



**chazai wamba**

BUSINESS LAW FIRM FOR AFRICA

**ANALYSIS OF THE MAIN  
CHANGES  
OF THE FISCAL YEAR 2023  
FINANCE LAW**

—

March 6, 2023



## TABLE OF CONTENTS

ANALYSIS OF MAJOR CHANGES IN THE FISCAL YEAR 2023 FINANCE LAW .....	4
1. THE MAIN "TAX" CHANGES IN THE FINANCE LAW.....	5
1.1 Measures relating to the Corporate Income Tax (CIT) .....	5
1.1.1 Deductibility of losses relating to damage incurred by companies in the brewing sector ( <i>Section 7C, GTC 2023</i> ).....	5
1.1.2 Reduction of the corporate income tax rate applicable to small and medium-sized enterprises (SMEs) ( <i>Section 17a, GTC 2023</i> ).....	5
1.1.3 Linking the Employee Information Document to the Statistical and Tax Return ( <i>Section 18, GTC 2023</i> ) .....	5
1.1.4 Revision of the terms of payment of the CIT for companies in the regulated profit margin ( <i>Section 21, GTC 2023</i> ) .....	6
1.1.5 Reorganization of the withholding tax system on purchases ( <i>Section 21(3), GTC 2023</i> )	7
1.2 Measures relating to the Personal Income Tax (PIT) .....	7
1.2.1 Fixing the rate of PIT for natural or legal persons domiciled or established in a territory or state considered a tax haven ( <i>Section 70, GTC 2023</i> ) .....	7
1.2.2 Extension of the scope of the PIT payment modalities for companies in the regulated profit margin sector ( <i>Section 91, GTC 2023</i> ).....	7
1.2.3 Extension of the scope of the real regime ( <i>Section 93b, GTC 2023</i> ).....	8
1.3 Measures relating to VAT .....	8
1.4 Measures relating to the special tax on petroleum products .....	8
1.5 Stamp duty measures .....	9
1.6 Measures relating to tax procedures.....	13
1.6.1 Automation of tax remissions and moderations ( <i>Section M 144, GTC 2023</i> ).....	13
1.6.2 Clarification of the terms of payment of duties, taxes and fees ( <i>Section M 7, GTC 2023</i> )	14
1.6.3 Introduction of a beneficial owner declaration requirement ( <i>Section M 8d, GTC 2023</i> )	14
1.6.4 Legal framework of the compliance dialogue procedure ( <i>Section M 22b, GTC 2023</i> )	15
1.6.5 Institution of the possibility of concluding a prior agreement with the administration in matters of transfer pricing ( <i>Section M 33b, GTC 2023</i> ) .....	15



1.6.6	Introduction of the obligation to declare indirect transfers of shares ( <i>Section M 86a, GTC 2023</i> ).....	16
1.7	Incentives to promote local processing .....	16
1.7.1	Allocation of benefits to new local beverages duly approved, produced and packaged exclusively from local raw material ( <i>Section 124, GTC 2023</i> ).....	16
1.7.2	Allocation of benefits to companies carrying out processing on the national territory in the sectors of agriculture, livestock, fisheries, leather products, and woodworking ( <i>Section 124-A (1), GTC 2023</i> ).....	17
1.7.3	Institution of integrated tax partnerships ( <i>Section 119a, GTC 2023</i> ).....	17
1.8	Other fiscal and financial measures .....	17
1.8.1	Measures relating to the withdrawal of approval for tax incentive schemes ( <i>Section Nineteen, FL 2023</i> ) .....	17
1.8.2	Measures relating to certain revenues.....	18
2.	THE MAIN "CUSTOMS" MODIFICATIONS OF THE FINANCE LAW.....	21
2.1	The measures relating to the revival and the continuation of the promotion of the import-substitution.....	21
2.1.1	Increase in the excise duty on the import of certain products ( <i>Section Eight, FL 2023</i> ) 21	
2.1.2	Strengthening of local value chains ( <i>CIREX Provision 40</i> ) .....	22
2.2	Other customs measures.....	22
2.2.1	Prior declaration of cash advances received by economic operators in the context of advance financing of exports ( <i>Section Thirteen, FL 2023</i> ) .....	22
2.2.2	Establishment of specific procedures for collecting customs duties and taxes on the import of mobile phones, tablets and digital terminals ( <i>Section Six, FL 2023</i> ) .....	23
2.2.3	Establishment of modalities for the collection and recovery of customs duties in the context of the execution of public contracts ( <i>Section Seven (1), FL 2023</i> ).....	23
2.2.4	Redefinition of the legal framework for the taxation of goods bought through e-commerce ( <i>Section Five (1), FL 2023</i> ) .....	25
2.2.5	Increase in the rate of the computer fee and allocation of its proceeds ( <i>Section Nine (a), FL 2023</i> ).....	25
2.2.6	Export taxation .....	25
2.2.7	Modification of the scope of interest on late payment of customs duties ( <i>Section Eleven, FL 2023</i> ) .....	26



## ANALYSIS OF MAJOR CHANGES IN THE FISCAL YEAR 2023 FINANCE LAW

—  
March 6, 2023

Law No. 2022/020 of December 27, 2022 Finance Law of the Republic of Cameroon for the 2023 financial year was published in the Official Gazette on December 28, 2022 (hereinafter the "FL 2023").

The FL 2023 has been prepared in accordance with the President of the Republic's Circular No. 001 of August 23, 2022 on the preparation of the State budget for the financial year 2023. The main objectives of this circular are to consolidate the post-COVID-19 economic recovery and accelerate structural transformation, while strengthening the inclusive nature of growth, in order to put the country back on the path to emergence.

The promulgation of the FL 2023 comes in a macroeconomic context marked by a general slowdown in global economic activity, rising energy prices and soaring inflation. At the global level, this context is materialized by the stagnation of the conflict in Ukraine and its consequences, as well as the slow pace of adaptation of supply to the recovery of global demand post-COVID-19. At the national level, the advent of this text is marked by the regression of the oil sector, due to the gradual depletion of oil fields partially compensated by gas production, while the non-oil sector is driven by the dynamism of the agri-food industries and the implementation of major structuring projects.

With this in mind, we present below the main "fiscal" and "customs" measures of the 2023 Finance Law, in force since January 1<sup>st</sup> 2023.

As part of our analysis, we will also draw on the Minister of Finance's circular No.00000006/C/MINFI/ of December 30, 2022 on instructions relating to the execution of finance laws, and the monitoring and control of the execution of the budget of the State and other public entities for the financial year 2023 (hereafter, the "CIREX")



## 1. THE MAIN "TAX" CHANGES IN THE FINANCE LAW

The main tax changes in the 2023 Finance Law can be grouped into seven (07) categories of measures: measures relating to corporate income tax (1.1), measures relating to personal income tax (1.2), measures relating to value added tax (1.3), measures relating to the special tax on petroleum products (1.4), measures relating to stamp duties (1.5), measures relating to tax procedures (1.6), incentives to promote local processing (1.7) and other tax and financial provisions (1.8).

