



## LEGAL NEWS

# Republic of the Congo

February through April 2020

### **BUSINESS**

## Congo Seeks to Promote the Industrial Sector

In the context of the structural reforms proposed by the President of the Republic, a national strategic plan for industrialization has been approved by Decree No. 2020-32, of 26 February 2020. This statute lays down the priority areas for the implementation of the strategy, including the need for land to be set aside to accommodate the various industries, as well as the possibility to provide support to their development through a number of indirect and direct State aids, including loans, preferential tariffs, tax exemptions, export credits, among others. In a first stage, the industrialization process should be built upon the country's natural resources and their transformation. The private sector is expected to take an important role in this process, in association with the State. It is anticipated that this industrialization accelerate economic growth and contribute to the diversification of national economy.

## COVID-19

### Companies' Liquidity Support Measures Approved

In order to ensure the continuity of the day-to-day operation of businesses, the Minister of Finance has approved Circular Note No. 247/MFB-CAB, of 15 April 2020, and the corresponding Regulating Note No. 0360/MFB/DGID/DRC, of 5 May 2020, which provide various tax measures intended to mitigate the economic setbacks brought about by the COVID-19 pandemic. These measures include the suspension and postponement of deadlines for the payment of taxes and for filing of financial statements, with no penalties, fines or interest being payable under certain conditions. The tax audits underway are also to be suspended. In implementing to these statutes, additional measures shall be proposed in the context of the approval of an Amended 2020 Finance Law, including a possible reduction of the Corporate Income Tax rates

### Towards a Progressive Lifting of The Lockdown

Whilst Decree 2020-128, of 9 May 2020, extended the State of Emergency until 31 May 2020, Congo is already moving towards a progressive lifting of the lockdown measures. Order No. 5610/MID-CAB, of 18 May 2020, imposes that a number of protective measures be implemented. These include the conditions under which the use of a protective mask is mandatory, limitations on the number of individuals that may be transported in road vehicles, and requirements on the availability of hand sanitizers onboard road vehicles. Similar conditions are also set out in Order No. 5611/MID-CAB, of 18 May 2020, with respect to the opening of State-owned markets and the related health and safety requirements.

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