under international cooperation projects.

- Members of diplomatic missions, consulates and international organizations are exempt from airport stamp duty.

CHAPTER III

PROCEDURES OF EXEMPTION AND REFUND TAXES ISSUES

Section 1. Tax exemption title issue

The petitions must be formulated like a verbal note signed by the head of mission, the Chargé d'Affaires or any other diplomatic designated for, and addressed to the Minister of External Relations who, after certification will transmit it to the Minister of Finance (DIRECTORATE GENERAL OF TAXATION).

Petitions must be quantified and purchases done through specific suppliers.

So, the pro forma bill which comes with the petition must clearly mention the name, address and Unique Identifying number of the supplier. The pro forma must also clearly show the amount for which the exemption is requested.

Any petition which does not respect that procedure is sent back to the Minister of External Relations.

The certification of the Ministry of External Relations on top of the petition testify:

- the steadiness of the accreditation of the mission
- the effectivity of the steadiness for the advantage requested
- the appropriateness or adequacy of the petition to quotas

The exemption tax certificate issued by the Minister of Finance (Directorate General of Taxation) grantee:

- the steadiness of the petition according to the General Tax Code disposals;
- the steadiness of written proof or evidence;
- the respect of quotas determined by this instruction.

Specifically about fuel tax exemption, diplomatic missions, consular, and international organization, must periodically send to the Minister of External Relations, the inventory of their cars, with their registrations books and their insurance certificates. This inventory must precisely have names, first names, the quality of those who the vehicles have been allocated to. It must also clearly precise the year of acquiring and be permanently up dated.

Tax exemption title issued through this instruction are valid for 3 months, without a possibility of postponement or anticipation if it concerns fuel or quarterly house provisions of diplomatics missions, consular and international organizations, even their employees or staff.

They have 6 months validity with an exceptional extension of 3 months in others cases.

Exemption titles concerning the administrative and technical staff can not be extended unless there is a justified case of **force majeure**.

Section 2. The refund taxes

In conformity with the provision of section 149 of the General Tax Code, diplomatic missions, consular and international organisation may apply for the refund of VAT.

At the end of each quarter, refund taxes applications must be filled and certified by the head of mission, the Chargé d'Affaires or any other diplomatic designated for, and addressed to the Minister of External Relations who will transmit it to Minister of Finance (Directorate General of Taxation).

TITLE 2

PRIVILEGES IN CUSTOMS

CHAPTER I

IMPORTATION, USE AND VEHICLES TRANSFER

Section 1. Importation

Can import tourism vehicles with exemption from duties or with tax exemption are:

- diplomatic missions, consular, international organization for their services needs;
- members of their diplomatic, administrative and technical staff none Cameroonians for private use.

The benefit of that importation for the diplomatic staff is limited to two vehicles per family related to his size, and to one car per family for administrative and technical staff.

The benefit of importation with tax exemption is granted for one year renewable.

Vehicles importation is done according to a registration " **d'acquit-à-caution**" in guarantee to rights and taxes eventually incurred.

However, about particular case of cars belonging to the property of the diplomatic mission, consular or international organization, the financial guarantee is replaced by a moral guarantee of the head of mission, who accept to submit himself to the regulation of temporary importation of vehicles of tourism as:

- annual renewal of the temporary importation title;
- ban of offering or selling vehicles under temporary importation without previous agreement of Minister of External Relations;
- exclusively use for services or strictly personal.

Section 2. Using and transfer

The vehicle strictly devoted to the beneficiary can not be sold, offered or replaced during 3 months, from the registration date unless a case of "force majeure" is establish (mechanical destruction, theft, important accident damages, final departure of the beneficiary).

In case of re exportation, the beneficiary must regularize the customs situation of his car.

The disposal above does not concern vehicles given to physical or moral persons benefiting for the temporary importation system or temporary admission system.

Any way, the transfer must previously be authorized by the Minister of External Relations.

CHAPTER II

PROVISIONS APPLICABLES TO GOODS IDENTIFIABLES AS FOR LONG LASTING CONSUMPTION, EQUIPMENTS AND BUILDING MATERIALS

Section 1. Goods identifiable as for long lasting consumption

In conformity with above provisions, rights and taxes exemption for importation of goods like refrigerators, air conditioners, video recorder, cookers, televisions, motorized bike, furniture, etc. is agree for the first installation of (ayants droit diplomatic) and none diplomatic (administrative and technical staff) and for the duration of their stay only for diplomatic agents. Nevertheless, for those ones, the duration of life of articles will be taken in account and the regularization of the customs situation of the previous exempted ones.

Section 2. Equipments and building materials

Only equipment and building material devoted to the building of diplomatic mission, chancelleries, consulate head of by a consular civil servant can benefit of customs exemption or the refund of paid taxes.

Material and Equipment above are considered to be an integral part of work involved.

Section 3. Selling or ofering goods identifiable as for long lasting consumption.

Goods identifiable as for long lasting consumption and devoted to the official use of diplomatic mission, international organization or the use of their members can not be given up or sold.

In fact, the application for exemption from customs duties established by the head of the representation and certified by qualified Cameroonians services, specify the commitment of the beneficiary not to dell or offer goods.

TITLE 3

FINAL PROVISIONS

It is still understandable that quantities indicated in annex 1 and 2 are the roof or the limit which can not be crossed and exemption duties granted under head of mission responsibility must correspond to the real needs of beneficiaries.

Goods exempted in this instruction notably equipment and building materials must be delivered to the beneficiary of the exemption certificate or to his representative duly appointed.

The related deliveries slip must necessarily include the names, first names, addresses of the head of reception and eventually the type and the registration vehicle number, driver's name, the date and all the helpful information.

Moreover, they must resume the number and the date of the definitive bill and payment modalities (check number, bank, cash…)

If the definitive bill is also a delivery slip, it must obligatory include above mentions.

The non-observance of provisions above may lead to, in case of offence, the responsibility of the defaulting supplier.

The re exportation of goods and vehicles admitted to the exemption from customs duties must be certified by customs services and copy of the helpful documents handed over to the Minister of External Relations to up date the master file involved.

The present instruction is applicable from the date of signature. It abrogates provisions of the interministerial Instruction No 0123/MINFI/DIPL of the 20th November 1989 related to the application of diplomatic privileges and modify the provisions contrary of Instruction No 0001/MINEFI/DI/L of the 4th February 2004 précising modalities of application of the fiscal provisions of the Finance Law for the year 2004.

ANNEX 1

Quarterly quota authorize for house provisions and goods long lasting consumption for the diplomatic corps, consular and international organization.

	Head of mission	Other diplomatic
Champagne and wines	120 litres	80 litres
Spirituous or spirits	60 litres	30 litres
Beers and non alcohol drinks	80 cartons of 24 bottles of 33cl or equivalent	60 cartons of 24 bottles of 33cl or equivalent
Cigarettes	2,000 cigarettes (10 cartons of 200 cigarettes)	1,600 cigarettes (8 cartons of 200 cigarettes)
Tobacco	10 parquets	8 parquets

ANNEX 2

Quarterly quota authorize for fuel exemption for the benefit of diplomatic corps, consular and international organization.

	Official of mission	Head of diplomatic mission	Others diplomatic
Fuel	2,000 litres per vehicles up to 10 vehicles	2,000 litres	1,200 litres

JOINT CIRCULAR No 0002335 /MINATD/MINFI OF 20 OCTOBER 2010 TO SPECIFY THE MODALITIES OF APPLICATION OF LAW No 2009/019 OF 15 DECEMBER 2009 ON LOCAL TAXATION

THE MINISTER OF STATE, MINISTER OF TERRITORIAL ADMINISTRATION AND DECENTRALIZATION

THE MINISTER OF FINANCE

TO:

- *Municipal Executives ;*
- *The Director General of Taxes ;*
- *The Director General of Customs;*
- *The Director General of the Treasury, Financial and Monetary Cooperation;*
- *The Director General of the Budget;*
- *The Director General of the Special Council Fund for Mutual Assistance (FEICOM);*
- *The Director of Decentralized Territorial Communities;*
- *Regional Revenue Collectors;*
- *Municipal Revenue collectors.*

The Law on local taxation promulgated on 15 December 2009 falls in line with the implementation of the decentralization process.

Essentially, the new disposition aims at:

- raising the level of fiscal revenue of local councils through the transfer in their favour of the proceeds of some taxes and dues;
- ensuring a better reallocation of resources through fiscal equalization;

- reinforcing the financial autonomy of decentralized territorial communities by the organization of the progressive transfer of competences in terms of the management of local taxes and direct access to the revenue devolved to them;
- the enhancing the values and revenue from local taxation.

This circular specifies the interpretation and application modalities of the said law, and provides the practical orientations necessary for its implementation.

It shall there by provide clarifications on:

- general provisions;
- the local development tax and communal taxes administered and managed by the State but whose proceeds are destined to decentralized territorial communities;
- communal taxes administered and collected by the decentralized territorial communities;
- specific provisions to intermunicipal and equalization taxes and dues, and to those of regions;
- procedural rules.

PART ONE

GENERAL PROVISIONS

A - Scope of application

The Law on local taxation treats all taxes and levies which are collected by decentralized units or transferred to the said communities whatever their nature and purpose.

As such, it applies:

- to councils;
- to city councils;
- to subdivisional councils;
- to the regions;
- to inter-municipal bodies;
- and to any other type of territorial community created by the State.

B - Tax competences devolved to decentralized territorial communities

The Law on local taxation specifies that a territorial community can only collect a tax, a due or a royalty if the said tax, due or royalty are created by law, voted by the deliberating organ and authorized by the competent authority.

Thus, the levying of a tax by a Decentralized Territorial Community can only take place if three (3) cumulative conditions are fulfilled:

- the creation of the said levy by the law;
- the institution of this levy by the deliberating organ within the territorial jurisdiction of the local community;
- the approval of the deliberation by the competent supervisory authority.

In fiscal matters, the exclusive competences of the decentralized territorial communities are as follows:

- in terms of tax base, the institution within the communal area of communal taxes already created by the law and fixing of rates and tariffs within the limits and ranges provided for by the law, by the municipal council during the annual budgetary session;
- in matters of collection of municipal taxes, the competence belongs to the municipal Revenue collector after issue by the municipal recovery services;
- in matters of litigation, the competence of the Municipal administrator for examination at first instance of claims relating uniquely to municipal taxes, to the exclusion of the local development tax and communal taxes.

Moreover, it should be specified that the decentralized territorial communities have no fiscal competence as concerns local taxes, administered and managed by the State, of which the revenue is simply transferred to them.

C - The principle of solidarity and harmonious development of all decentralized territorial communities

The Law on local taxation implements the principle of solidarity among decentralized territorial communities in view of their harmonious development. It consecrates the principle of financing of this solidarity through two mechanisms as follows:

- the principle of solidarity by inter-municipality through FEICOM;
- the principle of solidarity by equalization of the product of some local taxes centralized by the said body.

1) The principle of solidarity by intermunicipality through FEICOM (article 116-1)

The mechanism of intermunicipality consists, for territorial communities to transfer to FEICOM, a quota of the product of some dues and taxes.

To this effect, 20% of the product of additional council tax, parking fees, business licences, liquor licences, the tax on land ownership and duties on real estate transfer.

The revenue thus constituted serves to finance, the proper functioning of the body on the one hand, and, the various interventions in favour of the local communities on the other hand.

2) The principle of solidarity by equalization of the product of some local taxes centralized by FEICOM (article 5, 116-2 ,119-2)

Article 5 of the law on local taxation institutes as such a horizontal equalization mechanism which consists in centralizing and redistributing some shares of taxes and dues, in order that the territorial communities with high tax yields palliate the insufficiency of resources of local communities with low fiscal potential, by direct payment into their budgets.

The centralization of the following products, subject to equalization, is assured by FEICOM:

- 70% of additional council taxes including;
- 28% of basic deduction in favour of the council or the City council;
- 42% of the balance centralized to FEICOM in conformity to the regulatory provisions in force;
- 20% of the share of annual forestry royalty transferred to councils;
- 100% of windscreen licences.

The application modalities of the equalization are fixed by special texts.

D - Modalities of follow up of the output of local taxes

According to article 6 of the law on local taxation "the State makes sure that the annual output of local taxes corresponds to a proportional rate established in relation with its level of fiscal resources ".

"To this effect, the financial services of the State involved in the fiscal management of territorial communities are supposed to ensure, with the same efficiency as for State taxes, the collection of local taxes of which they have the responsibility".

The Law thus lays down the principle of efficiency and profitability in the management and follow up of local taxes.

In order to arrive at this result, the officials of taxation services of the State and decentralized territorial communities should determine annually:

- the quantitative objectives of the revenue expected per nature of tax;
- the qualitative and quantitative indicators for follow up-evaluation of the said revenue.

The term "indicator" refers to the various criteria or markers capable of enabling us appraise and evaluate monthly and quarterly the output level of taxes and dues of the DTCs.

PART II

BUSINESS LICENCE

Articles 8, 9, 10, 11: Criteria of liability

Any natural or corporate body which exercises a lucrative activity in a habitual manner within a council area is subject to business licence contribution.

It should be understood that by habitual and lucrative activity, means any repetitive exercise of acts of trade as a profession with the goal of realizing a profit.

Non lucrative activities recognized as public utility by a decree and those to which access is free are excluded from this category.

However, some activities exercised whatever their nature and the amount of turnover realized, are liable to the business licence payment as of right. These are notably the activities presented in annex II of the law on local taxation that obligatorily requires the establishment of a business licence for the person carrying them out.

It should be underscored that the activities of nongovernmental organizations and common interest groupings are considered as non lucrative activities when they are recognized as public utility by decree and when access to the services they offer is free of charge.

Article 12: Exoneration from business licence for new enterprises

New enterprises are exonerated from the payment of the business licence during the first two years of their activity.

For the implementation of this measure, we should understand "new enterprise "to mean that which is registered in the trade register during the year considered and who goes to the taxation service for the first registration.

On the basis of an application introduced by this category of enterprises, the chief of the competent taxation centre (DTC, METC, LTU, etc.) issues a licence bearing the indication **"EXONERATED"** which they can use in their various transactions.

Shall not be considered as new enterprises for the benefit of the measure, enterprises that were previously under the discharge system of taxation and have been reclassified to the business licence, enterprises already having a single identifier and simply changing the place of filing returns or better still, those registered in the trade register and changing management.

Similarly, new enterprises shall remain subject to the other formalities surrounding the creation of a tax file in their relevant centre, notably the location, registration, the payment of various duties …

Concerning the computation of the two year deadline during which the exoneration is valid, any year started counts for a full year.

Moreover, enterprises having benefited from this measure and which after the years of exoneration are eligible to particular tax regime providing similar advantages can still aspire to the benefit of the said exoneration.

Articles 13, 14, 15, 16, 17, 18, 19, 20 and 21: Assesment modalities

The modalities for the establishment of the licence have not been modified by the new law. Consequently, the rules governing the place of establishment, the personality, the annual nature of the licence and the calculation shall continue to be applied.

Therefore, the licence should be declared within the ten (10) days which follow the start of the taxable activity, even in case of exoneration.

In case of renewal, the annual declaration should be made within the first two months of the year, that is to say before the 1st of March, or within the first two (02) months following the end of the two (02) years temporary exoneration.

Taxation services shall particularly see into it that, in addition to the habitual information on the identification of the taxpayer, the licence return contains necessarily:
- the number of the trade register;
- the registration number of the enterprise;
- the references of location (of head office and respective establishments per town, quarter street, door number);
- the nature of activity;
- amount of turnover;
- the reference of the last receipt of land tax or of the tenancy contract.

The license due is the result of the application of a digressive rate fixed by the beneficiary local councils on the turnover realized by the taxpayer during the previous financial year.

For the final determination of the turnover of the previous financial year (N-1), the taxation services will carry as the case may be rectifications of the bases at the time of declaration of the CT and VAT balances.

The rates applicable are fixed by the deliberating organ of each beneficiary council in conformity with the range retained by the law.

It should be recalled that the particular modalities for the calculation of the license of interurban transporters of persons, transporters of goods and enterprises realizing a turnover higher than 2 billion francs are maintained. Thus:

- individuals subject to the simplified regime of transporters provided for in article 64 of the General Tax Code pay the license according to the modalities defined in article 13 (5) of the law on local taxation;
- individuals or corporate bodies under the actual regime are liable to the license annually according to the global turnover of the vehicles.

For this last case, the transporter of goods or of persons concerned establishes a single license for all their vehicles at the council hosting the head office of the enterprise.

As concerns the bases of assessment for enterprises fully subjected to the license, where the turnover is less than five million, the minimum of levy should be retained by using the range of 0.283 % to 0.400% of annex I concerning the table of the corresponding classes of licenses and the corresponding brackets.

<u>Articles 29, 30, 31, 32</u>: Sanctions

The sanctions provided for in case of nonpayment, late payment, failure to display the license or exercise of an illegal or forbidden activity are the same as those provided for previously.

Also, the following penalties should be applied:

- 10% per month of delay of payment of the license, with a maximum of 30% of the tax due;
- Best judgment assessment for any taxpayer not having paid the license with an increase of 50% or 100% of the duties due, depending on whether good faith is established or not;
- CFA 10,000 francs in case of failure to display the license;

- Collection of duties for the license in case of the exercise of an illegal or prohibited activity accompanied by an increase of 100% of the duties, without issuance of the license;
- For the particular case of transport enterprises, the failure to present the license leads to the impounding of the vehicle.

Moreover, the measures concerning the closure of establishments and impounding of vehicles are still in force.

PART III

LIQUOR LICENCES

Articles 33, 34, 35, 36, 37,40 : Criteria of liability

Individuals or corporate bodies with or without authorization, carrying out the manufacture, whole sale or retailing of alcoholic drinks shall be subject to the liquor license.

The same thing holds for importers of the abovementioned drinks, which are equally subject to the liquor license, even when these drinks constitute the accessory of a principal activity.

As a reminder, the sale of mineral water, gaseous waters, aromatized or not by non alcoholic extracts and the sale of fresh unfermented juice, when it is carried out in a separate establishment from the one comprising the taxable drinks does not give rise to liquor license. However, when this water is sold in the same establishment as the taxable drinks, it is subject to the liquor license.

Articles 43, 44: Assessment modalities

With regard to the assessment modalities, new tariffs are provided for by the law on local taxation. The amount of the license due is determined by applying the amount of the licence or of the discharge tax on the tariff corresponding to the category of drinks concerned as follows:

Nature of activity		Activities liable to the business licence	Activities liable to the discharge or global tax
Class of Licence	**Basic element**	**Contribution to business licence**	**Amount of the global tax**
1st class	Non-alcoholic beverages	02 times the business license	01 time the amount of the global tax
2nd class	Alcoholic beverages	04 times the business license	02 times the amount of the global tax

However, with regard to operations capable of giving rise to the various licenses realized within the same establishment, the base to be retained for the calculation of the licenses shall be that of the activity giving rise to the highest license. Thus for example, if an enterprise offers to its customers at the same time alcoholic and non-alcoholic drinks, the license duty to be taken into account shall be liquidated on the basis of alcoholic drinks.