### 1.1 Measures relating to the Corporate Income Tax (CIT)

#### 1.1.1 Deductibility of losses relating to damage incurred by companies in the brewing sector (Section 7C, GTC 2023)

Since January 1, 2023, losses related to damage and breakage incurred by companies in the brewing sector are allowed as a deduction at a flat rate of 1% of the total volume of production. This measure was introduced in 2021, and the rate had remained unchanged at 0.5%. However, it is conditional on the observation and validation of the said losses in the presence of a tax officer with at least the rank of controller, under the conditions defined in the Manual of Tax Procedures (MTP).

By increasing the deductibility rate of damages, the legislator intends to take into account the reality of the losses<sup>1</sup> suffered by companies in the brewing sector, often due to the production, transport and logistics of their goods.

#### 1.1.2 Reduction of the corporate income tax rate applicable to small and medium-sized enterprises (SMEs) (Section 17a, GTC 2023)

In order to reduce the taxpayer's burden<sup>2</sup>, the legislator, through the 2023 Finance Law, reduced the rate of the CIT for SMEs, namely taxpayers with a turnover equal to or less than CFAF three (03) billion.

This rate of CIT, which since the Finance Law 2021 had been set at 28%, is reduced to 25%. It is applicable from the financial year ending December 31, 2022. This measure appears to be a real breath of fresh air for SMEs, which are suffering the full force of the effects of the global economic slowdown.

#### 1.1.3 Linking the Employee Information Document to the Statistical and Tax Return (Section 18, GTC 2023)

No later than March 15 of each year, taxpayers are required to file a declaration of the results obtained in their operation during the period used as a basis for taxation. Since January 1, 2023, this declaration must be accompanied by the Employee Information Document (DIPE), which must be submitted according to the model provided by the administration.

As a reminder, the DIPE is a document that consists of monthly slips to be filled out by the employer and constitutes both the monthly declaration of wages paid and the payment slip to the National Social Insurance Fund (NSIF) and the Treasury. An annual sheet included in the document contains

---

<sup>1</sup> CIREX Provision 21.

<sup>2</sup> CIREX Provision 19.



all the information for the identification of the employees, the control of the declarations and the elements for the calculation of the deductions made.

This new provision could be interpreted as a desire on the part of the legislator to increase the control of the tax authorities over the social debt collection. Indeed, this measure aims at implementing the joint directive No. 01/02/DG-CNPS/DI of September 11, 2002 specifying the practical modalities of application of the joint decree No. 035/METPS/MINEFI of July 12, 2002<sup>3</sup>. This text states that the competent departments are reminded that, as social security contribution claims are now assimilated to State claims, they have the same priority as tax claims and are collected under the same conditions as those provided for by the General Tax Code. As such, the tax authorities are obliged to collect social security contribution claims at the same time as tax claims.

#### 1.1.4 Revision of the terms of payment of the CIT for companies in the regulated profit margin (Section 21, GTC 2023)

The corporate income tax is established over a period of twelve (12) months from January 1 to December 31<sup>4</sup>. Section 21 of the GTC 2023 provides for a specific mechanism of payment of the CIT.

It is for this reason that the FL 2023 has extended the payment of one instalment representing 2%<sup>5</sup> of the turnover achieved after abatement of 50%, to production companies falling under the regulated profit margin, namely: the fertilizer sector<sup>6</sup> and the pharmaceutical sector. Indeed, for the record, since the 2017 Finance Law, only companies in the milling sector benefited from this measure. This innovation seems to reflect the will of the legislator to promote local production<sup>7</sup>.

Moreover, the legislator has limited the companies that can pay their duties by paying the instalment representing 14%<sup>8</sup> of the gross margin<sup>9</sup> by the 15<sup>th</sup> of the month following the realization of the monthly turnover. Indeed, while previously, companies subject to the actual earnings taxation system and all those belonging to the regulated profit margin benefited from this measure, only companies distributing products with a regulated profit margin (sectors distributing petroleum products and domestic gas, flour milling, pharmaceuticals, press and fertilizers) are now concerned by this payment method.

However, it should be noted that taxpayers under this system might opt for the common law system if it is more favorable to them. To do so, they must inform their local tax center by letter no later than January 31<sup>10</sup>.

---

<sup>3</sup> This decree sets out the terms and conditions for the application of Law No.2001-017 of December 18, 2001 on the reorganization of procedures for the recovery of social security contributions.

<sup>4</sup> Law No.2002/001 of 19 April 2002.

<sup>5</sup> It should be noted that this advance payment is increased by 10% for the additional council tax.

<sup>6</sup> The FL 2023 has in fact instituted the fertilizer sector as an administered margin sector.

<sup>7</sup> CIREX Provision 20.

<sup>8</sup> This advance payment is increased by 10% for the additional council tax.

<sup>9</sup> Circular No. 001/MINFI/DGI/LRI/L of January 12, 2017 specifying the modalities of application of the tax provisions of Law No. 2016/018 of December 14, 2016, enacting the Finance Law of the Republic of Cameroon for the 2017 financial year, defines the gross margin as: the difference between the selling price and the cost price, increased by bonuses and commissions of any kind.

<sup>10</sup> In this case, the advance payment is calculated at the rate of 2.2% applied to the turnover. The option is irrevocable until the end of the financial year.



### 1.1.5 Reorganization of the withholding tax system on purchases (Section 21(3), GTC 2023)

The reorganization of the withholding tax on purchases mainly concerns the extension of exemptions and the rate applicable to certain transactions.

Concerning the extension of exemptions, the FL 2023 now extends the exemption of withholding taxes on purchases to the following transactions:

- ▶ Purchases made by nonprofit organizations;
- ▶ Retail purchases from importers/distributors.

As for the rate of withholding tax applicable to certain operations, the FL 2023 subjects purchases made directly from manufacturers or wholesale from importers by non-professionals to withholding tax on purchases, the rate of which is set at 10%.

However, it should be noted that the basis for the withholding tax is the customs value of the goods for imports. The said withholding tax is therefore collected, as far as imports are concerned, by the customs services, under the same conditions as customs duties. In other cases, it is collected by the supplier or purchaser of goods under customs control, who must pay it within the first fifteen (15) days of the month following that in which the operations were carried out.

## 1.2 Measures relating to the Personal Income Tax (PIT)

### 1.2.1 Fixing the rate of PIT for natural or legal persons domiciled or established in a territory or state considered a tax haven (Section 70, GTC 2023)

The Cameroonian legislator considers a tax haven to be any state or territory whose income tax rate for individuals or legal entities is less than one third of that in Cameroon<sup>11</sup>, or any state or territory considered not to be cooperative in matters of transparency or exchange of information required for fiscal purposes by international financial organizations<sup>12</sup>.

Thus, in order to fight against tax evasion, the FL 2023 raises to 30%<sup>13</sup> the rate of full discharge applicable to income from movable capital paid to an individual or legal entity domiciled or established in a territory or state considered a tax haven.

### 1.2.2 Extension of the scope of the PIT payment modalities for companies in the regulated profit margin sector (Section 91, GTC 2023)

By the FL 2023, the legislator has extended the scope of application of the modalities of the payment of the PIT of companies falling under the sectors with regulated profit margin. Indeed, since the Finance Law 2016, this measure was applicable only to companies under the actual earnings taxation system. Now this measure extends to companies under the simplified taxation system.

