

CAMEROON

November 2014 through January 2015

TAX

2015 STATE BUDGET

Law No. 2014/026, of 23 December 2014, enacted the State Budget for 2015 and introduced amendments to the General Tax Code. The main changes with tax impact include the following:

- Reduction of the corporate income tax rate from 35% to 30%;
- New definition of “*companies operating in Cameroon*”, including companies with permanent establishment or dependent agents in the country;
- New limits for the tax deductibility of some costs, such as royalties and cash payments;
- New reporting obligations for limited liability joint stock companies;
- Increase of the minimum tax and of the payment on account to 2.2%;
- Submission of indirect transfers of shares to a final Personal Income Tax withholding of 16.5%;
- Amendments to the Special Income Tax regime with new accounting and invoicing obligations and clarification that companies remain subject to (i) payment of taxes other than corporate income tax; and (ii) withholding obligations, whenever applicable;
- Reduction of the threshold for VAT deductible operations from XAF 1,000,000 to XAF 100,000, provided same are not paid in cash;
- No VAT refunds or compensations allowed with respect to invoices settled in cash;
- New VAT exemption to petroleum oils (Tariff number 270 900 10);
- Lowering of the period of the Business Licence Contribution exemption from 2 years to 1 year, subject to a 1-year renewal for companies registered with an approved management center (*centre de gestion agréé*);
- New rates as regards duties, taxes and royalties applicable to the mining sector; and
- New control procedures for serving tax notices to taxpayers and issuance of invoices as well as the approval of a specific settlement regime (for year 2015) applicable to certain tax claims.

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