Article 43: Sanctions

The nonpayment, the non display or the non presentation of the license, are subject to the sanctions provided for the same offences in terms of business license.

PART IV

THE GLOBAL OR DISCHARGE TAX

Article 45: Criteria of liability

In addition to commercial, industrial and other activities which were already subject to discharge tax, the law on local taxation extends the scope of this tax to artisanal and agropastoral activities that neither fall under the regime of actual benefit nor the simplified taxation system, nor the basic system, and of which the turnover is less than 15,000,000.

Article 46, 47: Assessment modalities

The assessment modalities of the existing discharge tax were maintained by the new law on local taxation.

Nevertheless, and as a reminder, the discharge tax is due per council and per establishment, except for mobile traders who pay their discharge tax in the council of their residence.

The discharge tax is equally due per distinct activity, the distinction of activities being formed here in conformity to the list fixed by the law.

Thus, if in the same establishment are exercised two distinctive activities according to the abovementioned list, and which are not complementary, each of activity should be subject to a separate taxation.

As an illustration, if the same establishment sells educational stationeries and deals in hair dressing, each of these activities is subject to the payment of a separate discharge tax.

The product of the discharge tax is entirely devolved to the councils and subdivisional councils, to the exclusion of city councils, and henceforth of FEICOM.

The persons liable should pay a tax on local development which is a tax due in return for specific services and whose modalities are specified later on.

On the contrary, the audiovisual royalty is not applicable to the discharge tax.

The tariff of the discharge tax is fixed by deliberation of the council according to the list of activities fixed by the law in the following categories and brackets:

-	Category A	0 F	to	20,000 F
-	Category B	20,001 F	to	40,000 F
-	Category C	41,001 F	to	50,000 F
-	Category D	51,001 F	to	100,000 F

The discharge tax is declared and paid within the fifteen (15) days that follow the end of each quarter. Successive payments are inscribed on the discharge tax follow up form.

The levying of the discharge tax is done by the taxation services, in a unique issue slip in favour of the council or the subdivisional council of the location of the enterprise.

Article 47: Sanctions

The Law institutes sanctions in case of nonpayment of the discharge tax, and of failure to display the payment form of the said tax.

In case of nonpayment of the discharge tax within the legal deadlines, the closure of the establishment shall be effected, and concomitantly, the application of a penalty of 30% of the tax due.

The non display or the non production of the discharge tax payment form shall lead to the payment of a fine of CFA 5,000 F CFA, under the same conditions as the principal tax.

The sanctions for nonpayment of the discharge tax are not cumulative with those applicable for failure to display or to produce the discharge tax payment form.

For hawkers and transporters, a seizure of goods can be carried out, in conformity with the modalities provided for by the law. Perishable goods can only be seized after a warning is served to the taxpayer according to the forms provided for by the law.

However, taxpayers under the discharge tax can opt for the basic system. This option being irrevocable, it follows that from its notification by the taxpayer to the chief of taxation centre, it becomes final.

PART V

LAND TAX AND DEEDS OF CONVEYANCE

Articles 48 et 49: Transfer to councils of the product of land tax on real estate ownership and deeds of conveyance

The provisions relating to liability to land tax and the transfer of ownership of property remain those contained in the General Tax Code. The law on local taxation however consecrates the transfer of the product of land tax and the registration duties on the conveyances to the council of the place of their situation.

However, there shall no longer be the collection of additional council taxes on land tax.

PART VI

TAX ON GAMBLING

Article 50: Total transfer to the councils of the product of the tax on gambling

The law on local taxation consecrates the integral transfer of the tax on gambling to the council of the place of exploitation of the games.

However, for towns endowed with a city council, the tax on gambling is integrally and exclusively remitted to the city council.

The general rules relating to the tax on gambling are still governed by the General Tax Code and its texts of application.

Notwithstanding, there shall no longer be any collection of additional council tax on this tax.

PART VII

WINDSCREEN LICENCE

Article 51: Complete transfer to the councils of the product of the automobile stamp duty

The law on local taxation consecrates the integral redistribution of the product of automobile stamp duty to councils and city councils by the equalization mechanism. The modalities of this redistribution are set by a special text.

Consequently, FEICOM or any other body in charge of the centralization and equalization should not carry out deduction of any nature whatsoever on the product of the windscreen license which is remitted to it.

The provisions relating to the tariffs, collection modalities, payment deadlines, exonerations and sanctions are still those contained in the provisions of articles 594 to 603 of the General Tax Code and its texts of application.

The modalities of ordering, sale and the regime of remittances on the sale of windscreen license are fixed by a special text.

PART VIII

THE ANNUAL FORESTRY ROYALTY

Article 52: Distribution of the communal share of the annual forestry royalty

In conformity with the provisions of article 243 of the General Tax Code, councils benefit from a 40% share of the product of the annual forestry royalty.

The law on local taxation fixes the distribution of this share as follows:

- 50 % as withholding at source to the profit of the council of location;
- 50 % as the balance centralized for FEICOM or any other body charged with the centralization and equalization of local taxes.

By council of location, it should be understood the council hosting the surface area of the forestry exploitation title (UFA, sale of felled timber) giving rise to payment of the royalty and not that hosting the headquarters of the enterprise exploiting the title.

When an exploitation title covers the territory of more than one council, the distribution of the share pertaining to the council of location should be done proportionately to the surface area of the title occupied in each council.

Thus for the concessions, the AFR is paid in three installments of an equal amount and successively on 15 March, 15 June and 15 September of the year, to the competent taxation services. For the sales of felled timber, the royalty is paid in totality within the forty-five (45) days that follow the deposit or the renewal of the title owner's bank caution.

PART IX

ADDITIONAL COUNCIL TAX

Articles 53 to 56: The additional council taxes are collected by the taxation and customs administrations in favour of the council. The additional tax being deducted at the same time as the principal of the tax on which they are levied, their collection follows the lot of these taxes whose collection modalities are those provided for in the General Tax and the Customs Code.

The product of the additional council tax is distributed as follows:

- 10% to the State, as levying and collection fees;
- 20% in favour of the Special Fund for Mutual Assistance (FEICOM);
- 70% in favour of councils, sub divisional councils and city councils.

The distribution and the issue of the additional council tax is done in accordance with the provisions of articles 55, 115 and 116 of the law on local taxation.

PART X

COUNCILS TAXES

I - THE LOCAL DEVELOPMENT TAX (LDT)

1) General provisions

The Local Development Tax instituted by the law on local taxation is applicable as of right. To this effect, the collection of the said tax is not subordinate to the vote of the municipal council or the city council.

The LDT is collected in return for the services such as public lighting, drainage, refuse disposal, the functioning of ambulances, water and electricity supply. This requirement for consideration derives from the obligation that weighs on the local communities to work towards the provision of the abovementioned services and as well as their maintenance.

Moreover, it should be noted that the product of the LDT is allocated in priority to development or to the maintenance of services. As such, the expenditure projection for the development and maintenance of these basic services should be at least equal to the LDT revenue collected during the previous financial year.

2) Liability

Those liable to the payment of the local development tax are natural persons, including those liable to the global tax and business license for their professional activities.

The natural persons mentioned here, besides those liable to the business license and discharge/global tax, include employees of the public or private sector, earners of a monthly salary or a salary arrears. Nevertheless natural persons having a monthly salary less than CFA 62,000 francs are exonerated from the payment of the said tax.

3) Assessment

The LDT is levied on the basic salary for workers of the public sector, and on the salary corresponding to their categories with regards to employees of the

private sector, as well as on the principal of tax, as concerns persons liable to the discharge/global tax or to business license.

The basic salary refers to the index or wage corresponding to a category, served to the worker. It does not include allowances and other advantages in kind which contribute to the gross salary. The basic salary is equally different from net salary which refers to the gross salary minus the taxes and social dues.

It is due for natural persons from the payment of the salary to the employee, and is payable at the same date like every other withholding at source that has to be carried out from the employee's salary by the employer.

For natural persons or corporate entities liable to the global tax or the business license, the LDT is due during payment of the global tax or the business license on which it is levied. Enterprises of the Large Tax Unit and the METC are supposed to issue a unique transfer order for the license, which should specify the share of the LDT.

The law on local taxation fixes the maximum tariffs of the LDT. It is thus left to the beneficiary councils and city councils to communicate to the taxation services, the tariffs set by the council within the ranges fixed by the law. When the tariffs are not communicated to the services, the latter apply the maximum tariffs the maximum tariff of a tax bracket constituting the minimum tariff of the upper bracket.

For employees of the public sector, the proceeds of the LDT is centralized at FEICOM and shared to all the councils just as the council additional surtax.

4) Sanctions

Given the specificity of this tax, the sanctions relating to the nonpayment of the local development tax, follow the procedures applicable to the taxes and duties on which it is levied.

II- THE OTHER MUNICIPAL TAXES

Articles 61 et 62: General provision relating to communal taxes

The law on council tax institutes besides the local development tax, other local taxes which are exhaustively enumerated. Councils in the frame of this enumeration can instate them by deliberation of the municipal council.

Unlike the LDT for which the council is empowered to deliberate on the rates applicable in the jurisdiction of the municipality, a council tax shall be levied in the territory of the municipality only if it has been established by the municipal council. This deliberation where appropriate, shall fix the rates when the law provides ranges within which the municipality is authorized to adopt the rates applicable in its territorial jurisdiction.

In more concrete terms, the councils can only collect a municipal tax when the latter is provided for in article 62 of the law on local taxation and has been instituted by a deliberation of the municipal Council.

On the contrary, when the council has not instituted by deliberation within its territorial jurisdiction the tax provided for in article 62 of the law on local taxation, this tax cannot be subject to deduction from the taxpayers of the council.

A communal tax instituted by deliberation of the municipal council is due by any person who, within the territorial jurisdiction of the municipality, either carries out taxable operations, or fulfills the specific criteria provided for by the law for each tax, such as the keeping a liable good, the exercise of a taxable activity, liability to a tax of an activity or a situation constituting its developer as liable to tax.

A- Specific provisions to the various municipal taxes

Articles 63 to 65: The cattle slaughter tax

1) Liability

The cattle slaughter tax is due by everybody who slaughters livestock in a slaughterhouse developed or managed by the council, whatever the quality of

the person, whether the slaughtered animal is meant for domestic consumption or for sale. The animals referred to in this circular comprise all livestock with the exception of poultry and rabbits and rabbits.

Slaughterhouses developed by the council refer to those constructed, repaired or equipped by the municipality alone or with other public or private persons, once the latter carried out works there in view of rendering it operational. It is not necessary that the infrastructure be the property of the municipality, its participation in its development is sufficient for the collection of the slaughtering tax.

By slaughterhouse managed by the municipality, it should be understood as those that are either directly administered by the services of the municipality, or by means of a municipal management, or by a public establishment created by the council. Also forming part of it are developed slaughter houses or the premises used as such rented to the council by public or private persons and directly administered by the council.

The slaughtering tax is not due by the persons take their animals to be killed in slaughter houses developed or managed by public or private persons other than the council or communal public establishments duly authorized by virtue of the legislation applicable in matters of the slaughtering of animals. However, these persons are not exempted from the payment of service duties and taxes collected by veterinary services by virtue of the legislation in the domain of sanitary and veterinary inspection.

2) Assessment

The cattle slaughtering tax is due before any slaughter of animal is underway and payable at the time of presentation of the animals at the slaughter house, the latter being the generating act. The council services proceed to this effect with the registration of the animals to be slaughtered and to the collection of the duties as specified in article 65 (1).

Its rate is fixed respectively for cattle and equines at CFA 1,000 francs per head, for pigs at CFA 400 francs per head and for sheep and goats at CFA 250 francs per head.

3) Sanctions

The fraudulent slaughtering of animals is punished by a fine per head of cattle killed fixed at CFA 10,000 francs for cattle and equines, and CFA 5,000 francs for the other animals concerned. This fine which is collected without prejudice of the sanctions provided for by the legislation in matters of slaughtering and hygiene, is immediately payable from the moment the offence is noticed by the municipal agents designated to this effect.

By fraudulent slaughtering, it should be understood in addition to the slaughtering in slaughter houses developed or managed by the councils of the animals mentioned in article 64 without payment of the slaughtering duties, any slaughtering of the said animals in violation of the legislation in matters of the slaughtering of animals and hygiene. The municipal services should contact the veterinary services to ensure the respect of the said legislation.

It remains understood that fraudulent slaughtering of animals gives right to the collection of the slaughter tax normally due at the rates in force, in addition to the fine for fraud.

It should also be recalled that the slaughtering tax being due before slaughtering of the animal, the nonpayment of the duties leads to the suspension of the slaughter until the payment of the tax due.

<u>Articles 66 to 72</u>: The municipal tax on cattle

1) Liability

The council tax on livestock instituted by the law on local taxation is payable by owners of herds. It is due per year by individuals and entities possessing herds from the 1st of January of the considered year, no matter whether it is for domestic or commercial purposes.

Consequently, the livestock council tax is due by persons who rear bovine in view of selling them alive or in the form of meat (flesh), as canned products, for touristic purpose, for domestic consumption, for scientific or medical experiences or for any other goal insofar as they are not listed by the exemptions of Section 67.

The following are exempt from the payment of cattle tax:

- All State owned animals regardless of their use, at the exception of all other public entities including councils and public establishment;

- The owners and keepers of animals imported from abroad for the purpose of reproduction, particularly for experimental purposes by scientific and medical research structures, universities and agricultural training centers and those imported by structures or individuals in view of reproduction in breeding farms;

- Owners or keepers of animals employed in plowing and other agricultural exploitations. This concerns animals used for labour activities. Those used to drag carriages are liable to the payment of the tax if only they are not employed for labour activities as well;

- Owners and keepers of animals bred by charitable organizations for social works. Charity works shall refer to services rendered by recognized public utility organisms carrying out non-profit making activities. They are exempt from the cattle tax solely for the keeping of animals used for a social goal, that is, they are bred for the consumption of pensioners, in the course of their training or apprenticeship agropastoral profession.

2) Liability and assessment modalities

The council cattle tax is payable no later than the 15 March of the fiscal year in respect of the number of cattle kept or owned. The taxpayer shall declare no later than the above mentioned date to the council of localization of the herds. The tax rate is decided by the municipal council within the range of 200 and 500 FCFA per head.

For the purpose of cattle tax, Council of localization of herds shall mean, the benefiting municipality of the proceeds of the tax, which may be the council or rural council where the animals are situated.

It is important to note that, when the taxpayer has paid the tax on livestock for a given year, his displacement within the jurisdiction of another municipality does not entail the payment of a new tax on the same animal for the same year. The taxpayer need only prove that he paid tax to another municipality.

A headcount of taxable animals is organized every year by the council of location in conjunction with livestock services. This control is done at the initiative of the council that determines the procedures under its jurisdiction.

Moreover, it should be recalled that, the payment of council taxes on livestock does not exclude, where appropriate, the taxing for discharge tax or income tax for the same animals when they perform activities liable to these taxes.

Thus, where a cattle owner who is liable to municipal tax on livestock also exercises in a regular manner the activities of a livestock dealer, he shall be liable based on his turnover, to personal income tax (PIT) according to the regime in which he is classified or discharge tax as referred to in paragraphs b, c, and d of Article 46 (2).

3) Sanctions

Taxpayers of the council tax on livestock are required to pay their due no later than 15 March of the year. Upon expiration of the deadline, communal services are entitled to issue an order to pay, lest the cattle in question is seized and impounded. In this case, before any return of his animals, the debtor pays the principal, impoundment fees and the costs relating to the maintenance of the animals during their stay in impoundment according to the provisions of section 130 of the law on council.

If within thirty days after the impoundment of animals, the debtor has not paid his tax debt, the head of the cash desk may be authorized by the mayor to proceed with an auction sale of the animals according to the OHADA Uniform Act on simplified procedures on recovery and enforcement with regards to article 130 of the above mentioned law.

<u>Articles 73 to 76</u>: The tax on fire arms

1) Liability

The tax on fire arms is due for a year by any holder of a fire arm, even out of use, and who is bound to make the declaration at the latest on the 15 March of the year in question at the council where the arm is located.

The keeping of a fire arm alone at the 1st of January of the year, whatever the use made of it by the holder, entails liability for the tax on fire arms for the year in question. However, it should be noted that the keeping by dealers of arms in their stores and warehouses, for sale does not make them liable to this tax. Meanwhile, using these arms makes the dealer liable.

Use of firearms is constituted by either personal usage for whatever end, or by the putting on hire for shooting stands, or by any other usage having as effect removing the arms from the warehouses and stores, even if the dealer remains its owner.

The following are exempted from the tax on fire arms, apart from firearms dealers as specified above:

- The State for all the arms belonging to it including arms provided for the various defence or security forces and those confiscated and kept by administrative services, the police, the gendarmerie or the courts;
- Ordinance arms belonging to military men in active service and to reserve officers.

2) Assessment

Persons liable for payment of tax on firearms are required to declare and pay the tax on firearms at the council of location of the weapon, on or before 15 March each year. The municipality of the place of location of the weapon is the place of residence of the owner.

The law has instituted the establishment at the latest 15 March of the current year, of a list of weapons held within the territorial jurisdiction of the municipality by the Divisional Officer and the head of the municipal executive. In the preparation of this list, the head of the municipal executive conducts census of persons holding firearms within the jurisdiction of the council, notably by inviting the people to declare their weapons through billboards and press.

Since citizens have the obligation to obtain an authorization for carring firearms for some categories of weapons, the exploitation of the card index of holders of weapon can be carried out in view of the constitution of the said list.

3) Sanctions

Any concealment of taxable weapons, illegal detention or misrepresentation gives rise to a penalty of 100% of the evaded fee payable immediately in addition to the principal amount of the tax normally due, without prejudice to the penalties laid down in the regulation on arms.

Article 77: Hygiene and sanitation tax

The Law on local taxation institutes a tax on hygiene and sanitation collected by the council for the control of foodstuffs and buildings for commercial and industrial use.

The modalities of application of this tax shall be specified by a special instrument.

Article 78: Pounding fees

1) Liability

Impounding fees are due by the owners and holders of straying animals and objects found without keeper or placed in violation of the regulation on the traffic system. For the purpose of this measure, it is necessary that any of the liability criteria mentioned below be fulfilled:

- stray animals;

- establishment of a breach of traffic regulations;

- the existence of objects without keeper.