In this respect, the turnover used as a basis for the calculation of the advance payment of the Tax is determined as provided by the provisions of Section 21 GTC 2023.

---

<sup>11</sup> That is to say, less than 10% in terms of CIT and 11.66% in terms of PIT.

<sup>12</sup> Section 8b, GTC 2023.

<sup>13</sup> This rate is increased by 10% for the additional council tax.



### 1.2.3 Extension of the scope of the real regime (Section 93b, GTC 2023)

It should be recalled from the outset that the actual earnings taxation system is a tax system that previously applied as of right to taxpayers with an annual turnover excluding tax equal to or greater than CFAF 50,000,000.

As of January 1, 2023, the following companies, regardless of their turnover, will also be subject to the actual earnings taxation system:

- ▶ New taxpayers in the oil, mining, gas, credit, microfinance, insurance and mobile telephony sectors;
- ▶ new taxpayers who have been approved under one of the systems of Law No. 2013/004 of 18 April 2013 to lay down private investment incentives in the Republic of Cameroon; and
- ▶ Holders of public notary offices.

All these companies are now subject to Value Added Tax (VAT) among other obligations incumbent on companies under the actual earnings taxation system.

### 1.3 Measures relating to VAT

They consist essentially of the extension of the VAT exemption to certain essential products<sup>14</sup>.

In order to comply with CEMAC Directive No. 07/11-UEAC-028-CM-22 of December 19, 2011 revising Directive No. 1/99-CEMAC-028-CM-03 harmonizing the laws of Member States relating to VAT and excise duties (ED)<sup>15</sup>, the FL 2023 now exempts from VAT local products<sup>16</sup> sold directly by farmers, breeders, and fishermen. This measure aims to consolidate the reduction of tax burdens on producers and consumers of essential local food products. It can be seen as a manifestation of the legislator's desire to promote the Made in Cameroon label.

Moreover, the 2023 Finance Law now exempts from VAT the purchase of essential foodstuffs from farmers, livestock breeders and fishermen by public entities in charge of the regulation or management of security stocks<sup>17</sup>.

### 1.4 Measures relating to the special tax on petroleum products

Previously, the special tax on the sale of petroleum products concerned only premium gasoline and diesel. From now on, this tax also concerns natural gas for industrial use with the exception of (i) gas acquired by production companies of electricity intended for the public, and (ii) gas intended for the local production of liquefied petroleum gas<sup>18</sup>.

---

<sup>14</sup> Section 128, GTC 2023.

<sup>15</sup> In fact, Section 7 of the VAT Directive exempts from VAT, "local products obtained in the normal course of activities carried out by farmers, stockbreeders, fishermen and hunters, provided that these products are sold directly to the consumer and that the amount of turnover achieved by them is equal to or less than the limit set by each Member State.

<sup>16</sup> By local products, the legislator means local products, the products of the soil.

<sup>17</sup> CIREX Provision 22.

<sup>18</sup> Section 229, GTC 2023.





This special tax on the sale of natural gas, the rate of which is set at CFAF 70<sup>19</sup> per cubic meter, is deducted at source by companies producing or distributing natural gas for industrial use for their deliveries to local companies<sup>20</sup>. This excludes deliveries made abroad, and we can see in this the will of the legislator to preserve the competitiveness of companies in this growing sector.

### 1.5 Stamp duty measures

By the FL 2023, the legislator wanted to broaden the base of stamp duties in Cameroon. The measures presented in the following table are the result:

Stamp duty	Old rate	New rate
<b><u>Increase in stamp duty rates (standard paper and half sheet of standard paper) (Section 547, GTC 2023)</u></b>		
Register (42 cm x 54 cm)	CFAF 1,500	N/A
Normal size paper (29.7 cm x 42 cm)	CFAF 1,000	CFAF 1,500
Half normal size paper (21 cm x 29.7 cm)	CFAF 1,000	CFAF 1,500
<b><u>Stamp duty increase for certain foreign passport visas (Section 548(2), GTC 2023)<sup>21</sup></u></b>		

#### Visa for multiple entries and exits valid from 0 to 6 months

Normal Visa	N/A	CFAF 100,000
Express Visa	N/A	CFAF 150,000

#### Visa for multiple entries and exits over 6 months

Normal Visa	N/A	CFAF 150,000
Express Visa	N/A	CFAF 200,000

#### **Increase of the stamp duty for residence permits and residence cards (Section 549-2, GTC 2023)**

<b>Residence permits<sup>22</sup></b>		
Residence permits issued to students	N/A	CFAF 50,000

<sup>19</sup> Section 231, GTC 2023.

<sup>20</sup> Section 233, GTC 2023.

<sup>21</sup> These new provisions repeal the former provisions of Section 547(2) of the GTC 2022.

<sup>22</sup> These new provisions repeal the former provisions of Section 549(2) of the GTC 2022.

Residence permits issued to foreign workers under contract with the State or a local public authority and unemployed spouses	N/A	CFAF 75,000
Residence permits issued to nationals of African countries and their renewal	N/A	CFAF 150,000
Residence permits issued to nationals of non-African countries and their renewal	N/A	CFAF 300,000

#### Residence cards<sup>23</sup>

Residence cards issued to members of duly recognized religious congregations, unemployed spouses or dependent minor children of expatriates, as well as expatriate wives of Cameroonians when these family members retain their original nationality	N/A	CFAF 75,000
Residence cards issued to nationals of African countries	N/A	CFAF 300,000
Residence cards issued to nationals of non-African countries	N/A	CFAF 150,000

#### Increase in stamp duty for driver's license (Section 550, GTC 2023)

National driving licenses and their duplicates	CFAF 5,000	CFAF 10,000
Certificates of aptitude to drive certain automobiles in urban areas	CFAF 5,000	CFAF 10,000

#### Increase of the stamp duty for a firearms licenses (Section 553, GTC 2023)

Firearms licenses	CFAF 20,000	CFAF 100,000
-------------------	-------------	--------------

#### Revaluation of stamp duties for hunting and like activities (Section 554, GTC 2023)

#### Hunting licenses

<sup>23</sup> These new provisions repeal the former provisions of Section 549-3 of the GTC 2022.