Stray animals should be understood as all animals found on the public thoroughfare without an owner. The offence to the regulation on the traffic system on its part is defined as any alleged breach of regulation on the use of the public thoroughfare notably the failure to present the parking tax stamp, failure to pay the parking fee, irregular occupation of the public thoroughfare. For its part, the object without owner refers to any abandoned movable good which is found on the public highway.

2) Modalities for the collection of pound fees

The generating event of the pounding fees which coincides with the due date of the said fees is constituted by the entry of the good in a constructed and

secured enclosure, materialized by a pounding report issued by the council staff or by the staff of the judicial police.

The simple establishment of the infringement does not lead to impounding of the good, but the collection of simple police fines. The impounding fees are therefore not payable at the time of seizure of property.

For the application of impounding fees, it is up to the council or the city council of the locality to fix by deliberation the applicable rates within the limits laid down in article 79. It is thus up to the said municipality to inform taxation services within its jurisdiction as soon as possible about the chosen rates. Lack of information would lead the taxation services to apply the rates in force during the previous year.

When this dues are applied for the first time within the jurisdiction of the municipality, without the latter communicating the resolutions of the deliberations fixing the applicable rates, the maximum legal rates will be applied up to to the holding of a deliberation setting out the rate to be applied.

3) Sanctions

Impounding fees constitute a sanction. As a result, they come to supplement the fees for the breach of traffic regulations. The proportion of impounding fees due by the offender is proportional to the number of days, the rates being fixed on a daily basis. The payment of the charges to the municipal revenue collector immediately puts an end to the impoundment.

In case of non-payment of the impounding charges within the time limits to the municipal revenue collector, he would go ahead, 30 days after the pounding, to issue a warning to the owner or holder which is tantamount to an order to pay. This formal notice grants him an additional period of eight days to execute.

The warning takes the form of a letter addressed to the liable person to his known address, or failing which by posting on billboards at the local council concerned. The revenue collector carries out the discharge of the fees due by the liable person and gives back the eventual balance to him.

Articles 80, 81, 82, 83, 84, 85 of 86: Market tolls

1) Liability

Tolls for a space on markets such as presented by the law on local taxation are collected from both regular traders and occasional sellers who occupy a space in all the market belonging to the subdivisional council or the city council as the case may be.

The regular trader is understood as the one who, in a continuous or habitual manner, occupies a specific and permanent space in a market, whereas the occasional seller is the one who exercises in a fortuitous or accidental manner in the said market.

2) Assessment

The fixing of the tariffs pertaining to the right of space on the market, should take into account the standard of living, the specialization of markets and the situation of major supply centers.

Disparity in life style should be understood as each locality to having a standard of life that suits its degree of development. As such, the higher the standard of living, the higher the toll for market space.

The specificity of the markets for its part is due to the fact that, some markets differ from others in relation to their size, the type of goods sold and the volume of revenue that they generate.

With regards to the consideration of big supply centers, a ruling should be given based on the fact that the tariffs are high, depending on whether one is nearer the big supply centers, and lower depending on whether one is further away from the said centers.

The abovementioned dues are payable as from the signature of the lease agreement between the council and the trader, as concerns the regular seller, and are payable at maturity of the contract. For the occasional seller, the generating factor and the liability coincide with each other, which implies that the dues are payable and paid as from the installation of the goods in the market.

3) Sanctions

A fine ranging from CFA 5,000 francs and CFA 10,000 francs is provided for in case of sub-letting or the nonpayment of the dues per day.

The counting of the deadline here runs as from the day when the sub-letting or the nonpayment is established, on a report drawn up by a council agent and co-signed by the insolvent trader.

The sanctions for daily dues are to the tune of a due in addition to the one regularly due, or the confiscation of the goods until the payment of the corresponding fine.

<u>Articles 87, 88, 89, 90</u>: Building or installation permit fees

The Law on local taxation gives specifications on the collection of fees on building or implantation permit.

1) Liability

By building or implantation permit, we mean the authorization that a user solicits from the municipal administrator for a construction or an installation, be it in temporary materials or in permanent materials, simple adjustments or new constructions. The fees subsequent to the planned construction or development, at the headquarters of the council or in the agglomerations, are proportional to the value of the construction.

2) Assessment

For the determination of the value of the construction, or the developments, an estimate should be made, and approved by the municipal technical services.

The fees accruing thereto are due from the moment the estimate is approved by the competent service, and payable before the issuance of the requested permit.

The said fees are collected by the city council services for the subdivisional councils and by the councils in towns not having city councils.

Building permit fees to be paid represent 1% of the value of the construction authorized by the technical services of the council.

3) Sanctions

Default of the building or installation permit is liable to a fine of 30% of the fees due paid in favour of the council.

However, the application of the above fine does not exempt the debtor from the payment of the fees normally due.

No other sanction should be applicable, except for the measures provided for by law.

The liability of the abovementioned 30% fine runs as from the day of commencement of the works.

Articles: 91, 92, 93: Temporal occupation of the public thoroughfare fee

1) Scope

By temporal occupation of the public thoroughfare, we mean any installation or use of the public thoroughfare as determined by the act which authorizes it issued by the competent municipal authority. The public thoroughfare or right of way is understood here as a parcel for public use, such as road, easements, roads. This occupation can be materialized by deposits of materials including sand, stones, wood, and display of furniture, goods or any other objects.

Moreover, as from the entry into force of the new law, filling stations, vehicles and advertising media are excluded from the scope of the said fees.

2) Assessment

The collection of the fees for temporary occupation of the public thoroughfare arises from its occupation. The due dates of such fees shall run from the effective occupation of the thoroughfare in question.

The tariff of the fees for temporary occupation of the thoroughfare is voted by the council with the maximum rate of 2,000 francs per m^2 per day.

3) Sanctions

The lack of authorization or reduction of the area occupied, delay or default of payment shall entail the application of a penalty of 100% of the amount of duty owed in principal.

In case of unauthorized occupation, fees and subsequent penalties are due as from the first day of effective occupation of the space in question.

<u>Articles 94, 95, 96</u>: Parking fee

1) Liability

The collection of the parking fee can take place in towns and cities where municipalities have made arrangements for parking sites or traffic plan.

2) Method of taxation

The parking fee is collected quarterly by the municipality of the domicile of the carrier at the following maximum rates:

- Bikes: 3,000 francs;

- Taxi: 10,000 francs;

- Bus: 15,000.

Cars or vehicles not specifically covered by law are exempt from paying the parking fee.

The liability of the tax is due on or before the fifteenth day following the beginning of each quarter.

The parking fee is levied against issuance of a parking license, in the model of the windscreen license.

Modalities for ordering, security and sale of the parking licence are set by a particular text.

Distribution of proceeds of the parking fee:
- City council of the establishment 80%
- Share of FEICOM 20%

The subdivisional councils do not receive the proceeds from the parking tax.

<u>Articles 97 and 98</u>: Parking lot fees

1) Liability

Occupancy fees of parking lots shall be payable by operators of vehicles for the transportation of goods and people such as, trucks, vans and buses only.

However, the institution of the fee is contingent on the existence of a space designated for that purpose by the municipality, the city council or the subdivisional council as appropriate.

2) Assessment

Payment of parking fees is determined by vehicle access to the parking lot.

The maximum rates of the right to occupy the parking lots are set as follows:

- Small Buses and trucks: 1,000 francs per day;

- Big Trucks and buses: 2,000 francs a day.

The parking fee is paid against a receipt.

The methods of controlling, securing and managing receipts from parking fees shall be determined by a particular text.

3) Penalties

Failure to pay fees or parking outside the parking lot, must be evidenced by a statement made by the municipal officer on duty. It entails not only the payment of duties owed in principal, but also the impounding of the vehicle.

Article 99: Platform ticket

1) Liability

The law on local taxation institutes a tax on loading made in a bus station or in a municipal wharf built by the municipality. For this purpose, any vehicle or boat is subject to payment of a platform ticket, once it gets into a bus station or a wharf.

Similarly, any transportation vehicle or any boat that packs even outside the bus station or wharf also remains subject to payment of the said ticket.

2) Assessment

The tariffs fixed should be regarded as maxima. Therefore, the rates actually applied in each municipality are set by the deliberative body, under the conditions and limitations relating thereto.

As a reminder, the maximum rates set by law are:

a) Bus station: 200 francs per load.

b) Wharfs:

- Canoe without an engine: 200 francs per load;

- Engine boats of less than 10 seats: 500 francs per load;

- Engine boats of more than 10 seats: 1,000 francs per load.

The fee is due as soon as the loading is effective, and payable upon boarding of the vehicle or boat to benefit of the council that owns the bus station or the wharf.

The fee is paid against the issuance of a ticket.

The modalities of ordering, security and management of platform tickets are set by a particular text.

3) Sanctions

Failure to pay the platform ticket shall be established by the non-presentation of the ticket, or refusal to pay that fee. It shall entail the payment of a penalty of 100% of the amount due in principal and duties normally owed.

<u>Articles 100 and 101</u>: Tax on spectacles (shows)

The law on local taxation specifies the scope of the tax on spectacles. The latter is levied and collected by the district councils and for their benefit.

1) Liability

The tax on spectacles is payable during all exhilarating events held regularly or occasionally for profit, excluding performances for a charitable purpose.

This tax applies particularly to activities in the following institutions:

- Cinemas;

- ballrooms including village halls;

- theatres, concert, exhibition;

- Cabarets, nightclubs, discos;

- Cafés, bars, dancing;

- Video clubs.

To these establishments are added outdoor or open air events.

The shows organized habitually as opposed to occasional performances refer to events that take place regularly, according to a known periodicity, meanwhile the occasionally show occurs spontaneously and irregularly in time.

In addition, charity events should be understood as those organized on a non-profit basis or freely i.e. that does not result in the realization of gain or profit.

1) Assessment

The rates for regular performances are set by the municipal council, depending on the type of show, in a range between 10,000 and 100,000 francs per quarter and per establishment.

The type of show is referring specifically to the size of the show given the potential revenue that such shows could generate.

With regard to occasional performances, their price is also fixed by the council in a range between 5,000 and 50,000 francs per day of performance.

The fee is paid to the district municipal tax collector with the aid of a document issued by the competent municipal authorizing officer, against a receipt. It should be noted that the tax on spectacles is paid before the mandatory date for the beginning of the show. Thus, the liability intervenes as from the opening of the show.

2) Sanctions

It is clear that the failure to pay the entertainment tax shall result, as evidenced by the minutes established by the municipal tax collector, in the stopping of the show or the closure of the hall. In this case, removal of seals shall be done only after payment of a fine equal to 100% of the said dues, in addition to the duties owed.

Article 102: Stadium fees

1) Liability

The Law on local taxation gives Municipal Councils the possibility to include in the council budget stadium fees accruing from the entrance fees into stadiums located in their territory.

Liability to the stadium fees concerns sums collected both on public and private stadiums, including sport complexes when a sporting event or profit making event. Accordingly, be they stadiums built and managed by the municipality or not, the stadium fees are due.

Municipal territory should be understood as any town, any neighborhood, any locality or village belonging to the municipal jurisdiction concerned of which access roads, and maintenance and lighting are the responsibility of the municipality.

2) Assessment

On this point, the law on local taxation states that stadium fees are institutionalized by the Council. They are set at 5% of funds collected on the stadiums located on the territory of the council during sporting events or popular festivities, when access to the stadium is not free.

This law specifies that the product of stadium fees is collected by the district councils with the exception of multisport stadiums which fall under the responsibility of city councils.

In any case, it is necessary to always ensure that 5% of the funds raised at events subject to such fees have been recovered at the end of the event, in favour of the district council or the city council as the case may be.

The due date of the stadium fees sets in as from the close of the events.
The legal debtor is bound to pay the stadium dues at the competent municipal tax collector's office within eight (8) days as from the end of the event.

3) Sanctions

When the duty due is not paid within (8) days from the end of the festivities, there follows the payment of a penalty of 100% of the amount due in principal.

<u>Article 103</u>: The tax on advertising

1) Liability

The law on local taxation sets out the provisions of the tax on advertising that is based on local advertising. The latter includes all publicity carried out within a municipality or a city council.

Shall therefore be liable to the local tax on advertising, any natural person or corporate body that carries out advertising campaigns in a place or area within the territorial jurisdiction of a municipality or a City council.

It should be noted that signs placed on the facades of commercial and industrial establishments with the sole purpose of locating them, are excluded from paying the tax. Therefore, it will be a clear distinction according to whether the sign is accompanied by effect or artifice to draw the attention of customers, like messages and spots, or when it is simply a sign designed to identify and locate the establishment.

Also, there might sometimes be confusion between the stamp on publicity and the tax on advertising, the first is a subregional tax constituting part of a harmonized law, while the second is a municipal tax. Therefore, liability to one does not exclude the payment of the other, the two levies can be operated simultaneously and on the same publicity action given that they fall within a virtually identical scope.

2) Assessment

Rates of the tax on advertising are set within the following limits:

a) Billboards, banners and neon signs: 1,500 F per m^2 per face or angle per year.

b) Vehicles with loudspeakers:
Non-residents: 1,000 F per day per vehicle;
Residents: 30,000 F per year per vehicle.

c) Vehicles without loudspeakers:
Non-residents: 200 F to 500 F per day per vehicle;
Non-residents: 5,000 F 10,000 F per year per vehicle.

d) Sound stores: 500 F per day.

The advertising tax is due at the end of each year when it is permanent or lasts indefinitely. And if advertising is done in a timely manner or for a specified period not exceeding 12 months it is due at the end of the period during which advertisement was carried out.

The person liable for the tax on legal advertising is responsible for implementing the control of advertising, according to the law governing advertising in Cameroon.

3) Sanctions

Any advertising action must first be reported to the municipal magistrate, in order to delimit the period during which it would be carried out. In the event of noncompliance with this measure the fees are due from the 1st day of the year, plus penalties of 100% of the amount due in principal.

Article 104: The Communal Stamp Duty

1) Liability

The liability to communal stamp duty concerns the following documents:

- A copy or extract of civil status;
- Legalization or certification of signature or document;
- court ruling;
- proxy;
- suppliers' bills addressed to the municipality;
- Any request submitted to the attention of the municipal magistrate.

As a reminder bills include both the final bills and pro forma invoices.

2) Assessment

Communal stamp duty is set at 200 F in favor of the municipal budget.
Besides, any document larger than the basic format (A4) will pay a stamp duty of 400 FCFA.

Only a single communal stamp is affixed on the documents referred to above.

3) Fines

Failure to pay the communal stamp leads to the non receipt of such documents by the staff of the municipality.

<u>Articles 105 and 106</u>: Road deterioration fee

1) Liability

The law on local taxation has provisions related to the road deterioration fee. It is levied on dealers and other public work contractors performing work on public roads and on users of devices that are not equipped tyres, which work and the movement of these devices deteriorates the road.

Any other deterioration of the road by the release of corrosive chemicals shall subject to the same rate.

Road deterioration should be understood as any limited degradation that leads to an obvious deterioration of the road.

2) Assessment

Tax rates shall be as follows:
- Earthworks, pipes/channeling and other damage:
• highly coated asphalt road: 90,000 F to 200,000 F per m^2;
• asphalt coated road: 45,000 F to 100,000 F per m^2;
• dirt road: 15,000 F to 50,000 F per m^2.

- Degradation by tracked vehicles
• asphalt coated road: 50,000 F to 100,000 F per m^2;
• dirt road: 20,000 F to 50,000 F per m^2.

3) Sanctions

When the pipeline, the excavation or movement of vehicles under this section shall be executed without prior municipal approval, the authors are set to pay a penalty of 100% of the principal amount due, without prejudice to the penalties provided by law and regulations. The penalty is based on the surface of the road deteriorated, as established by the written report of the municipal services.

Article 107: The municipal tax transit or transhumance tax

1) Liability

The municipal transit tax is a levy on cattle from a neighbouring country that passes through Cameroon to another neighbouring country.

The transhumance tax for its part is collected when cattle from a neighbouring country comes and pastures for some time on Cameroonian territory.

2) Assessment

The distinction between the two taxes is a function of the duration of the livestock on the territory of the council.

For the transit tax, liability and due dates are represented by the entry of the herd into the municipal territory. The transhumance tax for its part is payable as from the 16th day after the entry of the herd.

Thus, a herd is in transit up to the 15th day following its entry into the municipal area. From the 16th day, it is deemed to be in transhumance. Therefore, payment of the municipal transit tax at a council upon the entry of the herd does not preclude the payment of the transhumance tax to the same council as from the 16th day.

The owner of the herd and any person accompanying the herd are jointly and severally liable for payment of these taxes.

The rates of the transit tax and the transhumance tax are fixed as follows:

- Cattle and horses: 200 to 500 francs per head of cattle and per municipality;
- Sheep and goats: 100 to 300 francs per head of cattle and per municipality.

It should be noted that the revenue collected under the transit tax or transhumance tax is destined integrally to the council concerned and is not subject to equalization.

3) Sanctions

Fraud in the payment of the transit tax or transhumance tax is punishable by a penalty of 100% of principal amount due for each animal concealed.

<u>Articles 108 to 110</u>: Tax on the transportation of quarry products

1) Liability

The law offers the possibility for municipalities that host quarries within their territory to institute a tax on the transport of products of the said quarry.

It applies only to vehicles used to transport products extracted from the quarry, to the exclusion of vehicles used in the exploitation of the said quarry.

2) Method of taxation

The generating event is the effective loading of the products in the quarry.

The maximum rates fixed by law are:

- Vehicle less than 6 tones: 1,000 francs per truck and per trip;
- Vehicles with 6 to 10 tones: 2,000 francs per truck and per trip;
- Vehicles over 10 tones: 3,000 francs per truck and per trip.

The vehicle owner and the transporter are jointly and severally liable for payment of this tax.

3) Sanctions

The nonpayment of the tax for the transportation of quarry products shall lead to the impounding of the vehicle.

<u>Article 111 and Article 112</u>: Fees for the occupation parking lots

1) Liability

The parking lot is a space developed or materialized by a council, a district council or a city council for the parking of all sorts of vehicles.

Parking lots developed by a council, district council or city council for use by government services or the parking lots developed by these administrations themselves are exempted from the payment of the fee on the occupation of parking lots.

2) Assessment

The liability and due date coincide with respect to occupancy of parking lots, and take effect as from the parking of the vehicle. The fees are paid in advance against issuance of a receipt from a secured counterfoil booklet and bearing a face value indicating the hourly tariff.

The tariffs for parking are fixed as follows:
- 100 francs per hour;
- 500 francs a day and per parking;
- 15,000 francs per month and per parking.