Sport hunting license for small game		
<ul style="list-style-type: none"> <li>▶ <i>Game birds</i></li> <li>• Category A: (Nationals)</li> <li>• Category B: (Resident aliens)</li> <li>• Category C: (Tourists)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>Game birds</i></li> <li>A. CFAF 25,000</li> <li>B. CFAF 50,000</li> <li>C. CFAF 80,000</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>Game birds</i></li> <li>A. CFAF 100,000</li> <li>B. CFAF 150,000</li> <li>C. CFAF 200,000</li> </ul>
<ul style="list-style-type: none"> <li>▶ <i>Game animals</i></li> <li>• Category A: (Nationals)</li> <li>• Category B: (Resident aliens)</li> <li>• Category C: (Tourists)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>Game animals</i></li> <li>A. CFAF 35,000</li> <li>B. CFAF 80,000</li> <li>C. CFAF 100,000</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>Game animals</i></li> <li>A. CFAF 100,000</li> <li>B. CFAF 200,000</li> <li>C. CFAF 300,000</li> </ul>
Sport hunting license for medium-sized game		
<ul style="list-style-type: none"> <li>▶ Category A: (Nationals)</li> <li>▶ Category B: (Resident aliens)</li> <li>▶ Category C: (Tourists)</li> </ul>	<ul style="list-style-type: none"> <li>A. CFAF 50,000</li> <li>B. CFAF 120,000</li> <li>C. CFAF 160,000</li> </ul>	<ul style="list-style-type: none"> <li>A. CFAF 150,000</li> <li>B. CFAF 300,000</li> <li>C. CFAF 400,000</li> </ul>
Sport hunting license for big game		
<ul style="list-style-type: none"> <li>▶ Category A: (Nationals)</li> <li>▶ Category B: (Resident aliens)</li> <li>▶ Category C: (Tourists)</li> </ul>	<ul style="list-style-type: none"> <li>A. CFAF 100,000</li> <li>B. CFAF 120,000</li> <li>C. CFAF 250,000</li> </ul>	<ul style="list-style-type: none"> <li>A. CFAF 300,000</li> <li>B. CFAF 350,000</li> <li>C. CFAF 500,000</li> </ul>
License to collect		
Collection permits for remains and Class B and C animals for nationals only	CFAF 100,000	CFAF 300,000
Hides and carcasses Collection tax:		
A. Varan	A. CFAF 1,000	A. CFAF 25,000
B. Python	B. CFAF 5,000	B. CFAF 50,000
Fixed tax for other products	CFAF 15,000	CFAF 75,000
Game-farming and game ranching licenses		
License	CFAF 50,000	CFAF 300,000
Hunter guide license		
Hunter guide license holder		

<ul style="list-style-type: none"> <li>▶ Category A: (Nationals)</li> <li>▶ Category B: (Resident aliens)</li> </ul>	A. CFAF 400,000 B. CFAF 1,300,000	A. CFAF 1,000,000 B. CFAF 3,000,000
--	--------------------------------------	--

**Hunter guide license for assistant guides**

<ul style="list-style-type: none"> <li>▶ Category A: (Nationals)</li> <li>▶ Category B: (Resident aliens)</li> </ul>	A. CFAF 200,000 B. CFAF 600,000	A. CFAF 500,000 B. CFAF 1,500,000
--	------------------------------------	--------------------------------------

**Photographic hunting license**

<ul style="list-style-type: none"> <li>▶ Amateur photographer</li> <li>▶ Professional photographer</li> <li>▶ Amateur film-maker</li> <li>▶ Professional film-maker</li> </ul>	A. CFAF 50,000 B. CFAF 100,000 C. CFAF 200,000 D. CFAF 500,000	A. CFAF 100,000 B. CFAF 300,000 C. CFAF 500,000 D. CFAF 750,000
--	---	--

**Increase of the stamp duty on bills of lading and on registration certificates of devices subject to the tax on games of chance and entertainment (Sections 555 and 557, GTC 2023)**

Bill of lading stamp <sup>24</sup>	CFAF 15,000	CFAF 25,000
Certificates of registration of machines subject to the tax on games of chance and leisure, as well as duplicates thereof <sup>25</sup>	CFAF 1,000	CFAF 25,000

**Revaluation of the graduated stamp duty<sup>26</sup> (Section 586, GTC 2023)**

<ul style="list-style-type: none"> <li>▶ For the value between CFAF 0 and 1,000,0000</li> <li>▶ For the value between CFAF 10,000,001 and 20,000,000</li> <li>▶ For the value between CFAF 20,000,001 and 50,000,000</li> <li>▶ For the value between CFAF 50,000,001 and 100,000,000</li> <li>▶ For the value between CFAF 100,000,001 and 500,000,000</li> <li>▶ Above CFAF 500,000,000</li> </ul>	A. CFAF 15,000 B. CFAF 25,000 C. CFAF 50,000 D. CFAF 100,000 E. CFAF 200,000 F. CFAF 300,000	A. CFAF 25,000 B. CFAF 50,000 C. CFAF 75,000 D. CFAF 150,000 E. CFAF 250,000 F. CFAF 400,000
--	---	---

**Increase in stamp duty on automobiles other than public passenger and goods transport vehicles <sup>27</sup> (Section 597, GTC 2023)**

<sup>24</sup> Section 555, GTC 2023.

<sup>25</sup> Section 557, GTC 2023.

<sup>26</sup> The rate of the graduated stamp is fixed for each copy of the act, and according to the maximum value stated in this act, in the case of private acts, for the originals, the minute and the copies in the case of notarial acts.

<sup>27</sup> The FL 2023 also specifies that the application of stamp duty rates on vehicles for the public transport of people and goods is conditional on the presentation of a transport license duly issued by the competent authority.

<ul style="list-style-type: none"> <li>▶ Vehicles 2 to 7 HP</li> <li>▶ Vehicles from 8 to 13 HP</li> <li>▶ Vehicles with more than 14 to 20 HP</li> <li>▶ Vehicles with more than 20 HP</li> </ul>	<ul style="list-style-type: none"> <li>A. CFAF 15,000</li> <li>B. CFAF 25,000</li> <li>C. CFAF 50,000</li> <li>D. CFAF 150,000</li> </ul>	<ul style="list-style-type: none"> <li>A. CFAF 30,000</li> <li>B. CFAF 50,000</li> <li>C. CFAF 75,000</li> <li>D. CFAF 200,000</li> </ul>
--	---	---

**Increase in airport stamp duty (Section 597, GTC 2023)**

Concerning international flights in the CEMAC zone	CFAF 25,000 per person per trip	N/A
Concerning international flights outside CEMAC	N/A	<ul style="list-style-type: none"> <li>A. CFAF 40,000 per person per trip in economy class</li> <li>B. CFAF 120,000 per person per trip in business class</li> </ul>
Concerning domestic flights	N/A	CFAF 1,000 per person per trip

## 1.6 Measures relating to tax procedures

### 1.6.1 Automation of tax remissions and moderations (Section M 144, GTC 2023)

In tax litigation, the administration may charge the taxpayer with principal and penalties. In the case where the taxpayer accepts and pays the principal, the law offers him the possibility of benefiting from moderation or remission of penalties within the framework of a particular procedure: it is the graceful remission of penalties.

In order to encourage fiscal civic-mindedness, the FL 2023 establishes the automation of the remissions and moderations granted to taxpayers. Previously, these rebates were granted upon duly stamped request of the taxpayers. From now on, they are granted according to the following modalities:

- ▶ *For taxpayers in the green lane:* 50% remission of the amount of penalties and late payment interest due;
- ▶ *For taxpayers in the orange lane:* 25% remission of the amount of penalties and late payment interest due;
- ▶ *For taxpayers in the red lane:* no remission in the amount of penalties and late payment interest due.

It should be noted that:

- Are considered as taxpayers of the green lane, those up to date with their declaration and payment obligations and who are part of an integrated partnership or an approved management center.



Taxpayers who meet the following cumulative criteria on the date of their application are also eligible for the green lane:

- Not have any tax arrears or have a deferment of payment or moratorium;
  - Not have been subject to automatic taxation during the last three (3) financial years;
  - Not having been subject to tax adjustments resulting in the application of penalties in bad faith during the last three (3) financial years.
- Taxpayers who meet the following cumulative criteria on the date of their application are considered to be orange lane taxpayers:
- Have no tax arrears or not have been granted a stay of payment or a moratorium;
  - Not have been subject to automatic taxation during the last three (3) financial years.
- Those not belonging to any of the above categories are considered red lane taxpayers.

The Tax Administration publishes the list of taxpayers in the green lane when necessary.

#### 1.6.2 Clarification of the terms of payment of duties, taxes and fees (Section M 7, GTC 2023)

The use of any of the five (05) methods of payment of taxes depends on the taxpayer's tax structure. Thus, the method of payment may differ depending on whether the taxpayer is attached to a Divisional Taxation and a Specialized Taxation Centres, or whether the taxpayer is attached to a specialized management unit, namely the Medium-sized Enterprise Taxation Centers and the Large Tax Unit (LTU).

In order to achieve the dematerialization of tax procedures, the FL 2023 establishes the telepayment as the exclusive mode of payment of taxes, duties and fees for taxpayers under a specialized management unit, including structures in charge of the management of Medium-sized Enterprises Taxation Centers. Previously this obligation was limited to companies under the LTU.

#### 1.6.3 Introduction of a beneficial owner declaration requirement (Section M 8d, GTC 2023)

In the absence of a Cameroonian legal definition of a beneficial owner, we can indicate that it could be understood as any individual who either directly or indirectly owns more than 25% of the capital or voting rights of a reporting company or entity, or exercises over the latter, by any other means, a power of control characterized by: the voting rights he or she has, his or her power of decision in general meetings; or his or her power to nominate or dismiss the majority of the members of the administrative, management or supervisory bodies<sup>28</sup>.

The FL 2023 establishes the obligation for legal persons and administrators of legal entities established in Cameroon, whether they are subject to corporate income tax or personal income tax, to identify their beneficial owners and keep an updated register for this purpose.

Under penalty of a fine of one million (1,000,000) CFA francs per month<sup>29</sup>, after formal notice, the persons referred to above are required to declare to the tax authorities the information relating to their beneficial owners:

- ▶ Within thirty (30) days of their registration;

---

<sup>28</sup><https://www.infogreffe.fr/rbe#:~:text=L'article%20L.,ex%C3%A9cut%C3%A9%20ou%20une%20activit%C3%A9%20exerc%C3%A9%20C2%BB.>

<sup>29</sup> Section M. 99, GTC 2023.



- ▶ No later than the fifteenth (15th) of March of each year, along with their STR.

Finally, the information contained in the register of beneficial owners and the supporting documents relating to a beneficial owner must be kept for a minimum period of five (05) years following the end of the year in which the beneficial owner ceased to be a beneficial owner, or following the end of the year in which the legal entity or the functions of the administrators of the legal entities ceased.

#### 1.6.4 Legal framework of the compliance dialogue procedure (Section M 22b, GTC 2023)

In order to promote tax compliance, the Tax Law 2023 has established the legal regime of compliance dialogue. This is a procedure that can be initiated by the administration on the basis of declarations made by a taxpayer or on the basis of information extra accounting in his possession . This procedure aims at clarifying and, if necessary, regularizing the tax situation of the taxpayer.

The administration shall send the taxpayer a written invitation to a working session at least eight (08) days before the date of the session. This invitation must specify the purpose of the meeting as well as the elements to be produced if necessary.

The compliance dialogue may result in:

- ▶ Either spontaneous regularizations when the taxpayer acknowledges the validity of the tax administration's observations. Such regularizations shall not give rise to the application of penalties.
- ▶ Or on a schedule for a tax audit when differences remain between the parties at the end of the inter partes exchanges.

However, the time limit for adversarial exchanges in the compliance dialogue shall not exceed forty-five (45) days from the date of the first related working session<sup>30</sup>. In all cases, the compliance dialogue shall not lead directly to a notification of adjustment or to an ex officio taxation.

The compliance dialogue must result in a report drawn up and signed by both parties. Any refusal to sign is mentioned in the minutes<sup>31</sup>.

#### 1.6.5 Institution of the possibility of concluding a prior agreement with the administration in matters of transfer pricing (Section M 33b, GTC 2023)

The FL 2023 provides for the possibility for taxpayers to enter into an advance pricing agreement with the tax authorities in relation to transfer pricing. Henceforth, companies that are directly or indirectly dependent on or control other companies located outside Cameroon may request the Tax Authorities to enter into an advance agreement on the transfer pricing method for a period not exceeding four (04) financial years.

The Finance Law for the year 2020 requires companies subject to the LTU to file an annual transfer pricing declaration electronically by March 15 at the latest, according to a model established by the

---

<sup>30</sup> Section M 22b, paragraph 4, GTC 2023.

<sup>31</sup> Section M 22b, paragraph 6, GTC 2023.



Tax Authorities<sup>32</sup>. However, certain taxpayers are required to file transfer pricing documentation as part of a general audit of their accounts.

The above-mentioned obligation to file an annual transfer pricing declaration is applicable to DGE companies that are dependent on or control companies according to the criteria<sup>33</sup> below:

- ▶ Where one holds directly or by proxy 25% of the share capital of the other or actually exercises decision-making powers in the other; or
- ▶ Where both are placed, under the conditions defined in point (a) above, under the control of the same enterprise or person.

#### 1.6.6 Introduction of the obligation to declare indirect transfers of shares (Section M 86a, GTC 2023)

The FL 2023 institutes the obligation for taxpayers, in case of indirect transfer of shares, bonds and other capital shares of a company under Cameroonian law, including rights relating to natural resources, to :

- ▶ Declare this transfer to its Tax Centre within 15 (fifteen) days of signing the said contract(s). This period shall be extended to 3 (three) months where the transfer is made abroad or involves entities governed by foreign law;
- ▶ Produce a document explaining how the assets transferred are valued.

In the event of non-compliance with the above obligations, the Tax Authorities have the right to assess the potential capital gain of the transaction by any means. The administrative evaluation of the capital gain is opposable to the real and legal debtors, at the expense of the latter to bring the contrary proof.

With this measure, the legislator consolidates the Tax Administration's right of review of company restructuring operations.

### 1.7 Incentives to promote local processing

These include the allocation of benefits to (1.7.1) new local beverages duly approved, produced and packaged exclusively from local raw material and (1.7.2) companies processing on the national territory in the sectors of agriculture, livestock, fisheries, leather products, and cabinetry, and finally, (1.7.3.) the institution of integrated tax partnerships.

#### 1.7.1 Allocation of benefits to new local beverages duly approved, produced and packaged exclusively from local raw material (Section 124, GTC 2023)

The FL 2023 provides that new local beverages<sup>34</sup> that are duly approved, produced and packaged exclusively from local raw material (except for the absolute unavailability of an ingredient on the

---

<sup>32</sup> Section 18b, GTC 2023.