3) System

In addition to the principal amount specified above, the nonpayment of parking fees gives rise to a penalty of 1,000 francs for the hourly tariffs, 5,000 francs for the daily tariffs, and 50,000 for the monthly tariffs.

<u>Article 113</u>: The tax on Salvaged products

1) Liability

When products are derived from the exploitation of a parcel of the forest without the primary objective of the exploitation project being the collection of these products, they are called salvaged products.

The tax on salvaged products is based on the products salvaged from non-communal and non-community forests.

The non-communal and non- community forests are those that are not within the territory of the municipality where the forest at the origin is found.

2) Assessment

The tax on salvaged products is paid by the owner of the recuperated products up to CFA 2,000 F per m^3 for the benefit of the council of location.

The liability runs as from the moment when the said products cross the border of the municipality concerned. No exemption has been mentioned.

3) Sanctions

When the tax on salvaged products is not paid by the owner of the recovered products after crossing the border of the municipality concerned, there shall follow the immediate seizure of the said products, plus the payment of 100% of duties owed in principal.

PART XI

PROVISIONS APPLICABLE TO CITY COUNCILS AND DISTRICT COUNCILS

(Articles 114, 115, 116 and 117)

A / The following taxes under article 115 (1) shall exclusively be remitted to the city councils:

- The proceeds from the business license;
- The proceeds from liquor licenses;
- The proceeds from the additional council tax (basic withholding);
- The proceeds from multisport stadiums;
- The proceeds from windscreen licenses;
- The proceeds from the local development tax;
- The proceeds from the tax on advertising;
- The proceeds from dues for the occupation parking lots of the city council;
- The proceeds from the tax on gambling;
- The proceeds from tolls for places on the markets of the city council;
- The proceeds from pounding charges in the city council pound;
- Income from building or implantation permit charges;
- The proceeds from parking fees;
- The proceeds from communal stamp duty.

B / The following taxes under article 115 (2) shall be entirely remitted to the district councils:

- The proceeds from the global tax;
- The proceeds from the municipal tax on livestock;
- The proceeds from forest royalty;
- The proceeds from the tax on the slaughter of livestock;
- The proceeds from dues for space on district council markets;

- Proceeds from dues for temporal occupation of the public thoroughfare;
- The proceeds from on hygiene and sanitation taxes;
- The proceeds from dues on district council parking lot;
- The proceeds from district councils stadium rights;
- The proceeds from the entertainment tax;
- The proceeds from the communal transit or transhumance tax;
- Proceeds from the tax on transportation of quarry products;
- The proceeds from district council pound charges;
- Proceeds from the tax on firearms;
- proceeds from salvage tax;
- proceeds from communal stamp duty.

With regards to the collection of the fees for a place in the markets, the pound charges, parking fees and park fees, the district council and the city council may only benefit from them if they developed these infrastructures.

Regarding the royalty for road degradation, this tax is paid to the City council or the District council following their competence on roads deteriorated.

The revenue from communal stamp duty benefits the city councils as well as the district councils.

The district councils collect taxes and dues in strict compliance with their boundaries. In case of conflict, the case goes to arbitration by the competent authority.

PART XII

INTERMUNICIPAL AND EQUALIZATION TAXES AND DUES

A / Intermunicipal taxes collected by FEICOM (Article 116 (1))

Some quotas of taxes and duties are assigned to FEICOM for the financing of the activities of various councils.

This concerns 20% of the product of:
- Business licenses;
- liquor license;
- Property tax on real estate;

- The rights of property transfer of ownership and use;
- Additional council tax attributable to councils;
- The parking fee.

B / Taxes subject to equalisation (Section 116 (2) and 117)

To ensure the harmonious development of all decentralized local authorities, the product of the following taxes and duties is centralized by FEICOM and redistributed to all municipalities according to the criteria and procedures laid down by statutorily.

These are:
- The additional council taxes;
- The share of annual forestry royalty allocated to the municipalities;
- Windscreen licenses;
- The local development tax due by public sector employees.

City councils do not benefit from the annual forestry royalties.

The product of the windscreen license is entirely centralized and distributed to all councils and city councils, to the exclusion of district councils.

The intermunicipal and equalization revenue is levied, collected and controlled by the taxation authorities. Their total allocation is made to FEICOM for centralization and distribution according to the quotas allocated to each entitled entity.

PART XIII

REGIONAL TAXES AND LEVIES

(Articles 118 and 119)

A / Tax revenue allocated to regions

The following taxes dues and levies listed below shall be entirely or partially allocated to the regional authorities :

- Stamp duty on vehicle registration cards;
- Airport stamp duty;
- The axle tax;
- Royalties on forest, wildlife and fisheries resources;

- Royalties on water resources;
- Royalties on oil resources;
- Taxes and royalties on mineral resources;
- The levy on fish stocks and breeding;
- Taxes or royalties on energy resources;
- Taxes and or royalties on tourism resources;
- Taxes and royalties on airspace;
- Taxes and or royalties on resources of the gas sector;
- Royalty on road usage;
- Exploitation rights of institutions classified as hazardous, unhealthy or inconvenient;
- Any other tax, duty or royalty allocated by the State.

B / The tax competence of the regions

For the products of taxes assigned to the regions, listed by the provisions of section 118, the tax authority is the only organ responsible for levying, collecting and controlling them. Accordingly, the regions have no specific tax competence per say.

While waiting for the effective putting in place of the regions, the products or shares of taxes, dues and royalties devolved to them will continue to be assigned to the public Treasury.

PART XIV

TAX PROCEDURES SPECIFIC TO LOCAL TAXES GENERAL PROVISIONS

Articles 120 and 121: Scope of application of procedures specific to Local Taxes

For the implementation of the provisions relating to taxes, duties and dues of decentralized local authorities, the service shall apply the specific rules of procedure provided for each levy. However, in the absence of such procedural details, the provisions of the Book on Tax Procedures of the General Tax Code shall apply automatically.

Collection operations of collecting these local taxes cannot be the subject of concessions to third parties, under pain of nullity. In other words, the prerogatives of tax collection may never be ceded to persons other than officers duly authorized by law to collect such taxes and duties. All existing concessions are null and void.

I - REGISTRATION AND DECLARATION OBLIGATIONS BY TAXPAYERS

Article 122: Obligation of prior registration

In view of the exercise of an activity subject to local taxation, any person or corporate entity is required to submit an application for registration with the taxation office having territorial jurisdiction within the time and manner prescribed by section L1 of the Book on Tax Procedures of the General Tax Code, or at assessment services of the municipality where one is liable only to municipal taxes.

To do this, the services must ensure compliance with this essential procedure prior to the payment of any communal tax.

Article 123: The declarative obligation

For the levying and collection of the various communal taxes, duties and fees, the taxpayers shall submit a return within time limits and forms established by law. The reporting frequency shall thus be determined according to the particularities of each levy, and if necessary, according to the tax system of the taxpayer.

With regard to communal taxes, they are subject to the return filing obligation at the assessment service of the council within the forms and deadlines for each of the said taxes.

In case of the absence of a return within the time prescribed by this law, the taxpayer who is subject to communal taxes is ordered to declare them within the forms and time limits in the of Tax Procedures Manual of the General Tax Code.

II - THE ISSUANCE OF LOCAL TAXES (Articles 124, 125, 126)

Local taxes whose proceeds are shared are issued on separate issue slips to the benefit of various beneficiaries. These include:

- Revenue orders for communal taxes;

- Issue slips and recovery notices for communal taxes including property tax on real estate;

- Issue slips and payment orders for the transfer of real estate property rights.

Local taxes, the local development tax and additional council taxes are assessed and issued by the State's taxation services.

It should be noted that the assessment operated by the State Taxation Services is done either on separate issue slips as mentioned above, or if necessary on recovery notices bearing on their letterhead the stamp of the beneficiary local authority or body.

With regard to communal taxes, they are only liquidated and issued by the assessment services of the council.

III - TERMS OF RECOVERY OF LOCAL TAXES

The law on local taxation has made a separation of powers with regard to the collection of local taxes:

- On the one hand, the revenue collected by the taxation services of the State obeys, unless otherwise stated by special provisions, the common law modalities established by the Tax Procedures Manual of the General Tax Code;

- On the other hand, special modalities shall apply when the collection is vested in the municipal revenue collection office.

A - TERMS OF COLLECTION OF TAXES AND FEES ISSUED BY THE STATE TAXATION SERVICES FOR THE BENEFIT OF LOCAL AUTHORITIES

The collection of local taxes of which the competence is devolved to the taxation services of the State is done according to the regulations prescribed by the General Tax Code. Specifically, local taxes assessed and issued by the tax authorities of the State are paid voluntarily by the taxpayers into the coffers of the competent Revenue Collector, with the exception of the global tax which is paid at the counter of the Municipal tax collector.

These rules apply both in the context of spontaneous payments and in the context of forceful collection.

1 - THE AMICABLE COLLECTION OF LOCAL TAXES BY TAXATION SERVICES OF THE STATE

a) General rules applicable to the collection of communal taxes and dues by the taxation services of the State (Article 1 paragraph 4 and 127)

Taxes collected by the taxation services of the State are in the forms, deadlines and modalities laid down in the provisions of the General Tax Code. Thus, the collection of the business licence tax, liquour licence, property tax on real estate, tax on gambling and distraction, duties on transfer of property, windscreen licence, forestry royalties and local development tax, whose proceeds are transferred to decentralized local authorities, follows the provisions of the Tax Procedures Manual.

These taxes and dues are paid voluntarily to the relevant tax collector who shall issue a receipt in return for payments received, which shall thereafter be remitted to the beneficiaries within a maximum of 72 hours upon seeing the log book and a daily reconciliation statement.

The said taxes and duties may equally be paid by deduction at source made by public accountants during the settlement of invoices paid on the State budget. In this case, they must appear separately on the issue slip established by the assessment services of the competent taxation centre.

b) Modalities specific to the various taxes collected by the Taxation Services of the State

b1- Procedures for the collection of taxes that have been fully or partially transferred to councils and to FEICOM (Articles 48, 49 and 50)

The law on local taxation has transferred to municipalities and to FEICOM the entire proceeds of some taxes. These include the land tax, duties on transfer of real estate, the tax on gambling and distraction. This transfer does not in any way affect their collection modalities which remain those provided for by the General Tax Code.

Modalities for the collection of the business license tax and the liquour license

The collection of the business license tax is the exclusive responsibility of the tax administration. In this respect, neither the municipal authorities nor the administrative authorities are empowered to issue certificates related thereto, and even less to collect the revenue related thereto.

The business licence tax is paid by taxpayers at the relevant Taxation Centre, either within two (2) months after the start of the fiscal year, in case of renewal of the licence, or within two (2) months after the end of the temporary exemption as concerns new businesses.

With regard to interurban transporters of persons and transporters of goods, they shall declare and pay the business licence tax within fifteen (15) working days following the end of each quarter.

The business licence is issued on separate slips bearing the names and addresses of the beneficiary local councils and bodies.

In other words, a slip should be issued for each body in the following manner:

- A slip for the Audiovisual royalty assessed on the business licence tax;
- A slip for the contribution to consular chambers;
- A slip for recovery to the benefit of the relevant Urban Council where it exists or the council for the other localities, representing 80% of the principal of the business licence tax;
- A slip for the 20% destined to FEICOM as intermunicipality revenue;
- A slip for the collection of the local development tax.

For enterprises under the Large Taxpayer Department, transfer orders should be established for each beneficiary.

Likewise, with regard to the liquour license which is subjected to the same collection modalities as the business licence, the same diligence must be observed in order to comply with the rules prescribed for the collection of the business licence tax.

Collection of property tax on real estate and duties on the transfer of buildings (Articles 48, 49 and 115 paragraph 3)

The law on local taxation provides the remittance of the proceeds of property tax on real estate and duties on the transfer of buildings to the council of location of the building.

The collection should be done on separate issue slips or payment orders addressed in the name of each beneficiary as follows:
80% to the council of location of the building;
20% to FEICOM for intercommunaity.

However, for towns having an urban council, the land tax and duties on the transfer of real estate shall be issued according to the following modalities, defined in Section 115 (3) of the law on local taxation:
60% to the urban council;
20% to the district council of the location of the building;
20% to FEICOM for intercommunaity.

As regards the enterprises having buildings located in different municipalities, separate issue bulletins or payment orders should be established per beneficiary for each of these buildings.

Collection of the tax on gambling and distraction (Section 50)

Up to the entry into force of the law on local taxation, only the additional council surtax of 10% on the tax on gambling and distraction was collected on behalf of municipalities.

Henceforth, the entire tax is allocated to the council where the games are operated. Urban councils refer to localities that have them or the municipalities for other localities.

In any case, a single bulletin is issued for the collection of the full tax to the benefit of the council of the location of the establishment as specified above.

As regards enterprises with establishments in different municipal districts, the proceeds listed above are distributed to all the municipalities concerned.

b2- Modalities for the collection of certain local taxes subjected to equalization

Collection and remittance of automobile stamp duty transferred to FEICOM (Section 51)

Up to the enactment of the law on local taxation, revenue from the windscreen license was totally remitted into the coffers of the public Treasury.

Thus, the integral redistribution to the Councils implies that FEICOM shall on no account deduct anything from these revenues.

It is undisputed that the windscreen licenses are inactive securities. Thus the sales realized by the network of accounting stations will be centralized in writing at the level of each Paymaster General then remitted to FEICOM at the end of each month.

Collection and distribution of the communal share of the annual forestry royalty (Section 52)

The allotment and issue of annual forestry royalty are henceforth done as follows:

* **Distribution**
- State 50%
- Village Communities 10%
- Council where the permit is located 20%
- Residue centralized to FEICOM 20%

*** Issue**
- Issue slip No. 1: State 50%
- Issue slip No. 2: village communities 10%
- Issue slip No. 3: council of location of Permit 20%
- Issue slip No. 4: FEICOM (residue centralized) 20%

The centralized residue of the annual forestry royalty is distributed to all municipalities and district councils, excluding urban councils, according to terms laid down by regulation.

It is worth noting that in the case of urban councils, only the District councils are eligible for the Annual Forestry Royalty.

b3- Methods for collecting and remitting the proceeds of additional council tax (53 - 56)

The proceeds of additional council surtax from personal income tax (PIT), company tax (CT) and Value Added Tax (VAT) and customs duties is distributed and issued as follows:

Additional Council Surtax collected by the tax administration

***Distribution**

- Share of the State 10%
- Share of FEICOM 20%
- Share centralized by FEICOM 42%
- Basic Retention for councils and urban councils 28%

***Issue**

- Issue slip No. 1 for the State: Principal of the Tax + 10% of ACS
- Issue slip No. 2 for FEICOM: 62% of ACS
- Issue slip No. 3 for councils and urban councils : 28% of ACS.

Additional Council Surtax collected by the Customs Administration

* **Distribution**
- Share of the State 10%
- Share of FEICOM 20%
- Share centralized by FEICOM 42%
- Basic withholding for councils and urban councils 28%

***Liquidation**

For customs units of Douala and Yaoundé Sectors

- Assessment slip No. 1 for the State: Principal Tax + 10% ACS
- Assessment slip No. 2 for FEICOM: 90% of ACS
  of which: - FEICOM share 20%
  - Centralized share 42%
  - Retained base 28%

For customs units of the other sectors

- Assessment slip No. 1 for the State: Principal Tax + 10% ACS
- Assessment slip No. 2 for the relevant council: 28% of ACS
- Assessment slip No. 3 for FEICOM: 62% of ACS of which:
  - FEICOM share 20%
  - Centralized residue 42%

Distribution of ACS withheld at source by the State

- Share of the State 10%
- Share of FEICOM 90%

Accordingly, the basic deduction does not exist on the ACS withheld at source.

b4- Method of recovery and remittance of the proceeds of the tax on local development (Sections 57-60)

The local development tax is collected in the same manner and conditions applicable to the Personal Income Tax, the global tax and the licence fee, as prescribed by the General Tax Code.

The proceeds of the tax on local development is collected simultaneously with the three above mentioned taxes, and is destined primarily to finance basic services and services rendered to the population.

c- Terms of recovery in specialised tax units (Large Taxpayer Department and Medium Size Taxpayer Centres)

For the collection of business license tax and the liquour license, companies of specialised management units (large Taxpayer Department, Medium-sized Enterprises Taxation Centres) with branches located in different municipalities, must declare their entire business license tax or their liquour licence as the case may be in these structures, indicating per branch the turnover and amounts accruing to each beneficiary.

Regarding the property tax on the ownership of buildings, the property transfer duty and the tax on gambling and distraction, companies having buildings or branches in different municipalities must report and pay the totality of the said taxes and fees to these structures, on separate transfer orders specifying the share due to each municipality.

At the Large Taxpayer Department in particular, the payment order shall be issued directly to each beneficiary, against receipt of payment.

In computerised management, the MESURE, TRINITE softwares and others must be reprogrammed at the beginning of each fiscal year to reflect the new distribution schedule fixed by law and the rates approved by the various deliberations of Councils and city Urban Councils.

1 - FORCEFUL RECOVERY PROCEEDINGS OF TAXES COLLECTED BY THE TAXATION SERVICES OF THE STATE (Section 130)

The collection of taxes and duties whose responsibility lies with the taxation authorities of the State are done in accordance with the provisions of the General Tax Code. Where the liable parties do not pay their taxes within the legal time limit, the tax administration is entitled to proceed with recovery in the manner, deadlines and procedures prescribed in Section M.51 to M.80 of the Manual of Tax Procedures.

a) The debt security

Some of these taxes are collected by way of Notice of assessment and others are by means of a collection order.

Hence, the taxation services must ensure, whenever forceful recovery proceedings are engaged in matters of local taxes, that tax debt is recorded and notified by the appropriate debt security, in accordance with the provisions of section M.53 of the Manual of Tax Procedures.

With regard to the registration duty on the property transfer, they must be recovered by a collection order, as prescribed in section M.53 (3) of the MTP, mostly the enforcement seal affixed by the court.

Furthermore, it is worthy to emphasise the need for strict observance of deadlines given to the taxpayer to pay his debt provided by the Manual of Tax Procedures. The fifteen (15) days granted on that basis must necessarily be included in the NTC and the collection order, as well as the additional period of eight (08) days will be mentioned in the formal summons to pay.

b) Implementing forceful recovery proceedings

Within the framework of the implementation of recovery proceedings on local taxes where recovery is the responsibility of the tax administration, compliance with procedures of the Manual of Tax Procedures is mandatory.

After serving the tax liability by NTC or by collection order in the manner prescribed under sections M.53 of the MTP and 411 of the GTC, and a summons demanding payment, unanswered after the time specified in section M.56 of the same Manual, the prosecution proceeding provided under section M.55 et seq. may be considered.

You should ensure that special recovery or common law proceedings must be carried out by sworn recovery agents.

B - Modes of collecting council fees by the competent council authority

As regards municipal taxes, the mode of recovery concerns all charges collected by the council, excluding local development tax which is governed by rules applicable to taxes collected by the State Tax Service.

1. VOLUNTARY RECOVERY OF COUNCIL TAXES

a) General Principle

Council taxes are assessed and issued solely by the assessment service of place the location of the property or service rendered and collected by the municipal revenue collector.

In principle, the debt is assessed on an issue slip by the relevant service of the council and paid directly to the municipal revenue collector against a receipt. However, the nature of certain activities and certain taxes can lead to specific terms of collection.

Taxes directly paid at to the cashier of the municipal revenue collector via a collection order are:

- **Slaughter tax** (**Sections 63, 64, 65**) It is directly assessed by the revenue collector and paid by the butcher before any slaughter;

- **Tax on livestock** (**Sections 66, 67, 68, 69, 70, 71 and 72**) It is paid on or before March 15 each year. It is based on the declaration made by taxpayer to the council of the location of the herd and assessment is directly done by the revenue collector on a collection order.

- The tax on firearms (Sections 73, 74, 75, 76):

It is paid on or before March 15 each year. It is based on taxpayer's declaration to the council of the location of the firearm and assessed by the revenue collector on a collection order;

- Stadium fee (Section 102): the payment is made against a receipt to the municipal revenue collector.

b) <u>Specific modes of payment</u>:

The issuance of a collection order

This is a collection writ issued by the Head of the Municipal Executive acknowledging the municipal debt payable directly to the revenue collector. It is used in connection with the recovery of the following:

Impoundment fees (**Sections 78 and 79**) they are collected by the revenue collector upon presentation of a collection order issued by the municipal administrator.

Duty on building permits (**Sections 87, 88, 89, 90**) The recovery of this tax is done by the revenue collector in the light of a collection order issued by the Head of the Municipal Executive.

Entertainment tax (**Sections 100 and 101**) The fee is paid to the municipal revenue collector against issuance of a receipt.

Fees for temporary occupation of the highway (Sections: 91, 92, 93) The Payment is done to the council revenue collector upon presentation of the occupation permit accompanied by a payment order issued by the Head of the municipal executive.

Fees for degrading the roadway (Sections 105 and 106)

Tax on pavement degradation is collected by the council revenue collector upon presentation of an authorization and collection order issued by the head of the municipal executive.

Taxes levied against issuance of a receipt drawn from a receipt booklet:

This mode of payment consists of issuing a ticket drawn from a receipt booklet upon payment of an amount of tax. The agent responsible for the collection then remits the sum collected to the municipal revenue collector and receives a receipt. The issuance of a ticket from a receipt booklet is the mode of recovery of the following fees:

Fees for market space (Sections 80, 81, 82, 83, 84, 85 and 86):

Rents from stores and the proceeds of ticket sales are collected by an intermediary agent who issues a receipt drawn from a booklet and carrying a printed face value equivalent to the duration of the monthly rent or the cost of the ticket.

The total amount collected is paid to the council revenue collector within 24 hours upon presentation of payment order issued by the competent communal authority.

- Motor-park fee (Sections 97 and 98) The fee is paid to council agents assigned to parking lots who issues a council ticket drawn from a receipt booklet carrying the face value of the ticket in relation to the vehicle type. The agent shall remit the revenue collected to the municipal revenue collector.

Dock ticket (Section 99) The fee is paid to the council agent assigned to the motor park or in a municipal pier against a dock ticket drawn from a secured receipt booklet carrying the corresponding face value.

Transit or transhumance tax (Section 107) This tax is levied by the intermediary agent with the assistance of traditional authorities and/or veterinary workers. It is paid against a receipt issued from a receipt booklet duly numbered and signed by the revenue collector of the council.

Given the mobile nature of the activity subject to this tax, it can either be paid directly to the coffers of the municipal revenue, or anywhere where the right to charge the tax is established by a council agent, assisted by traditional authorities and/or veterinary workers.

Tax on the transportation of quarry products (Sections 108, 109 and 110).

The tax on the transportation of quarry products is collected by an intermediary agent who issues a receipt from a secured receipt booklet carrying a face value indicating the rate voted by the council.

Car parking fee (Sections 111 and 112)

The parking fee is paid before any use of the parking lot. It is collected by an intermediary agent who issues a receipt from a secured receipt booklet carrying a face value indicating the hourly, daily or monthly rate voted by the council.

However, payment can be done directly to council agents assigned to parking lots. The revenue collected must be remitted to the municipal revenue collector within 24 hours of collection.

❖ **Tax collected against the deliverance of a stamp or tax disc**

Some council taxes are collected against the deliverance of an adhesive stamp or a tax disc. This is the case with:

- **Communal stamp dues (section 104):** it is collected by the municipal revenue collector against the deliverance of a stamp carrying a specific face value. In any case, the deliverance of stamp should be preceded by the payment of the corresponding amount.
- **Parking fee (Section 94, 95, 96):** it is paid against the deliverance of a stamp similar to a tax disc within a 15 days dateline following the beginning every annual quarter.

2. INSTITUTION OF FORCEFUL RECOVERY PROCEEDING IN MATTERS OF COUNCIL TAXES

As far as the forceful recovery proceedings on council tax is concerned, if the tax payer does not respond to the recovery notice within 15 days following reception, the revenue collector can proceed to forceful recovery. He therefore notifies the defaulter by way of a warning representing an order to pay in eight days. Failure to respond within the mentioned deadline will lead to the seizure of the taxpayers' goods.

With effect from the date of seizure, the maintenance, conservation of the goods as well as the feeding of seized livestock is at the expense of the defaulting taxpayer.

The municipal revenue collector draws up a report of proceedings which he submits to the mayor for approval. After a thirty (30) day deadline following the seizure, the revenue collector will proceed to an auction sale of the seized property or livestock.

In this light, the goods, properties or livestock of the defaulting taxpayer are seized by the sworn council agents. At the end of such an operation, they shall make a report on all seizures, specifying the nature of the seized goods, the quantity as well as their state.

The sale of the goods is carried out by sworn recovery agents in the manner prescribe for judicial sales. Proceeds from the sale are handed over within no specified deadline as payment of the defaulting taxpayer tax debt. The revenue collector then establishes a receipt in the taxpayer's name, deducts

any potential expenses from the sale surplus and hands the balance, if any to the taxpayer. When the proceeds of the sale are enough to pay-off the tax payers debt and subsequent sale expenses, the sale ends. If the seized property is in excess, the extra property is refunded to the taxpayer. At the end of the sale of the seized goods, the revenue collector draws up a sale statement, describing the sale, the expenditures involved and any eventual balance to be refunded to the debtor as well as the goods on which he still has ownership.

In the exercise of their duties, sworn recovery agents are protected as public argents in accordance to provisions of the penal code.

PART XV

AUDITING LOCAL TAXES (Sections 132 to 134)

Section 132: Audit Proceedings

The audit of municipal taxes may be exercised either by council staff or by staff of the relevant taxation services, or together.

In the latter case, mixed teams shall be constituted to perform audit operations in the field.

For the purposes of this collaboration, the Head of the Council Executive and Head of Taxation Office of the said municipality shall jointly determine the terms and conditions.

This collaboration aims to avoid duplication, excessive presence of the administration in the taxpayer's premises and to work in unison.

As such, the taxation services of the State must be informed of any controls programmed by the council and vice versa.

Section 133: The terms and conditions of the control of municipal taxes and the local development tax

Control proceedings on municipal taxes and local development tax are conducted according to rules and procedures provided for the control of the taxes of the State. These taxes are controlled by the service tax authorities.

Besides field audits, the taxation services of the state also ensure desk audits of such taxes under the same conditions as for State taxes.

Section 134: The responsibilities of the municipal staff in control proceedings

Under penalty of nullity, council staff must undertake control proceedings of municipal taxes in the field bearing a mission warrant duly signed by the head of the municipal executive.

It should be noted that all control proceedings on recovery is the sole responsibility of municipal revenue collector.

The council staff from at the outset of the inspection, identify themselves and present their mission warrant to the assesses.

The absence of such authorization shall lead to the nullity of the proceedings, it is therefore essential to ensure before beginning any controls that such documents exist and are in order.

Any council agent not bearing such mandate is subject to legal action under common law and to disciplinary sanctions.

PART XVI

LIMITATION PERIOD IN MATTERS OF LOCAL TAXES

Section 135: Limitation period on local taxes

a) Foreclosure to the benefit of the taxpayer:

The law on local taxation establishes a limitation period for fees due in respect of municipal taxes. The limitation period depends on whether the duty is in favour of the taxpayer or the administration.

Thus, when a taxpayer fails to pay a municipal tax in two years (2) after the due date of the claim, the administration cannot take any action against him to claim such debt.

These limitation periods do not apply on the local development tax and local taxes which remain prescribed to the benefit of the taxpayer after a period of four (04) years.

However, this forclosure is certain to his benefit only if, during this period, no proceedings were engaged against him by the services in charge of assessment, issue, control or recovery.

b) Foreclosure in favour of the administration:

As regards the time limit allowed to the taxpayer to claim the refund of amounts paid incorrectly in matters of municipal taxes, it is 01 (one) year from the date the payment was made. If this period has elapsed without the taxpayer submitted an application for refund with the council or the relevant service, it is foreclosed.

PART XVII

LITIGATION OF LOCAL TAXES

I - THE CONTENTIOUS LITIGATION

Section 136: Litigation relating to local taxes

The law on local taxation distinguishes the litigation taxes whose assessment, issue and collection are the responsibility of the tax administration and taxes collected directly by municipalities.

Regarding the litigation on local taxes falling under the responsibility of the tax administration, the law refers to the procedures of the Manual of Tax Procedures (LPF) of the Tax Code, unless otherwise specified.

Thus, as concerns litigation relating to business license, liquour license, the property tax and other taxes whose assessment is the responsibility of the Directorate General of Taxation, the litigation must be brought before the competent authorities designated in Sections M.116 et seq. of the MTP i.e., the Head of Regional Taxation Centre or the Head of the Large Taxpayer Department.

Likewise, the procedure for processing and appealing against the decision of the petitioned authorities, as well as to the relevant courts, are those provided by the MTP. The same goes for the instances competent to hear claims in tax matters. Thus, for example, with regard to disputes relating to property tax

and registration fees on leases, whose proceeds are transferred to councils, they continue to be brought before the courts.

Sections 137 to 140: Class action litigation in municipal taxes

a) Disputed claims before administrative authorities

The law on local taxation brings important innovations as concerns disputes on municipal taxes. Until now, there were no provisions governing the procedure for appealing such charges.

These taxes remain the responsibility of councils as concerns their assessment, issue, recovery and control, subject to the responsibilities of the taxation services of the State on the latter. Disputes on the said taxes accordingly falls within the competence of Councils. Thus, whenever a dispute on such taxes is submitted by error to the Tax Administration, it should be transmitted to the relevant council authority.

On the contrary, the opinion of the tax administration may be required by the Magistrate on a question relating to a municipal tax.

The request should be processed by the service charged with the management of the taxpayer and the opinion signed by the Head of Regional Taxation Centre or the Head of the Large Taxpayer Department. Clearly, in terms of companies covered by the departmental centers, divisional centers, shopping centers and specialty taxes for medium enterprises, the notice shall be signed by the Head of Regional Centre. However, for enterprises belonging to divisional and specialized and medium size taxation centers, the opinion must be signed by the Heads of Regional Center. However, the Regional Chief of Taxation may delegate his signature to the Heads of Divisional Taxation Centers whose remoteness would be detrimental to the expeditious processing of the request to be transmitted to the Senior Divisional Officer.

It is therefore strongly recommended to pay particular attention to the rapid processing of requests for advice, no delay in resolving disputes on municipal taxes should be blamed on the taxation services. A quarterly report on the treatment of requests for advice or opinion must be submitted by all Heads of Regional Taxation Centres to the Director General of Taxation. This report should include the nature of the questions, the content of opinions issued, and the average duration of treatment of cases investigated.

In case of difficulty on the response to be transmitted to the Senior Divisional Officer, this should be brought to the attention of the Director General of Taxation, the heads of taxation centre must always acknowledge receipt of correspondence by indicating to the administrative authority that issue needs to firstly be brought to the arbitration of the hierarchy.

Taxation services must provide at all times and whenever they are requested, assistance to municipal authorities in follow-up of disputes in matters of municipal taxes, notably through technical support from their supervisors. This collaboration should be made both in the administrative stage in the judicial phase of litigation, especially in the form of technical advice.

Moreover, the tax administration may be directly called up in the course of disputes bearing on municipal taxes, since the administration may have participated in a control which gave rise to the disputed tax. In this case, the service competent for the followup of the procedure is the Litigation Service of the relevant Regional Taxation Centre or the Large Taxpayer Department, in connection with the service involved in the assessment of the tax.

a) Disputes before the courts competent to hear matter on municipal taxes

Where a dispute regarding local taxes is brought before the judge, the representative of the local authority that issued the charges in question may request the tax authorities to collaborate with him in follow-up of the proceedings, particularly in terms technical advice.

Whenever such action is undertaken by municipal authorities, the Head of the regional taxation centre of the municipality must take all steps to provide such support. However, keep in mind that the answering disputes on municipal taxes should remain the responsibility of the local authority.

Thus, officials of the tax administration should under no circumstances sign a procedural document before the courts in the course of litigation relating to such taxes.

II - VOLUNTARY JURIDICTION (Sections 141 to 143)

The law grants the Chief Executive, the exclusive powers to grant remissions, mitigations, relief on municipal taxes.

However, the latter may request information from taxation centre of such taxpayer concerning the taxpayer’s tax situation to ensure that there is reasonable cause or real difficulties in meeting his tax obligations.

Similarly, where an application is addressed to the tax administration by error, it must be transmitted to the relevant municipal authority and notify the applicant of such diligence.

In any event, the taxation services of the State should in no circumstance replace the municipal authority in respect of voluntary jurisdiction.

PART XVIII

THE SANCTIONS REGIME (Section 144)

The law on local taxes specifies for each municipal tax the specific penalties, the competence in this field are the sole responsibility of the municipal authority.

Regarding local taxes under tax services, the corresponding penalties are those provided by the Tax Code.

PART XIX

MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

Sections 145 and 146: On the organization of cadastral surveys

The law on local taxation prescribed cadastral surveys which relate to parcels and buildings, their occupants and activities carried out within.

The survey is to collect every five years information likely to to have tax implications on buildings and undeveloped located in a municipality, their owners and occupants, the nature of the activities performed therein, and any other information relevant to the assessment of taxes and duties.

As a reminder, this survey is implemented for the creation of a file and a Geographic Information System (GIS) operated by taxation services and communal services.

Also, all documents obtained through such surveys should be fully exploited for the assessment of local taxes and duties. The information collected must

be forwarded to the Directorate General of Taxation for centralization in the data of the Brigade of tax investigations.

In the course of these investigations, the taxation services of the State are empowered to request and obtain copies of deeds, building permits, business license certificates, liquour license and global tax, proof of payment of the property tax and deed of conveyance, namely deed of transfer of ownership or transfer of possession of controlled buildings.

It is therefore necessary to ensure any documents not listed in Section 145 (3) of the law on local taxes is not demanded from the taxpayer. In any event, the cadastral survey shall not give rise to an examination of the accounts of individuals on whom it is exercised.

In case of obstruction to the exercise of cadastral surveys, a report must be compiled by the taxation services which, on such instances, should not use the powers granted under other procedures, such as tax audits, and likely to invalidate the cadastral survey procedure.

Similarly, the survey form must be cosigned by the agents who conducted the survey and the taxpayer. The refusal of the latter to sign should be mentioned in the margin of the said sheet if necessary.

The cadastral survey giving rise to notices of adjustments, this means ensuring that you are in the presence of taxes whose assessment and collection are the responsibility of the tax administration and that the deadlines and procedures in terms of audits defined in the GTC are respected.

Moreover, the law on local taxation has instituted a census which must take place within three months preceding the start of the fiscal year to update the file created as part of cadastral surveys. The heads of taxation centres must prepare these censuses by identifying in advance the likely changes in the status of taxpayers in their jurisdiction.

Section 147: The distribution of tax revenue from the equalization by FEICOM

FEICOM is responsible for the centralization and distribution of equalization revenue to local authorities.

Consequently, the issue slip addressed in the name of this body should highlight distinctively the share attributed to the different beneficiaries.

Section 148 : Transposition of the provisions of the Law on local taxation in the General Tax Code

The Law on local taxation as soon as it was enacted was inserted in the General Tax Code of which it henceforth constitutes the third book. Its provisions form an integral part and thus carry the same value as the existing provisions in the said code.

Any subsequent difficulties inherent to the interpretation and to the application of the provisions of this circular should be brought to the attention of the taxation authorities who would provide appropriate solutions thereto.

We attach much importance to the respect of the provisions of this circular.

The Minister of State, Minister Territorial Administration and Decentralization

(ed) Marafa Hamidou Yaya

The Minister of Finance

(ed) Lazare Essimi Menye

CIRCULAR No. 001 /MINFI/DGI/LC/L OF 15 JANUARY 2014 OUTLINING THE RULES OF APPLICATION OF THE TAX PROVISIONS CONTAINED IN LAW No/2013/017 OF DECEMBER 16TH 2013 BEARING ON THE FINANCE LAW OF CAMEROON FOR THE 2014 FINANCIAL YEAR.

THE DIRECTOR GENERAL OF TAXATION

TO

- The Head of the National Internal Audit Office;
- Directors and Heads of Division;
- Chiefs of Regional Taxation Centers;
- Sub-Directors and officials ranking as such;
- Heads of Service and officials ranking as such.

This circular outlines the rules for the application of the new tax provisions contained in the 2014 Finance Law and provides relevant guidelines and regulations for effective implementation.

The above provisions pertain to:

- The Company Tax (CT) and the Personal Income Tax (PIT);
- The Value Added Tax (VAT);
- The tax scheme applicable to public contracts;
- The Special Tax on Petroleum Products (TSPP);
- Local taxes;
- Tax Procedures.

I - PROVISIONS RELATING TO THE COMPANY TAX (CT) AND THE PERSONAL INCOME TAX (PIT)

Section 7: capping of deductible interests on loans served to partners and affiliates.

The 2014 Finance Law reinforces the fight against thin capitalization by specifying the conditions relating to interest deductions payable on loans granted by partners to affiliates. As a reminder thin capitalization is a procedure which allows companies of the same group to transform shares into equity which they consent to their subsidiaries "sisters" as simple loans or advances in a bid to increase the amount of deductible financial expenses from the taxable income of the recipient company.