<sup>33</sup> Section 19a, GTC 2023.

<sup>34</sup> They are defined as those placed on the market on or after January 1, 2017.





local market duly noted by the competent authorities) are subject only to the *ad valorem* excise duty<sup>35</sup> to the exclusion of the specific excise duty.

In addition, it is now accepted that in case of unavailability or insufficient availability of local raw material for duly approved products, the Minister of Finance may grant occasional and time-limited waivers within the required 40% threshold.

In addition, new local beverages duly approved, produced and packaged exclusively from local raw materials benefit from a reduction in the tax base for *ad valorem* excise duties of 30%<sup>36</sup> during the first three (03) years of operation<sup>37</sup>.

1.7.2 Allocation of benefits to companies carrying out processing on the national territory in the sectors of agriculture, livestock, fisheries, leather products, and woodworking (Section 124-A (1), GTC 2023)

For a period of five (05) years, a deduction of 50% of the monthly installment and income tax as well as the minimum collection<sup>38</sup> has been granted to companies operating in the sectors of agriculture, livestock, fisheries, leather products and woodworking.

However, it should be noted that the benefit of this regime for companies in the above-mentioned sectors should be contingent on the validation by the tax administration of belonging in these sectors of activity<sup>39</sup>.

1.7.3 Institution of integrated tax partnerships (Section 119a, GTC 2023)

In order to promote and support SMEs, the FL 2023 has established integrated tax partnerships as an innovative instrument to promote tax compliance. Through this measure, the Tax Administration can enter into partnerships with groups of taxpayers in order to promote tax compliance and support them in fulfilling their tax obligations. The partnerships thus established give rise to reciprocal obligations between the parties.

The obligations of taxpayer groups include commitments to broaden the tax base, to comply with reporting and payment obligations, and to improve the quality of returns. The obligations of the Tax Administration include, among other things, the exemption from tax audits, the granting of penalty remissions and preferential payment moratoria.

## 1.8 Other fiscal and financial measures

1.8.1 Measures relating to the withdrawal of approval for tax incentive schemes (Section Nineteen, FL 2023)

The FL 2023 specifies the conditions under which the agencies in charge of investment promotion can withdraw approvals granted in application of law No. 2013/004 of April 18, 2013 to lay down investment incentives in the Republic of Cameroon.

---

<sup>35</sup> A tax or duty that is levied on a good in proportion to its value.

<sup>36</sup> Section 124, paragraph 4, GTC 2023.

<sup>37</sup> This period of three (03) years runs from the date of promulgation of the FL 2023 for the new beverages already approved.

<sup>38</sup> Section 124 (A), paragraph 1, GTC 2023.

<sup>39</sup> Section 124 (A), paragraph 2, GTC 2023.



The following cases are distinguished:

- ▶ Improper use by the investor of the tax and customs benefits granted;
- ▶ Non-compliance, by the investor, with the legal deadlines set under Sections 5 et seq. of the said law for the implementation of their projects.

It should be noted that the withdrawal of this approval is made on the proposal of the Tax and Customs Administrations.

## 1.8.2 Measures relating to certain revenues

### 1.8.2.1. Fixing the tariff of stamp duties for visas (Section twenty-first, FL 2023)

The FL 2023 sets the tariff of stamp duties for visas in Cameroon as follows:

Visa for multiple entries and exits valid from 0 to 6 months	
<b>Regular Visa</b>	<b>CFAF 100,000</b>
Stamp on visa application	CFAF 1,500
Stamp duty for visa	CFAF 50,000
Remuneration of the service provider	CFAF 32,500
Share of administrations	CFAF 6,000
Administrative fees and costs	CFAF 10,000
<b>Express Visa</b>	<b>CFAF 150,000</b>
Stamp on visa application	CFAF 1,500
Stamp duty for visa	CFAF 50,000
Remuneration of the service provider	CFAF 32,500
Share of administrations	CFAF 6,000
Administrative fees and costs	CFAF 60,000
Visa for multiple entries and exits over 6 months	
<b>Regular Visa</b>	<b>CFAF 150,000</b>
Stamp on visa application	CFAF 1,500
Stamp duty for visa	CFAF 100,000
Remuneration of the service provider	CFAF 32,500

Share of administrations	CFAF 6,000
Administrative fees and costs	CFAF 10,000
<b>Express Visa</b>	<b>CFAF 200,000</b>
Stamp on visa application	CFAF 1,500
Stamp duty for visa	CFAF 100,000
Remuneration of the service provider	CFAF 32,500
Share of administrations	CFAF 6,000
Administrative fees and costs	CFAF 60,000

**1.8.2.2 Institution of a fee for the cost of work visas affixed on the contracts of foreign workers (Section twenty-second, FL 2023)**

The FL 2023 instituted a fee for the cost of work visas affixed on the contracts of foreign workers. The above-mentioned fee is set at:

- ▶ The equivalent of two (02) months of gross salary and wages<sup>40</sup> for non-African workers;
- ▶ The equivalent of one (01) month of gross salary and wages for African workers, with a 50% deduction.

Finally, it should be noted that, subject to international conventions, this measure applies to any natural person of foreign nationality who applies for a work contract on Cameroonian territory.

**1.8.2.3 Increase in the amount of certain State property, cadastral and land revenues (Section twenty-three, FL 2023)**

The FL 2023 fixes the fees of the rights relating to the state, cadastral and land operations as follows:

<b>a. ESTABLISHMENT OF THE LAND TITLE</b>	
<b>By way of registration on the national domain of Category 1</b>	
<p>A. CFAF 10 per m<sup>2</sup> in the urban area B. CFAF 5 per m<sup>2</sup> in the rural area</p>	<p>A. CFAF 10,000 (minimum to be collected) B. CFAF 5,000 (minimum to be collected)</p>
<b>By parcelling out existing properties</b>	

<sup>40</sup> The gross salary in question is made up of all bonuses, allowances and other benefits in kind that the expatriate worker receives in the performance of his duties, which must be declared by the employer in the employment contract between him and his employee.

<ul style="list-style-type: none"> <li>A. In case of an expensive acquisition</li> <li>B. In case of free acquisition</li> </ul>	<ul style="list-style-type: none"> <li>A. 3% of the purchase price where the property is acquired with consideration</li> <li>B. 2% of the market value specified in the notarial deed where the property is acquired free of charge</li> </ul>
--	---

**Other State property operations**

By conversion of a deed into a land title	2% of the market value of the property calculated on the basis of the price of state land in the locality
By way of a merger of Land Titles	1% of the market value of the properties to be merged
Withdrawal of joint ownership	CFAF 50,000 per land title
Issuance of the duplicata of the land title	CFAF 50,000 per land title
Application for rectification, reduction or increase	CFAF 50,000 per land title

**b. VARIOUS ENTRIES IN THE LAND REGISTER**

**Total mutations**

<ul style="list-style-type: none"> <li>A. By sale</li> <li>B. By death</li> <li>C. By exchange</li> <li>D. By contribution to the capital of companies</li> <li>E. By gift <i>inter vivos</i></li> </ul>	<ul style="list-style-type: none"> <li>A. 4% of the purchase price</li> <li>B. 1% of the declared market value of the property</li> <li>C. 2% of the value stated in the notarial deed</li> <li>D. 2% of the value of the corresponding shares</li> <li>E. 2% of the market value stated in the notarial deed</li> </ul>
--	--

**Other operations**

Mortgages and liens	1.25% of the market value of the property concerned
Registration of leases	2% of the total amount of rent calculated over the term of the lease
Cancellation of mortgage	CFAF 100,000 per land title
Judicial pre-registration of land title	CFAF 250,000 per land title
Revocation of court order	CFAF 50,000 per land title
Orders, updating copies of land titles and all other entries	CFAF 15,000 per land title



## 2. THE MAIN "CUSTOMS" MODIFICATIONS OF THE FINANCE LAW

The FL 2023 has also initiated, as well as tax measures, a set of customs innovations. The new measures are related to (i) the revival and continued promotion of import-substitution, and (ii) other customs measures of a general nature.

### 2.1 The measures relating to the revival and the continuation of the promotion of the import-substitution

These measures aim to reduce dependence on certain exports from abroad, which are detrimental to national production of everyday consumer goods. This reinforcement, which should therefore make it possible to weaken recourse to imports, limit national vulnerabilities and limit the massive outflow of foreign currency, is reflected in concrete terms in (2.1.1) the increase in excise duty on imports of certain products and (2.1.2) the strengthening of local value chains.

#### 2.1.1 Increase in the excise duty on the import of certain products (Section Eight, FL 2023)

In an effort to reduce the importation of certain goods that have a negative impact on public health and on the domestic production of certain goods, the 2022 FTA now subjects the following imported products to *ad valorem* excise duty at the following rate:

DESCRIPTION (Tariffs)	RATE
<ul style="list-style-type: none"> <li>▶ Tobacco and manufactured tobacco; products, nicotine-containing or non-nicotine containing products intended to inhaled without combustion; other non-nicotine containing products intended to absorb nicotine in the body (2401.10.00.000 to 2404.99.00.000);</li> <li>▶ Pipes preparations (3824.90.00.0000);</li> <li>▶ Electronic cigarettes and electric vaporization devices (8543.40.00.000);</li> <li>▶ Pipes (including pipe bowls), cigar-holders and cigarette-holders, and their parts (9614.00.00.000)</li> </ul>	50%
Malt beer (2203)	
Grape wines, Vermouths, fermented beverages and other mixtures of fermented and non-fermented beverages, excluding ethyl alcohol for medical purposes falling under tariff heading 22.07.10.000	30%
Mineral waters, soda and non-alcoholic beer (2201.10.00.100 to 2202.99.00.000)	
Cardboard and kraft paper articles and packaging (4819.10.00.000 to 4819.60.00.000)	
Cellulose paper and wadding or webs of cellulose fiber web used domestic, sanitary or toilet purposes (4818.10.00.000 to 4818.50.00.000; 4818.90.00.000)	
Bottle caps and covers, and other plastic or base metals closing devices (3923.30.10.000; 3923.50.00.000 8309.10.00.000; 8309.90.00.000)	25%
Tubes and pipes and their fittings, plastic plates, sheets, strips, tape and adhesives, even in the form of rolls (3917.10.00.000 to 3917.40.00.000; 3919.10.00.000 to 3920.79.00.000)	

Mayonnaise, mustard and other tomato preparations or preparation for sauces, soups, pottage or broths, mixed or homogenized condiments and seasonings (2103.10.00.000 to 2104.20.00.000)	12,5%
Food-grade ice (2105.00.10.000 to 2105.00.90.000)	

It should be noted, however, that the products in the above table may be exempted<sup>41</sup> *from ad valorem* excise duty when they (i) constitute raw materials or inputs for the manufacture of other products, or when they (ii) are covered by a certificate of deficiency issued by the Minister in charge of Trade on the basis of an investment project for the local manufacture of the product concerned.

#### 2.1.2 Strengthening of local value chains (CIREX Provision 40)

The FL 2023 proceeds, within the framework of the promotion of the import-substitution, to the reinforcement of certain chains of values, by two principal measures.

The first is the increase in the rates of export duty on logs and sawn timber from 50% to 60%<sup>42</sup> and 10% to 15%<sup>43</sup> of the FOB value of the timber species, respectively. The rate of exit duty also applies to the entry of logs into industrial free points, whereas worked and semi-worked timber exported from industrial free points is not subject to the said levy.

The second measure is the institution of an autonomous exit duty of 10% on cocoa beans exported in the form of beans, in addition to the regulatory fees that the Customs Administration continues to collect on behalf of the various beneficiary organizations. However, this rate is 2% for cocoa beans exported to industrial free points or similar schemes.

## 2.2 Other customs measures

In order to better protect against customs fraud, counterfeiting and illicit trafficking, a set of measures has also been instituted by the FL 2023.

#### 2.2.1 Prior declaration of cash advances received by economic operators in the context of advance financing of exports (Section Thirteen, FL 2023)

Through the FL 2023, economic agents and operators are now required to make a declaration to the Customs Administration, for those of them who receive cash advances in advance for goods that will be exported later.

It should be noted that the said advances must first be domiciled with an approved intermediary, on the basis of the sales contract and an export declaration, issued by the Customs Administration.

In any case, the absence or failure of the declaration shall result in the non-inclusion of pre-funding in the accounting of repatriated export revenue.

<sup>41</sup> CIREX Provision 39.

<sup>42</sup> Section Ten, paragraph c, FL 2023.

<sup>43</sup> Section Ten, paragraph d, FL 2023.

### 2.2.2 Establishment of specific procedures for collecting customs duties and taxes on the import of mobile phones, tablets and digital terminals (Section Six, FL 2023)

Also with a view to broadening the base, the FL 2023 revises the provisions of Section Seven of the 2019 Finance Law relating to the taxation of mobile phones and electronic or digital tablets at import.

For the record, the said Finance Law provided that these devices could be imported in suspension of customs duties and taxes, in charge of the purchasers to proceed to their payments via deductions that had to be made by mobile telephony companies, during telephone transmissions, and the said companies would be required to pay them to the Customs Administration within a specified period.

The FL 2023 therefore provides some clarification on the specific procedures for collecting customs duties and taxes on the import of these devices. Thus, these modalities can be summarized as follows:

- ▶ **Declaration and payment of customs duties and taxes by importers:** Importers of mobile phones, tablets and digital terminals are required to declare them when crossing the borders and to pay the customs duties and taxes due by all authorized means of payment;
- ▶ **Communication of the identification elements of the devices:** this communication is done by digital way to the local telephone companies;
- ▶ **Creation and maintenance of a data directory:** local telephone companies are required to configure their systems to prevent any connection to the network of communication devices not listed by the Customs Administration.

It should be noted, however, that communication devices used temporarily by tourists and short-stay visitors to Cameroon are not affected by this measure.

The FL 2023 also specifies that imported telephones, tablets and digital terminals benefit from a 50% reduction in the taxable value on import<sup>44</sup>, for a period of twenty-four (24) months<sup>45</sup>, and that, as regards devices already connected to a local telephone network before the effective date of implementation of this new system, they are considered as cleared through customs and benefit from the tax amnesty<sup>46</sup>.