This method of debt financing, subject to the aforementioned limitation, targets financial contributions, loans, advances, various sureties or guarantees granted by parent companies to their subsidiaries, by sister companies as well as by shareholders or associated companies in which they have shares or voting rights of at least 25%.

From January 1st, 2014, the deduction of interests related to the repayment of such loans shall be limited on the one hand by the amount of Equity and, on the other hand, by the Gross Operating Income (GOI).

Two scenarios are considered for determining the limitation of the interests involved: loans granted by shareholders or companies holding directly or indirectly less than 25% of the capital or voting rights and those granted by the shareholders or companies holding directly or indirectly at least 25% of the share capital or voting rights.

1) Loans obtained from associates or companies holding less than 25% of the share capital.

The interests paid on such loans are deductible to the extent of the interest rate charged on advances applied by the Bank of Central African States (BEAC), plus two (2) points maximum.

2) Loans obtained from associates or companies holding at least 25% of the share capital.

A) Scope of Application

Interest charged on loans obtained from associates or a related companies holding directly or indirectly at least 25% of the capital or voting rights of the debtor company, or incurred from debts securities by a pledged collateral provided by a personal or related company, are deductible within the limits set by the law.

As a reminder, partners can be considered as both immediate and/or collective shareholders possessing at least 25% of the share capital of the borrowing company, as well as shareholders of companies included within the scope of consolidation of related companies.

The concepts of related or associated companies refer to companies belonging to the consolidation perimeter of the parent company, as defined in Article 78 of the OHADA Uniform Act on the Organization and Harmonization of Business Accounting.

B) Limits for capping deductions

Limiting the deduction of corporate interests referred to above is based on the amount of Equity or the Gross Operating Income:

- **Limitations based on equity**

This limitation occurs when loans granted exceed one and a half times the equity value.

To obtain the maximum allowable deduction, equity in accordance with the OHADA accounting law, refers to the algebraic sum of contributions (capital, additional paid-in capital), the revaluation surplus, profits other than those for which a distribution decision has been taken, losses, investment subsidies and regulated provisions.

Regulated provisions refer to those which do not correspond to the normal purpose of provisions but are made solely by virtue of legal or regulatory provisions.

The equity value to consider is that which figures on line 14 of Table 4 of the Statistics and Tax Returns Statement (STR) of the year N-1, or that of the last profitable year, if the equity values of the year N-1 were negative.

If the amount of debt is less than one and a half times the equity value, the company can deduct interest, provided they do not exceed the rate charged on advances by BEAC, plus two points.

- **Limitations based on Gross Operating Income**

This limitation occurs when interests paid to shareholders exceed 25% of the gross operating income, i.e. the interest recorded on line 15 of table 6 of the STR. For the particular case of banks, the amount to be considered is that which figures on line 21 of table 1A of the STR.

C) Tax implications:

The deduction of interests on loans and other advances obtained from shareholders, partners or affiliates is now subject to the following conditions:

- **<u>Case No 1</u>: Loans and the interests thereon shall comply to the limits set by law.**

In this case, the company is not supposed to be in a situation of thin capitalization. As such, the interests are deductible within the limits of the interest rate on advances applied by BEAC, plus 2 points.

<u>Case study</u>:

The company SIKI SARL obtained a loan of 80 billion FCFA from its parent company, based in London.

The company's equity value amounted to 200 billion FCFA; the interest rate on the loan was set at 10%, while the interest rate charged by BEAC was 12%.

The company generated a gross operating income of 40 billion for the year n-1.

The proportion of interest payable on this loan by the company is as follows:

Example:

- **Step 1: Verifying thin capitalization in relation to equity equity/ debt ratio.**

As a reminder, the loan must not exceed 1.5 times the equity value.

→ Equity value (EV) = 200 billion FCFA

→ Maximum amount of interest to be deducted for tax purposes = 1.5 x EV (1.5 x 200 billion CFAF) = 300 billion FCFA

→ Loan amount = 80 billion FCFA

Analysis: *The 80 billion FCFA loan is less than the deduction limit of 300 billion FCFA, the company is not in a situation of thin capitalization with regards to equity.*

- **Step 2: Verifying Thin capitalization in relation to the Gross Operating Income.**

As a reminder, the interests on the loan payable by the parent company should not exceed 25% of the Gross Operating Income (GOI).

→ Loan value (LV) = 80 billion FCFA

→ Interest = (10% x LV), i.e. (10% x 80 billion) = 8 billion

→ Maximum amount of interest to be deducted for tax purposes = 25 % x GOI i.e. (25% x 40 billion) = 10 billion FCFA

Analysis: *The interest amount of 8 billion FCFA is less than the deductible interest limit (10 billion FCFA), the company is not in a situation of thin capitalization in relation to the gross operating income.*

Based on the above analysis, the company is entitled to fully deduct the interest paid, considering the fact that the interest rate is lower than that charged by BEAC, plus two points.

If the interest rate was greater than that charged by BEAC, plus 2 points, that is 14 % instead of 12 %, the superior proportion, would have to be reintegrated into the tax base under the same conditions as with individuals or non-affiliated companies.

- **<u>Case N° 2:</u> The loan is greater than 1.5 times the equity value while the interest rate is less than 25 % the gross operating ratio.**

In this case, the interests on the portion of the loan exceeding 1.5 times the amount of equity value shall not be deductible. They are reintegrated into the taxable base and are liable to the Company Tax and the Income Tax from Stocks and Shares (ISS), regardless of the exemption from the payment of the ISS on foreign debts in accordance with the provisions of section 43 of the General Tax Code.

<u>Example:</u>

→ Loan value obtained from the parent company (LV) = 600 billion FCFA.

→ Equity Value (EV): 200 billion FCFA

→ Borrowing limit for entitlement to interest deductions = (1.5 x EV) = 30 billion

→ Non deductible proportion (NDP) = (600 billion - 300 billion) = 30 billion FCFA

→ Interest Rate (IR) = 10%

→ Non deductible interest = (IR x NDP), i.e (10% x 30 billion FCFA) = 30 billion.

Tax Implications:

→ Company tax (CT) = (38.5% x 30 billion FCFA) = 11.55 billion FCFA

→ Income Tax from stocks and shares (ISS) = (30 billion x 16.5%) = 4.95 billion

→ Tax due (CT + ISS) = FCFA 16.5 billion

- **<u>Case No 3</u>: The loan is less than 1.5% the equity value while the interest rate is greater than 25% the Gross Operating Income.**

In this case, the proportion of the interest greater than 25% of gross operating income shall not be considered deductible. It shall be reintegrated into

the tax base and liable to the company tax (CT) and the income tax from stocks and shares (ISS), regardless of the exemption from the payment of ISS on foreign debts provided for by section 43 of the General Tax Code.

Example:

An 80 billion FCFA loan with a 60% interest rate granted by a parent company to its affiliate based in Cameroon. The gross operating income of the affiliate is 40 billion FCFA.

→ Loan value (LV): 80 billion FCFA

→ Interest rate (IR): 60%

→ Interest Applicable (IA): (60% x LV) = 48 billion FCFA

→ Gross operating income (GOI): 40 billion FCFA

→ Maximum deductible interest (MDI) = (25% x GOI) i.e. (25% x 40 billion) = 10 billion

→ Non deductible interest = FCFA (IA-MDI). i.e. (48 billion – 10 billion) 38 billion

Tax implications:

→ Company tax (CT) = (38.5% x 38 billion FCFA) = 14.63 billion FCFA

→ Tax on income from stocks and shares (ISS) = (38 billion x 16.5%) = 6.27 billion FCFA

→ Tax due (CT + ISS) = FCFA 20.9 billion

- **Case No 4: The loan is greater than 1.5 times the equity value and the interest rate is greater than 25% the gross operating ratio.**

Once the two criteria for thin capitalization listed above are met, tax operating units shall compare the tax implications of both and retain the proportion of the non deductible interest for tax adjustment purposes.

Example:

Based on cases 2 and 3 above, the amount of tax adjustments shall be:

→ Adjustment based on thin capitalization in relation to equity (Case No.2)

= 16,500,000,000 FCFA in principal.

→ Adjustment based on the gross operating income (Case No. 3)

= 20,900,000,000 FCFA in principal.

In this case, the adjustment must be made on the basis of gross operating income.

Finally, it is worth noting that these measures are applicable on loans obtained as from January 1st 2014. Interests payable on those obtained prior to this date remain deductible for tax purposes in accordance with the legal provisions in force at the date of signature of the loan agreement.

Section 18-3: Specific Returns filing obligations for taxpayers of the large tax payers unit (LTU).

Companies of the large taxpayers unit (LTU) are now required to automatically transmit the following information to the tax authorities no later than March 15 of each year.

- A statement of their shareholdings in other companies if the holdings exceed 25% of their share capital;
- A detailed statement of intergroup transactions.

1) With regards to the statement of their shareholdings in other companies if the holdings exceed 25% of their share capital

It should be noted that this requirement equally applies to affiliated or associated companies included in the scope of consolidation of the parent company as defined by the provisions of Article 78 of the OHADA Uniform Act on the Organization and Harmonization of Business Accounting.

The statement of shareholdings should be accompanied by the following items:

- A general description of activities deployed, including all changes in securities which occurred over the past two years;
- A general description of the legal and operational structures of the associated group of companies, including an identification of the associated companies with the group engaged in transactions with the company filing the tax return;
- A general description of the functions performed and risks assumed by the associates, in the manner in which they impact the company filing the tax return;
- A list of key intangible assets, including patents, trademarks, business names and know-how related to the company filing the tax return.

2) With regards to the detailed statement of related party or inter-group transactions

The following information must be submitted before the 15th of March yearly:

- A description of the transactions carried out with related companies, including the nature and the amount of cash flow, including royalties;
- A list of cost-sharing agreements and, if applicable, a copy of advance pricing agreements and advance tax rulings relating to the determination of transfer prices, affecting the results of the company filing the tax return;
- A presentation of the transfer pricing determination method(s) with respect to the arm's length principle, including an analysis of the functions performed, assets used and risks assumed with an explanation on the selection and application of the method (s) used;
- When the chosen method requires an analysis of comparables considered relevant by the company.

Taxpayers who fail to respect the aforementioned filing requirements shall be summoned to do so within thirty (30) days. The summons should recall the penalties due including potential tax adjustments in case of failure to reply.

These new obligations are applicable for tax returns of the year ended 31st December whose statements will be filled no later than 15th March 2014.

<u>Section 35:</u> liability to THE REFUND of shares and financial contributions made in cash by PARTNERS TO the payment of the income tax on stocks and shares (iss)

As from January 1st 2014, the reimbursement of funds made available to a company by a partner or manager as advance or loans in cash shall be liable to the income tax on stocks and shares.

When the contribution or advance granted to the company was made by cheque, bank transfer or any other electronic requiring a bank account, reimbursement to the managers or partners shall not be liable to the aforementioned tax.

In addition, in case part of the contribution was made in cash and the other part by bank transfer, the proportion of the refund made available by banking or electronic means, shall not be subject to the income tax on stocks and shares. Nonetheless, the portion made available via cash remains liable to the said tax, regardless of its quota.

Companies are therefore required to withhold at source the income tax on stocks and shares on the repayment of the principal sum of the loan or advance contributions made available by partners and also on the interest paid if and only if the corresponding income tax on stocks and shares has not yet been paid. The tax withheld must be remitted no later than the fifteenth (15th) of each month for the previous month's transactions.

This provision applies to all refunds made after the entry into force of the 2014 finance law.

<u>Sections 21 and 92</u>: empowering designated public entities (public administrative establishments and regional and local authorities) to withhold income tax installments at source.

Prior to the 2014 finance law, all Regional and Local Authorities and public administrative establishments were automatically entitled to withhold the income tax installments at source.

The new provisions of this finance law restrict the entitlement to withholding taxes at source by public establishments only to those listed by the Minister of Finance as is the case with public, mixed and private companies.

Therefore, from the 1st of January 2014, only regional and local authorities and public administrative establishments duly authorized by a ministerial order signed by the Minister of Finance are allowed to withhold at source the income tax installments. On the other hand, those not eligible would have to pay their suppliers and service providers leaving them with the responsibility to fulfill their tax obligations within their competent tax centers.

The act constituting liability to withhold taxes at source being a budgetary commitment for local authorities and public administrative establishments, withholding at source should be applied on all bills engaged and liquidated as from the 1st of January 2014, including those paid by imprest funds.

Section 42: Liability of capital gains from the transfer of rights on natural resources situated in Cameroon to the tax on income from stocks and shares

Capital gains realized in Cameroon or abroad emanating from the sale of shares by an individual or corporate entity holding an exploitation or exploration permit for natural resources extracted from the Cameroonian subsoil are liable to the income tax from stocks and shares.

As such, all capital gains on any temporary or permanent transfers of permits, licenses and authorizations of any kind relating to mining, oil and gas activities in Cameroon are liable to the aforementioned tax.

Irrespective of whether the transfer took place in Cameroon or abroad, the income tax on stocks and shares is due. The Cameroonian company is jointly and severally liable for payment of the tax due.

The tax base is the net capital gains, obtained from the positive difference between the sale and purchase price, or, if the acquisition value is not known.

Where the assets of the entity whose shares are sold are located in several jurisdictions, the capital gains shall be calculated on the value of its assets located in Cameroon.

This provision is applicable to all transactions carried out after the enactment of the 2014 finance law.

For instance, the company *"Siki mining international",* a British company sells its shares held in a Cameroonian mining company named *"Siki Cameroon ltd"* to a holding company by name *"Gend international"* situated in the Grenada Islands. In this case, the capital gains realized by *"Siki mining international"* shall be liable to the income tax from stocks and shares in Cameroon. The Cameroonian company, *"Siki Cameroon ltd"* is jointly and severally liable for payment of the tax due in accordance with the modalities outlined in section L 86 of this circular.

<u>Section 43</u>: Exemption from the payment of the income tax on stocks and shares on interests on foreign loans with a repayment period of at least 7 years

With effect from the 1st of January 2014, interests on foreign loans with a term of financing of at least seven (07) years are exempted from the Personal Income Tax.

The eligibility of this exemption is subject to two (2) cumulative conditions:

→ The loan must be obtained from foreign financial institutions or companies domiciled abroad;

→ The repayment period must be greater than or equal to seven (07) years, with effect from the first day of debt repayment. To determine this date, it is important to refer to the loan agreement and this date should not be confounded with the date on which the loan agreement was signed.

With regards to the specific case of related companies, it should be noted that even when the conditions for the deduction of interests on borrowing are met, the exemption from the income tax on stocks and shares is due only if the repayment period of the loan is greater than or equal to seven years.

Finally, it should be noted that this exemption is limited to loan agreements signed on or after the 1st of January 2014. Interests on loans obtained prior to this date remain liable to the rules applicable at the date of signature of the loan agreement.

Section 93 (d): Abolition of the possibility to opt for the actual system of assessment

Prior to the 2014 finance law, taxpayers of the simplified assessment scheme with an annual turnover of at least 30 million FCFA could opt for the actual assessment scheme.

The 2014 finance law abolishes the possibility to opt for the actual assessment scheme and institutes a strict separation between the different assessment schemes. Henceforth, eligibility into the actual assessment scheme is solely determined by the effective realization of a turnover superior or equal to 50,000,000 FCFA within the previous year.

New taxpayers who declared an estimated turnover of 50,000,000 FCFA and got admitted as such to the actual assessment scheme, shall only be maintained on the condition that they actually realize a 50,000,000 FCFA turnover during the year in question. If the turnover realized is below this threshold, they shall be automatically returned the following year to the simplified system of assessment

The connecting criterion to the actual assessment scheme and the VAT liability threshold are now harmonized. Thus, only companies that actually realize a turnover of 50,000,000 FCFA are entitled to charge VAT.

Tax payers who opted for the actual assessment scheme before 2014 shall only be maintained on the condition that they show prove of a turnover at least equal to 50,000,000 FCFA realized in the course of the 2013. Otherwise, they shall be reclassified into the simplified assessment scheme.

Finally, when a taxpayer who normally falls under the actual assessment scheme accidentally realizes a turnover less than FCFA 50 million, a two year observation period must be met before reclassification into the simplified scheme.

Section 107: deferred tax reductions due to the reinvestment scheme for assets sold less than five years after their purchase.

The 2014 finance law provides for the refund of a fraction of the company or personal income tax for taxpayers who had initially benefited from a tax reduction through the reinvestment scheme, in case the asset concerned was sold out before the end of the fifth year following its acquisition.

In fact, when an asset which has resulted in a tax reduction under the reinvestment scheme is sold before the end of the 5th year following the date of acquisition, the beneficiary of the tax reduction is required to refund a fraction of the company or income tax corresponding to the initial deduction.

Consequently, assets that will be eligible for tax reduction as a result of the reinvestment scheme for a given year shall remain the property of the beneficiary of the tax reduction for a period of five years upon their purchase, implying 4 years after their admission in to the reinvestment scheme. Every year started is considered an entire year. The transfer or sale of the asset before the 5-year period referred to above leads to automatic regularization.

Without prejudice to adjustments during a general audit of accounts, the control of the effectiveness of the reinvestments ought to ensure compliance with the condition above.

The regularization should be done in the tax return of the same month in which it was carried out. This tax return should be filed no later than the 15th of the following month. Any regularization done after this date shall be liable to the sanctions provided for by section M 96 of the General Tax Code.

However, it is worth noting that the fully depreciated assets and those extorted from the company due to loss or theft duly justified by a report prepared by a bailiff or any competent authority are not subject to this regularization.

As an illustration, an asset acquired on September 22, 2013 by the company SIKI benefited from a tax reduction on the basis of the reinvestment scheme. The company attributed the reduction in the results of the year 2013 filed in on the 15th of March 2014. The asset was sold on the 1st of January 2015.

→ Total investments allowed: 1,000,000,000 FCFA

→ Reported earnings: 60 million FCFA

→ Allocations made on the profit: 30 million FCFA

→ Company tax reduction: 30,000,000 x 38.5% = 11,550,000 FCFA

→ Duration of asset in the company: 2 years

→ Company tax Allocation: 11,550,000 FCFA

→ Company tax to remit: FCFA 11,550,000 - (11,550,000 x 2/5) = 6,930,000 FCFA.

The company tax must be remitted on the 15th of the month after the regularization.

It should be recalled that the bases of assessment retrained during the auditing of the reinvestment scheme shall be notified to the company by the service which conducts the audit and transmitted to the taxpayer's competent tax center for the issuance of a notice of assessment (AMR). This review is sent to the taxpayer within the statutory deadline.

In case of disagreement between the tax administration and the taxpayer following the notification of the bases of assessment and notice of assessment, the former is entitled to the litigation procedure stipulated by law, at the level of the Minister of Finance.

The response of the Minister is final and concludes the procedure involved.

II. PROVISIONS PERTAINING TO THE VALUE ADDED TAX

Section 149 (2A): empowering designated public entities to withhold the value added tax (VAT) at source.

Prior to the 2014 finance law, all regional, local authorities and public administrative establishments were automatically entitled to withhold the Value Added Tax (VAT) at source.

The new provisions limit the empowerment of withholding the VAT at source solely to public entities which figure on the list published by the Minister of Finance, in the same manner as private companies, joint ventures and public capital entities.

Therefore, from the 1st of January 2014, only the regional bodies and public administrative establishments duly authorized by an order signed by the Minister of Finance should withhold at source the Value Added Tax.

Those not authorized by the aforementioned procedure must pay their suppliers and service providers tax inclusive, without withholding any VAT at source in accordance with the provisions of section 149 (2 b) below.

For the specific case of transactions which stretch over the years 2013-2014, including invoices issued in 2013 and settled in 2014, the act constituting liability for withholding is the budgetary commitment. As such, VAT should be withheld at source on all bills incurred and settled as from the 1st of January 2014.

It should be recalled that, when a contract is carried out with a public entity not entitled to retain VAT at source, the debtor is required to remit the VAT on the said contract at his competent tax centre during the filing of the returns for the month during which the payment was made.

Section 149 (2B): consecrating the ability to withhold VAT at source on all state suppliers regardless of their tax assessment schemes

Parliament has reinstated the principle of withholding VAT at source on all state suppliers and other public entities entitled to withhold taxes at source including those under the simplified assessment scheme.

As such, despite their non liability to this tax, bills of taxpayers of the simplified system of assessment scheme addressed to the state, regional authorities or public administrative establishments ought to be considered tax inclusive.

For the state and other public establishments authorized to withhold at source, the VAT should be calculated and withheld at source.

However, when the contract is carried out with a public entity not entitled to withhold taxes at source, the contractor ought to remit the VAT on the said contract at the competent tax centre on his tax returns for the month in which the payment was made.

Thus when the taxpayer is of the simplified assessment scheme, the withholding of taxes at source must be carried out under the same conditions as for taxpayers under the actual assessment scheme. To do this the accompanying bills of the service providers must be considered tax inclusive. Practically, their invoices should be drafted *"tax inclusive"*, indicating the amount of VAT to be withheld at source.

It should be recalled that the VAT remitted is not deductible for taxpayers of the simplified assessment scheme.

On the other hand, the obligation to consider the invoices issued by taxpayers of the simplified assessment scheme is not applicable in their transactions with private entities, including those designated to withhold at source.

It should be noted that this measure is applicable on public contracts and purchase orders signed as from the 1st of January 2014.

III. TAX PROVISIONS RELATING TO PUBLIC CONTRACTS

Sections 113 to 116: The tax regime applicable to public contracts

The 2014 finance law clarifies the tax system applicable to public contracts based on the nature of their funding. In this regard, a distinction is made between contracts funded with state resources, and those funded with external or joint resources.

1. General principles on the taxing of public contracts

A. The tax inclusive nature of public contracts

The 2014 finance law reaffirms the liability of public contracts to the taxes and duties applicable in Cameroon. As such, the value of each contract should always include all taxes and fees relating thereto, including the VAT.

B. Liability to the tax legislation in force on the date of their conclusion

It should be recalled that public contracts are subject to all duties and taxes under the tax legislation in force on the date of their conclusion. Therefore, the tax regime applicable to public contracts is determined by their closing date (that on which the public contract is signed) and not the date of the execution nor the date of payment.

C. The Obligation by the Contracting Authority to bear the taxes and duties at his expense.

Taxes and duties on public contracts are borne by the contracting authority. As such, in the case of public contracts financed by external resources, when the funding agreement does not cover the payment of taxes and duties, the recipient of the service provided by the contract is required to provide a financial allocation necessary to cover the taxes and duties due.

2. The Tax regime Applicable to public contracts funded by state-own resources

Owned financed public contracts refer to those funded by the State, regional bodies and public administrative establishments. These include those funded by the public investment budget and through debt cancellation or reduction mechanisms.

The tax regime of such contracts is characterized by the following:

A. Prohibition of any support or exemption from the payment of taxes and duties by the regulation in force

With regards to the aforementioned principles, public contracts entirely funded by state owned funds or those of regional authorities should under no circumstances be defrayed or exempted from the taxes and duties applicable.

B. Liability for all taxes related to the supply of goods or the provision of services

Based on the nature of the service provided or good supplied, internally funded public contracts are liable to the Value Added Tax, registration fees, income taxes and any other tax or duty provided for by the law.

C. Distribution of the tax burden

The tax burden on the execution of public contracts is distributed as follows:

- For the Contracting Authority: all taxes to which he is liable, including the Value Added Tax and customs duties.
- For the Contractor; registration duties, the income tax and other taxes and duties on the contract.

3. <u>The Tax regime applicable to externally or jointly funded public contracts</u>

A. Characteristics of externally or jointly funded public contracts

1. Sources of funding

Externally funded public contracts refer to those funded by foreign partners.

2. Funding proportion

Externally or jointly funded contracts refer to contracts which are either entirely funded by foreign resources or those funded by both internal and foreign resources.

B. The VAT regime of external or jointly funded public contracts

1. VAT Liability

a) VAT borne by the Contracting Authority

VAT on goods and services directly linked to the implementation of the project are borne by the Contracting Authority. Local purchases of goods and services and the importation of materials and equipment directly linked to the contract are eligible to VAT by the project owner.

b) VAT borne by State suppliers or subcontractors

Indirect costs remain liable to the VAT at the expense of the State's subcontractors or public entities. Such is the case with the procurement of passenger vehicles, accommodation costs, meals, research and consultancy fees, administrative and managerial expenses of all kinds.

2. Management of the defrayment of the Value Added Tax

a) The existence of a budget allocation

Prior to the issuance of defrayment certificates, tax services should first ensure the availability of fund appropriations set aside to cover the taxes defrayed by the contracting authority in view of the issuance of defrayment certificates.

b) Defrayment procedure

It is worth noting that, in order to be eligible to defray VAT, the tenderer must present his pro forma invoices or importation declarations to the tax administration prior to the issuance of the defrayment certificate.

No waivers will be admitted in the absence of VAT defrayment attestations exclusively issued by the tax administration. Any default, failure or omission leads to tax adjustments without prejudice to other penalties provided by law.

3. Tax regime applicable to other taxes and duties

a) The nature of taxes borne by the tenderer

Apart from the VAT on expenses which is borne by the contracting authority, the other taxes and fees are borne by the tenderer. These include:

- Registration fees;
- Income taxes;
- VAT on fuel;
- VAT on expenses not related to investment;
- The special tax on income paid abroad;
- The special tax on petroleum products and all other taxes of the petroleum sector;
- The tax on extraction, surface fee and all taxes in the mining sector;
- All other taxes borne by the contractor according to the legislation in force.

b) Consequences

The liability to pay the aforementioned taxes by the tenderer entails payment upon consumption and the obligation to remit at the competent tax centre in accordance with the modalities determined by the law.

These measures which come into effect from the 1st of January 2014 abrogate all contrary statutory and administrative provisions.

Therefore, the taxes listed above will no longer be supported by the State budget. They shall be paid by the contractor, except when the contractual clauses explicitly state otherwise.

IV. PROVISIONS PERTAINING TO THE SPECIAL TAX ON PETROLEUM PRODUCTS (STPP)

Sections 232, 233, 235 and 237: specifications on the collection of the special tax on petroleum products (STPP).

1. The Act constituting liability of the special tax on petroleum products

a) General principle: The removal of petroleum products at the Cameroon Petroleum Deposit Company (SCDP)

The 2014 finance law institutes the withdrawal of petroleum products from the Cameroon Petroleum Deposit Company (SCDP) as the main act constituting liability to pay the special tax on petroleum products (STPP). As such, the act constituting liability arises during the collection of petroleum products by distributing companies and marketers.

Generally, products stocked at the Cameroon Petroleum Deposit Company are obtained either from the national oil refinery (SONARA) or are imported from CEMAC or non CEMAC member states.

b) Exceptions: supply of petroleum products by SONARA

The law provides two exceptions to the aforementioned principle. These include: the case of direct withdrawal of petroleum products at the National Oil Refinery Company (SONARA) and self delivery.

→ **Direct withdrawal at the national oil refinery company (SONARA):**

This refers to petroleum collected directly from the National Oil Refinery Company by end users; they do not transit via the SCDP. In such instances, the act constituting liability occurs during the supply of the products by SONARA.

→ **Self delivery:**

This refers to the supply of petroleum products by the SONARA to itself. The act constituting liability in this case is the first consumption of petroleum products by this company.

2. Payment of the STPP

The STPP due at the end of each month on the basis of the actual volume of petroleum products withdrawn in the course of the month by the marketers at the level of SCDP or on removals at the level of SONARA, directly by marketers or indirectly by their customers.

For assessment purposes, exonerations ought to be excluded from the tax base of the STPP. As such, the tax returns filed by companies should be accompanied by all supporting documents including the statements on the supply of diesel and fuels sold to marine bunkers and approved by the Customs department and certificates of exemptions issued by the competent authorities.

Moreover, marketers remain liable to the STPP on petroleum products collected from SONARA in view of their retransfer to the SCDP depots. The liability remains whether or not the products are stored in the SCDP depots or are assigned to other destinations. Consequently, the STPP on such transfers must be paid by marketers in the same manner as on the volumes withdrawn for the month.

3. Tax collection procedure

The STPP should be paid monthly by marketers before the 15th of each month at SCDP, for withdrawals (direct or indirect) of the month (N-1), made from SCDP deposits, and at SONARA for direct or indirect withdrawal of products for the month (N-1) made at the level of the refinery at Limbe.

SCDP and SONARA have until the 20th of the same month to file in their STPP returns for the month n-1 specifying the amount paid by each marketer or distributor in the annex of the said return, including the amount paid for self delivery.

As such, petroleum products withdrawn in the month of January 2014 shall be paid either at SONARA or SCDP no later than the 15th of February 2014 into the special accounts opened for this purpose within the competence of the Large taxpayers unit or the medium size tax payers office.

The STPP shall henceforth be processed as such:

→ **Step 01: assessment of the STPP for the previous month (N-1)**

- Transmission of the taxable base of the STPP by SCDP or by SONARA stating the quantity of petroleum products collected from the PCC between the 2nd and 8th of each month for the withdrawal effected during the previous month (n-1);

- Obtaining approval from the customs department on the status of Diesel supplied in marine bunkers (Volumes V2) between the 4th and the 10th of the month N for sales of the month N-1;
- Transmission of the volume of fuel and diesel sold to customers who benefit from tax exemptions (Volumes V1);
- Effective determination of taxable volumes by marketers and assessment of the STPP.

→ **Step 02: Payment by marketers' of the STPP due for the month N-1**

Payment made by each marketer or end user should be done no later than the 15th of the month N, for withdrawals done in the month N-1 as follows:

- For fuel collected at the level of SCDP, by issuing a transfer order and a single payment order to the SCDP in the account opened for this effect (STPP SCDP account);
- For fuel directly collected at the level of SONARA, by issuing a transfer and a single payment order to SONARA at the account opened to this effect (STPP SONARA account).

SCDP and SONARA are entitled to transfer the sums collected from the various marketers in the account of the tax collector of the large tax payers unit (LTU).

→ **Step 03: Filing TSPP returns for the month n-1 by marketers**

- Filing of 2 STPP returns, as the case may be at the level of the SCDP or SONARA, no later than the 15th of the month (one for SCDP and one for SONARA) accompanied by all supporting documents including:

➢ The special tax on petroleum products return (SCDP and SONARA);

➢ The STPP assessment statement for each return (SCDP and SONARA);

➢ The statement of supplies of diesel and fuel in marine bunkers validated by the customs department;

- Statement of sales benefiting from exemption;
- Payment order for each return signed by a bank.

- Filing at the LTU or MTO a copy of the STPP return, signed by the SCDP or SONARA accompanied by a payment attestation issued by the liable person.
- All payments made after the deadline shall be subject to penalties and interests for late payment in accordance with the legislation in force. The Marketer in such a case shall equally be suspended from withdrawing petroleum products till the regularization of his situation.

→ **Step 04: Filing and remitting of the STPP by SONARA and SCDP to the Treasury**

No later than the 20th of each month, SCDP and SONARA shall each file in the STPP withheld at source for the previous month (N-1). This return should be accompanied by a single payment order issued to the Public Treasury, and shall be accompanied by a list of the companies that made the payment. This list should include.

- The company's name or business name;
- The taxpayer's registration number;
- The amount of TSPP remitted for the month n-1;
- References to the certificate produced by SCDP or SONARA.

The withdrawal of petroleum products shall henceforth be conditioned by the payment of STPP due for the previous month and the filing of proof of payment at the SCDP or SONARA.

It should be recalled that in their capacity as legally liable persons for the STPP, SCDP and SONARA are required to demand payment of the said tax for the previous month prior to the delivery or collection of petroleum products, against the issuance of a certificate of payment.

4. Sanctions

Failure to remit the STPP by the legally liable persons shall behest penalties and fines including interest on late payments in accordance with the provisions of the General Tax Code.

As such for marketers, the subsequent withdrawal of petroleum products shall be conditioned by payment of the STPP for the previous month (N-1). Therefore, failure to pay the STPP due for withdrawals of the previous month (N-1) shall be sanctioned by the suspension of future withdrawals, without prejudice to the implementation of forceful recovery measures provided for by the General Tax Code.

As a result, companies which owe the STPP for the month n-1 shall first pay the said debt, including penalties and interest for late payment prior to any petroleum withdrawals for the said month.

Finally, the relevant departments of the DGT shall carry out monthly audits on the collection and remittance of the STPP based on the fuel withdrawals or transfers.

V. PROVISIONS RELATING TO THE MANUAL OF TAX PROCEDURES.

Section m 2 (a): institution of pre-filled tax returns

The 2014 finance law institutes the pre-filled tax return statements. This is a procedure by which the administration on the basis of information on a tax payer's income, property or other taxable elements, at its disposal addresses to the latter a tax return statement accompanied by an assessment of taxes and duties taxes thereon.

1) The scope of application of the pre-filled tax returns

The pre-filled tax return is a procedure which can be implemented by all tax centers on behalf of all tax payers with or without tax records within their respective tax jurisdictions.

It applies to all taxes, duties and levies assessed and collected by the Directorate General of Taxation, including, additional levies such as the National Housing Fund, the National Employment Fund and the audiovisual tax.

2) Procedures for the implementation of the pre-filled return:

A. Implementation modalities

The following two conditions must be met prior to the implementation of the pre-completed return:

- The administration should possess a sound knowledge of the taxable elements of the taxpayer's assets or income;
- Ensure liability by the tax payer to the taxes due.

B. Implementation deadlines

The pre-filled tax return is served to the tax payer when the taxes, duties or levies involved are due. The due date refers to that for each specific tax on the return, as determined by the General Tax Code.

As such, even when the bases of assessment are founded, services should always ensure that the taxes inscribed on the return are due. Otherwise, they must serve distinct pre-filled returns depending on due dates of the taxes in question.

For instance, should the administration detain verifiable information on the ownership of an undeclared landed property by a taxpayer, it ought to ensure that the rental income tax, registration duties if it is leased and the landed property tax are equally due.

In any event, the assessment shall be only done on taxes due at the date of the issuance of the pre-filled return.

C. Establishment and issuance of the Notification

Services shall, on the basis of reliable information they posses, assess the taxes, duties and levies owed by the taxpayer and complete the pre-filled tax returns for them.

The assessment shall take into account the legal tax rates and tariffs in force plus all required information which figure on the tax return in question, including the period, and deadlines for filing the said return.

Upon issuance, the pre-filled tax return is signed by the competent Chief of Centre or the tax Relationship Manager and notified to the taxpayer against an acknowledgment of receipt. Should the tax payer refuse to sign, allusion to this refusal should be mentioned on the notification statement.

Worth noting is the fact that the taxpayers should always be informed of the statutory time frame allowed for the payment of the taxes or the time allowed for the rectification of the return.

D. Payment Modalities

Taxpayers, who accept the bases of the pre-filled tax return, shall file in the said returns at the competent tax centre, duly signed and accompanied by payment modalities within 30 days upon reception of the tax return.

As the case may be, the payment ought to be done in cash, certified cheque, and bank transfer order or by any electronic means, in accordance with section M 7 of the General Tax Code.

Apart from electronic payments whose specifications shall subsequently be clarified, payments shall be made based on an assessment statement or notice, upon reception of the taxpayer's tax return.

After the aforementioned dateline, the administration is authorized to use all forceful recovery methods provided for by law; subject to the issuance of a summons to pay which should be notified in advance to any recovery notice or action.

E. Appeals against the charges contained in the pre-filled statement

Taxpayers who contest the bases of their assessment contained in the pre-filled tax returns are entitled to request the rectification of the pre-filled return at the level of the tax centre which issued the said return within a period of one month with effect from the reception of the return.

After this period, any claim is time-barred and charges are considered final.

→ Review of the rectification request

The Chief of Center is responsible for the examination of appeal and has to respect the adversarial principle by inviting the taxpayer to a working session in which his claims shall be examined.

After this meeting, the final assessments shall be determined. A recovery notice (AMR) shall be issued and notified to the taxpayer prior to the expiration of the 30 days period provided for rectifications.

Should the disagreement persist at the end of this adversarial procedure, the Chief of Centre shall issue a recovery notice. The taxpayer has a 15 day period starting from the date of the notification of the aforementioned document to pay the taxes due or formally contest them in a proper tax litigation case.

→ **Contestation of the recovery notice based on the pre-filled tax return**

Pursuant to the provisions of section M 116 of the General Tax Code, the taxpayer subjected to the pre-filled tax return is entitled to contest the bases of assessment by introducing a litigation claim.

It should be noted that taxpayers who accept the bases of assessment of the pre-filled tax return, may in no circumstances invoke these grounds to contest a deficiency in filing during subsequent tax audits. Actually, prior to the expiration of the period mentioned above, the pre-filled tax return can be corrected by the tax payer irrespective of the fact that the tax administration intervenes in its issuance.

The pre-filled tax return is applicable as from the 1st of January 2014 and is applicable to all taxes duties and levies which are not statute barred as at the 31st of December 2013.

Section M7: modalities for the payment of taxes and duties

The 2014 Finance law institutes four (04) modalities for the payment of taxes and outlines the practicalities there to, with regards to the respective competent tax structures.