It is foreseen that the modalities of application of the collection system of these duties and taxes will be fixed by separate instruments<sup>47</sup>.

### 2.2.3 Establishment of modalities for the collection and recovery of customs duties in the context of the execution of public contracts (Section Seven (1), FL 2023)

In line with the measures to broaden the tax base, the FL 2023 states that as of January 1, 2023, all public contracts are concluded inclusive of all taxes and subject to the customs duties and taxes

---

<sup>44</sup> Section Six, paragraph 1(d), FL 2023.

<sup>45</sup> *Ibid.*

<sup>46</sup> Section Six, paragraph 1(e), FL 2023.

<sup>47</sup> Section Six, paragraph 2, FL 2023.



provided for by the legislation in force on the date of their conclusion<sup>48</sup>, in particular the Common External Tariff (CET) and the Value Added Tax (VAT)<sup>49</sup>, including fees for services rendered.

Thus, public contracts concluded in violation of these provisions are not opposable<sup>50</sup> both to the Customs Administration and to the Tax Administration.

In addition, without prejudice to the provisions relating to the tax system for public procurement, the following provisions are applicable in customs matters:

→ *Under the provisions common to all types of public orders :*

- ▶ Contractors are required to ensure that the estimated amount of customs duties and taxes is included in the contract when these will involve imports;
- ▶ The customs procedure for supplies, materials and passenger vehicles imported in the framework of the execution of the public order is that of release for consumption;
- ▶ The customs regime of materials, devices, machines and utility vehicles, which can be re-exported, imported in the framework of the execution of public contracts, is that of special temporary admission;
- ▶ When the full annuities due for the such goods placed under the special temporary admission regime has been paid by the budget of the State or of a public entity, they are released for consumption on the basis of a residual value of 20%, at the discretion of their owner;
- ▶ Partial or full payment by the winner of a public contract involving importations shall be contingent on the presentation to the public accountant of the receipts for payment of customs duties and taxes or attestations of payment, as appropriate.

→ *Under the specific provisions :*

*a) For public contracts with own funding*

In this type of contract, the successful bidder is legally responsible for the duties and taxes due on the imports.

*b) For any public contracts on external funding*

The contracting authorities shall be required, in conjunction with the contractor and the administration holding the counterpart funds, if applicable, to provide in the budget concerned, in advance and up to the amount of the commitments made, the budgetary cover necessary to cover the customs duties and taxes resulting from the imports of the said contract.

---

<sup>48</sup> Section Seven, paragraph 1, FL 2023.

<sup>49</sup> CIREX Provision 42.

<sup>50</sup> Section Seven, paragraph 2, FL 2023.





The authorising officer for counterpart funds shall issue attestations of payment of the customs duties and taxes as imports are made, within the limits of the budget appropriations for the contract concerned.

After issuing attestations of payment of the customs duties and taxes, the authorizing officer of the counterpart funds is required to make the required budget commitment as imports are made, on the basis of the validated customs declarations produced by the contractor.

#### 2.2.4 Redefinition of the legal framework for the taxation of goods bought through e-commerce (Section Five (1), FL 2023)

This redefinition of the legal framework for the taxation of goods acquired electronically and imported into Cameroon is also part of the dynamics of expanding the tax base. Thus, the customs duties and taxes listed in the Customs Tariff must be paid, regardless of the method of delivery<sup>51</sup>, including courier, drop-off at an address by a postman or a broker.

In addition, as another innovation, it is now allowed for operators who are engaged in e-commerce to sign memoranda of cooperation with the Customs Administration, in order to carry out directly the formalities of customs clearance on behalf of third parties to the import of goods bought through e-commerce under condition laid down by agreement comprising modulation of customs duties and taxes to be paid according to minutiae or rough-and-ready flat rate practice, in accordance with the regulations in force.

#### 2.2.5 Increase in the rate of the computer fee and allocation of its proceeds (Section Nine (a), FL 2023)

The FL 2023 also institutes a new collection rate for the computer fee, set at 1% of the taxable value of goods. As a reminder, previously this rate was 0.45%<sup>52</sup>.

However, the ceiling of the levy shall be CFAF 15,000<sup>53</sup> per export declaration.

It should be noted that the proceeds of this fee are allocated as follows<sup>54</sup> :

- ▶ 75% to the State budget; and
- ▶ 25% for the development of information and communication technologies, and customs activity modernization projects and monitoring.

#### 2.2.6 Export taxation

##### 2.2.6.1 Exit duty on semi-finished products (Section ten (1), FL 2023)

Semi-finished manufactured products are subject to an exit duty at a rate of 2%<sup>55</sup> of the FOB (*free on board*) value as of January 1, 2023, excluding dressed and semi-dressed timber.

---

<sup>51</sup> Section Five, paragraph 1, FL 2023.

<sup>52</sup> <http://www.logistiqueconseil.org/Articles/Transit-douane/Droits-taxes-douanes.htm>

<sup>53</sup> Section Nine, paragraph a, FL 2023.

<sup>54</sup> Section Nine, paragraph b, FL 2023.

<sup>55</sup> Section Tenth, Paragraph 1, FL 2023.



For comparison, this rate was previously 1%<sup>56</sup> of the assessed value.

#### 2.2.6.2 Gold and diamond exit fee (Section tenth (1), FL 2023)

Gold and diamonds are subject to an exit duty of 5% of the FOB value<sup>57</sup>. This rate has been reduced from the previous 10%<sup>58</sup>.

The said exit fee is deducted in kind by the authorized body from the 75% share of the operator's gross production provided for in Section 28 of the Mining Code. This deduction is subsequently transferred in countervalue by the Treasury to the Customs Administration based on the detailed declaration issued by the competent office.

All or part of the aforementioned precious stones having paid the exit duties, and subsequently released for national consumption, shall be eligible for reimbursement of said duties in the form of a tax credit.

In any event, the export of the said goods is conditional upon the production of an authorization issued by the competent authorities after production of proof of payment of the fees, taxes, duties and customs duties due.

#### 2.2.7 Modification of the scope of interest on late payment of customs duties (Section Eleven, FL 2023)

As of January 1, 2023, the interest on arrears provided for in the current regulations does not apply to goods imported in the context of the execution of a public order for which the customs duties and taxes are borne by the State<sup>59</sup>.

-

Authors:

**Aurélié Chazai**, Lawyer at the Cameroon and Paris Bars, Managing Partner of Chazai Wamba.

**Freddy Mooh Edinguele**, Senior Associate at Chazai Wamba.

**Jean Baptiste Tsanga Bifouna**, Junior Associate at Chazai Wamba.

**Thierry Henri Ngombono**, Junior Associate at Chazai Wamba.

---

<sup>56</sup> Section Five, subparagraph b, Finance Law, 2020.

<sup>57</sup> Section Ten, Paragraph 1, FL 2023.

<sup>58</sup> Section Five, subparagraph b, Finance Law, 2020.

<sup>59</sup> Section Eleven, FL 2023.