1) Extension of the Instruments reserved for the payment of taxes

Henceforth, taxes in Cameroon shall be paid thus:

- In cash;
- By certified cheques;
- By bank transfer;
- Electronically.

The major innovation of the present law is the institution of electronic method of payment. These are payments made via mobile money or e-payments.

2) Principle of separate payments with regards to the respective competent tax structures

The use of any of the four (04) methods of payment of taxes and duties depends on the tax structure under which the taxpayer is managed. Therefore, the payment method differs depending on whether a taxpayer is under the jurisdiction of a Divisional Tax Center (DTC), a Specialized Tax Center (STC) or within specialized Tax units like the Medium Size Tax Payers Office (MTO) and the Large Taxpayers Unit (LTU).

a) Payment modalities in Divisional Tax Centers (DTC).

Taxpayers under a Divisional Tax Centre (DTC) are required to pay their taxes in cash, by certified cheques or electronic means (mobile money), depending on whether the amount is less than or greater than FCFA one hundred thousand (100,000).

- **For taxes less than FCFA one hundred thousand (100,000)**

Taxpayers under the tax structures mentioned above can pay in cash, certified cheques, or mobile money to the tax collection unit against issuance of a receipt.

- **With regards to taxes more than FCFA one hundred thousand (100,000)**

Payments can only be made by certified cheques, mobile money or bank transfer. Also, the said cheques are written out in the name of the tax collector of the center of attachment.

b) Terms of payment for companies under the Specialized Tax Centers (STC), Medium Size Taxpayers Office (MTO) and the Large Taxpayers Unit (LTU)

The payment of taxes and duties for taxpayers managed by STC, MTO and LTU is exclusively carried out by bank transfer or electronically, regardless of the amount. Electronic payment means any payment made using means such as mobile phones (mobile money), the internet (online payment) or any other IT support.

Section m 7 a: prohibition from tax exclusion or from tax compensation:

1) Absolute prohibition with regards to abstaining from tax obligations:

The legislator has instituted a formal ban on abstaining to file tax returns and pay taxes for whatsoever reason.

As such, no debt owed by the State can be invoked to preclude the payment of taxes and duties. This concerns specifically procedures for forceful recovery methods by tax revenue collectors. Also, the existence of an outstanding VAT credit or any other form of debt be it commercial or not, cannot prevent the implementation of forceful recovery measures by the tax authorities.

2) Absolute prohibition of the compensation of taxes withheld at source.

The legislator establishes the principle of non-compensation of taxes and duties, based on the principle of non- allocation of budget revenues.

However, under exceptional operations concerning cross debts between the Government and some of its creditors duly authorized by the MINFI, taxation services must ensure that the taxes for which the other party is only legally liable (VAT, TSPP, payroll taxes) do not form part of the compensation but should be paid directly to the tax revenue collector in accordance with the fiscal legislation in force.

Representatives of the Tax Administration involved in these operations managed by the Commission for Restructuring Public Companies or the Directorate General of Budget should ensure compliance to these new provisions.

Section m 10: consecration of general accounting audits at the initiative of the taxpayer in case of disputes following the rejection of vat credits.

The refund or compensation of VAT credits depend on a prior validation control which can lead either to the confirmation of the total credit claimed by the taxpayer, or to a partial or total rejection of the amount claimed.
From 1st January 2014, if the credit claimed is partially or totally rejected during the validation process, the taxpayer is entitled to challenge this rejection. In this case, the legislator gives the taxpayer the possibility to apply for a general accounting audit to confirm their claims.

This request, addressed to the Head of the structure having initiated the contested VAT validation control must be made within fifteen (15) days from the date of receipt of the notification of the results of the said validation control. It must be accompanied by a copy of the notification of validation of the disputed credit.

When the request accompanied by the documents referred to above is made, the appropriate structure has a period of thirty (30) days to notify of the taxpayer a notice of a general audit of accounts in the form and conditions prescribed by the tax laws.

Section m 47: the obligation to professional secrecy by tax personnel.

The 2014 finance law reiterates the need for tax officials to respect the principle of professional secrecy with regards to information collected through the execution of their functions, as well as those obtained through administrative mutual assistance from foreign administrations.

It should be noted that according to the law, non-compliance with the obligation to maintain professional secrecy, leads to disciplinary and criminal sanctions on its author.

Section m 48: extension of the waiver of tax professional secrecy.

Until 31 December 2013, tax officials were free from professional secrecy only with respect to the Supreme State Control, officials of the Treasury, Customs, Economic Brigade and State Prosecutors acting in the course of their duties.

As from the 1st of January 2014, the privilege will not be invoked against foreign tax authorities acting within the framework of mutual administrative assistance in tax matters.

You will notice, however, that the waiver of privilege against foreign tax administrations is valid in the presence of an existing tax treaty with the requesting tax administration and subject to reciprocity.

Section m 86: solidarity to pay the income tax on stocks and shares on capital gains realized from the transfer of rights on natural resources by companies governed by Cameroon law.

As per section 42 of the GTC, capital gains realized on the transfer of rights of any nature by firms governed by Cameroon law are liable to the income tax on stocks and shares, regardless of where the transaction was realized.

The recovery of this tax is governed by the principle of solidarity of payment between the assignor and the enterprise governed under Cameroon law, pursuant to the provisions of section M 86 of the GTC.

Thus, once a transaction gives rise to a capital gain, the two companies are jointly and severally liable for the payment of the tax on income from stocks and shares. Also, the notice to pay can validly be issued to either party. Same applies to legal pursuits which may be engaged against any of the parties.

For example, for capital gains realized by a foreign company on the sale of its shares in a Cameroonian mining company to another company located in a third country, the notice to pay must be addressed to the Cameroonian company. The latter by virtue of joint solidarity is liable to all forceful recovery measures in the same manner as the foreign company.

Sections M 116 , M 117 , M 118 , M 119 , M 121 , M 122 , M 123 , M 124 , M 129 , M 131 : overhaul of the tax litigation procedure.

The legislator has streamlined the administrative phase of tax disputes by reducing the number of phases from three (03) to two (02). This is coupled to a revision of the competence thresholds of the various authorities and the principle of consignment at each step.

I- First level of appeal: Referral to the Regional Chief of Taxation, the Director of the Large Taxpayers Unit or the Director General of Taxation.

A- Jurisdictional thresholds

Treatment of litigation cases is now bound by strict compliance with new levels of competence depending on whether the applicant is managed by a Regional Tax Center or the Large Taxpayers Unit:

1) Competence of the Regional Chief of Taxation

Any taxpayer under a Specialized Tax Center (STC), Divisional Tax Center (DTC) or the Medium sized Taxpayers Office (MTO) who believes to have been wrongly taxed or surcharged can make a claim to the Head of the Regional Tax Center when the principal amount of the claim is less than or equal to FCFA fifty (50) million.

2) Competence of Director of the Large Taxpayers Unit

Any taxpayer under the Large Taxpayers Unit (LTU) contesting the taxes levied may appeal to the Director of this structure, when the principal amount of the claim is less than or equal to F CFA one hundred (100) million.

3) Competence of the Director General of Taxation

Taxpayers under the Regional Tax Centers (RTC) who believe to have been wrongly taxed or surcharged may make claims to the Director General of Taxation, when the principal amount is greater than FCFA fifty (50) million. For taxpayers under the Large Taxpayers Unit (LTU), their claims are addressed to the Director General of Taxes (DGT) when the principal amount in question is greater than F CFA one hundred (100) million.

B- Deadline of referral to the competent authorities

Any taxpayer who is not satisfied with the taxes levied on him/her should in the first instance, address a claim as the case may be, either to the Regional Chief of Center or the Director of the Large Taxpayers Unit or the Director General of Taxation in writing within thirty (30) days from the date of receipt of the notice to pay or certainty of the taxes due. You will notice that this time period passes from 90 days (old law) to 30 days. Any request made beyond that period shall be inadmissible.

It is noteworthy that when the last day of the countdown is a Sunday or a public holiday, the application is admissible on the first business after.

C- Deadline to process claims

The Head of the Regional Centre of Taxation, the Director of the Large Taxpayers Unit or the Director General of Taxation are required to respond to claims made to them within thirty (30) days from the date of receipt of such claims.

In view of these changes, including the reduction of 60 or 90 days to 30 days, services will have to be more meticulous in treating such litigations.

D- Respite of payment

In accordance with the principle of prior execution of administrative acts, litigations in themselves do not suspend the payment of disputed taxes. The taxpayer is therefore not exempted from paying the amount due within the statutory period.

However, any taxpayer who intends to benefit from a respite of payments from the Chief of the Regional Center of Taxation, the Director of the Large Taxpayers Unit or the Director General of Taxation, must show proof of payment of 10% of the amount of the disputed taxes.

E- Decision of the competent authorities and consequences

In case of total acceptance of the applicant's arguments, the legal action is extinguished and the decision must be notified to the competent Tax Revenue Collector, to put an end to the proceedings and engage the relief procedure of the disputed amounts.

In case of total rejection or partial admission, the taxpayer retains the right to appeal in the second instance within 30 days of notification of the decision of the respective tax services listed above.

In case of silence by the Chief of the Regional Center of Taxation, the Director of the Large Taxpayers Unit or the Director General of taxation beyond the period of 30 days referred to above, the taxpayer has the right to pursue the claim at the level of the Minister of Finance.

II- SECOND LEVEL OF APPEAL: REFERRAL TO THE MINISTER OF FINANCE (MINFI)

A- Deadline of referral to the Minister of Finance

Taxpayers who are not satisfied with the response given by the Chief of the Regional Centre of Taxation, the Director of the Large Taxpayers Unit or the Director General of Taxation following the claim, may introduce a second claim to the Minister of Finance within thirty (30) days from receipt of the contested decision.

B- Other conditions

The claim made to the Minister of Finance, which takes the place of an administrative appeal must, under penalty of inadmissibility, be supported by evidence of the payment of the undisputed portion of the tax and additional 10% of the disputed portion. More so, the taxpayer who intends to benefit from a respite of payments from the Minister of Finance should specifically make a request in the claim.

C- Deadline for the Processing of files by the MINFI

The Minister of Finance shall have two (02) months to notify the applicant. For the purposes of this measure, the month considered here is the calendar month.

A- Decision of the Minister of Finance and consequence

The decision of the MINFI may consist of total admission of the applicant's arguments, as it may result in their total or partial rejection.

In case of total admission of the applicant's arguments, the legal action is extinguished and the decision must be notified to the competent tax revenue collector, so that he finally stops lawsuits and engages the relief procedure of the disputed amounts.

In case of total rejection or partial admission, the taxpayer retains the right to mount a legal action before the Administrative Tribunal.

In case of silence by the MINFI beyond the period of 02 months referred to above, the taxpayer has the right to pursue its claim before the competent administrative court.

It should be recalled that, for the determination of the competent authority for the examination of the dispute, the threshold concerns the amount in principal including additional council surcharges and excluding penalties and interest for late payments.

III- BEFORE THE ADMINISTRATIVE TRIBUNAL

A- Deadline of referral to the administrative judge

Any taxpayer who is not satisfied with the decision of the MINFI on its contentious claim may challenge that decision before the Administrative Court within sixty (60) days of receipt of the decision. It is the same when the MINFI does not respond to the claim within the same period.

B- Respite of payment

The 2014 finance law subjects the benefit of this guarantee before the Administrative Tribunal to the payment of a deposit equal to 10% of the disputed amount.

Henceforth, any applicant who desires to benefit from a respite of payment from this court shall in addition to explicitly renewing the request in its motion to institute proceedings, justify the payment of an additional amount of 10% of the disputed charges. The application of this measure is immediate.

It takes effect for both appeals from 1st January 2014 as well as those introduced before that date that have not yet attained the level of the Minister of Finance by 1st January 2014.

Illustrative diagrams

Diagram 1: Litigation less than or equal to FCFA 50 million from taxpayers of DTC, STC and MTO

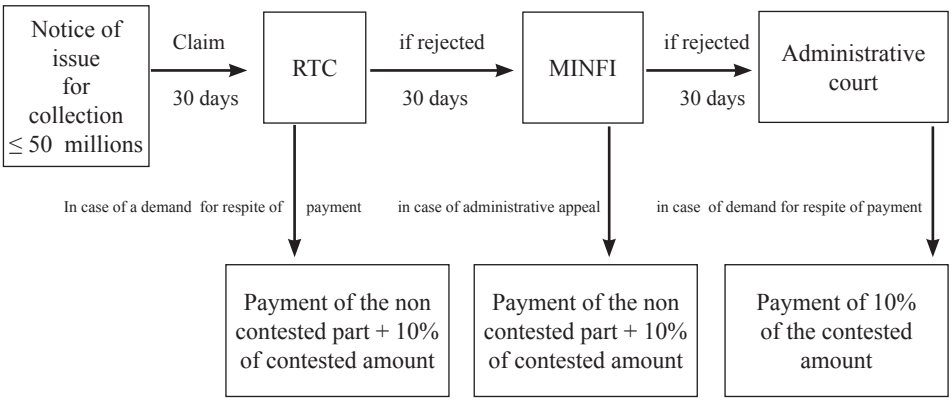


Diagram 2: Litigations GREATER than FCFA 50 millions from taxpayers of DTC, STC, and MTO

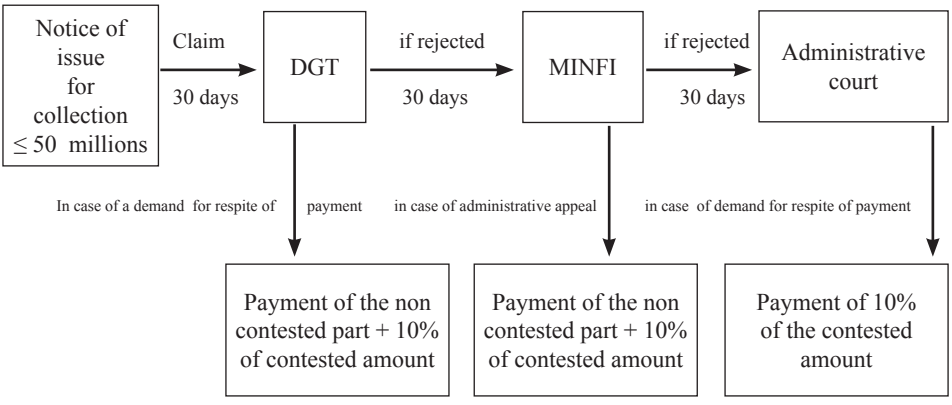


Diagram 3: Litigations less than or equal to FCFA 100 millions from taxpayers of the LTU

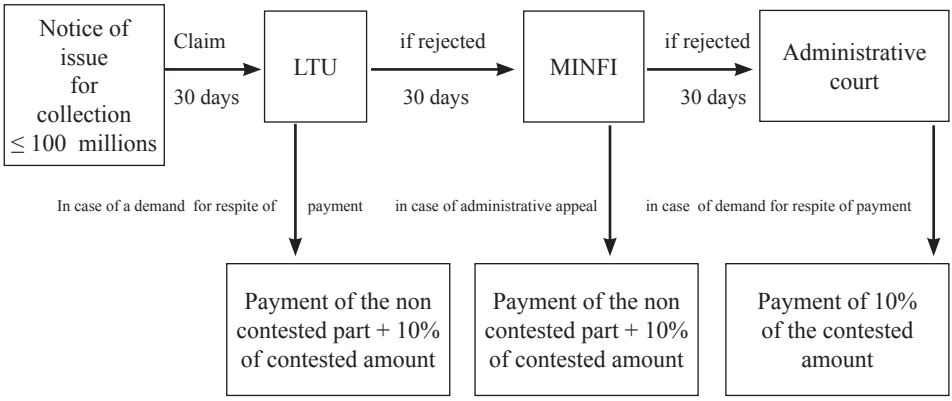
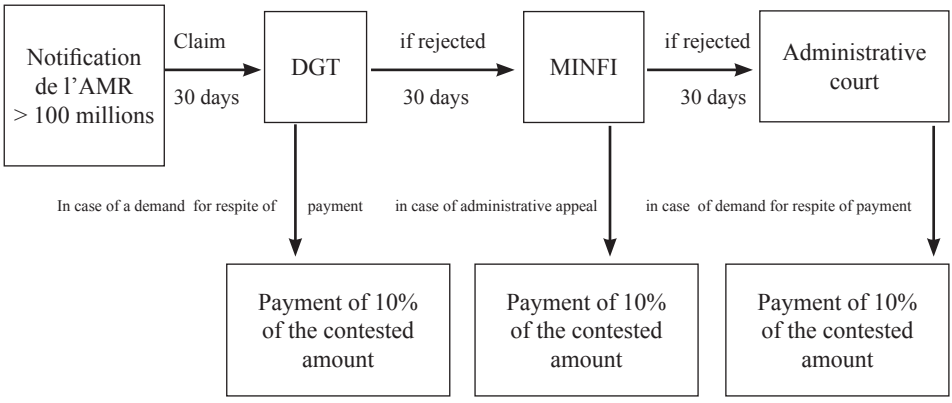


Diagram 4: Litigations higher than FCFA 100 millions from taxpayers of the LTU



Section m 125: extension of the transaction to the principal amount of taxes

Before the entry into force of the 2014 Finance law, transactions were only applicable on penalties and interests and not on the principal tax amounts. Now the principal amount can also be concerned in Transactions.

For the record, a Transaction is an agreement whereby the Administration grants to a debtor a remission or a reduction of tax debts prior to recovery after an audit or during the litigation phase. In such instances, the taxpayer

undertakes not to introduce further claims on the same claim or simply withdraws and immediately drops the claim.

The Transaction is the sole initiative of the Director General of Taxation and all requests of such nature shall be addressed to him. It is the responsibility of the MINFI to accord a Transaction. The relevant requests must specify the nature of the dispute, the elements that make up the application and the terms of the proposed Transaction.

VI. PROVISIONS RELATING TO LOCAL TAXES

Article C10 (2): clarifications on the activities automatically liable to the payment of business license

The overhaul of tax regimes done in 2012 retained the turnover as the main criterion of liability to issue business license. Thus, taxpayers below the 10 million FCFA threshold fall under the discharge tax regime.

From 1st January 2014, taxpayers belonging to the following sectors are automatically liable the business license, irrespective of their turnover.

- Liberal professions and real estate dealers;
- The Banking, Insurance, information, communication and technology sectors;
- Service providers, the construction industry and public works;
- Forestry, water, oil and gas and mining industries;
- Industrial production.

These stipulations must be strictly observed, and any difficulties in their application must be brought to my notice immediately.

The Director General of Taxation,
Mopa Modeste Fatoing

PERSONAL NOTE

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