REPUBLIC OF CAMEROON
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MINISTRY OF FINANCE

REPUBLIC OF CAMEROON
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MINISTRY OF DECENTRALIZATION
AND LOCAL DEVELOPMENT

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JOINT CIRCULAR N° 92 /MINFI/MINDDEVEL of 04 JUIL. 2025 specifying the implementing modalities of Law N°. 2024/020 of 23 December 2024 on Local Taxation

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To

- **GOVERNORS;**
- **SENIOR DIVISIONAL OFFICERS ;**
- **REGIONAL EXECUTIVES;**
- **MUNICIPAL MAGISTRATES;**
- **THE DIRECTOR-GENERAL OF TAXATION;**
- **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 FUND FOR EQUIPMENT AND INTER-MUNICIPAL INTERVENTION;**
- **THE DIRECTOR OF LOCAL FINANCE;**
- **HEADS OF THE REGIONAL TAX CENTRES;**
- **REGIONAL TAX COLLECTORS;**
- **HEADS OF LOCAL AND PERSONAL TAX CENTRES;**
- **TAX COLLECTORS;**
- **MUNICIPAL TREASURERS.**

Law N° 2024/020 of 23 December 2024 on Local Taxation repeals and replaces Law N° 2009/019 of 15 December 2009 on the same subject. The purpose of this new legislation is to modernise and harmonise the local taxation framework by clarifying the roles and responsibilities of the various stakeholders and by strengthening the financial autonomy of Regional and Local Authorities (RLAs).

This Circular is intended to specify the terms and conditions for the effective implementation of the new legislative provisions. It is addressed to all stakeholders involved in the management of local public finances, particularly Regional and Local Authorities, State tax administration services, and taxpayers.

TITLE I: GENERAL PROVISIONS

I. Section C1.- Scope of the Law

1. The provisions of the law on local taxation apply automatically to all Regional and local authorities (LRA) as defined by Law No. 2019/024 of 24 December 2019 on the General Code of Regional Local Authorities, namely:
   - councils;
   - sub divisional councils;
   - city councils;
   - regions.

2. Local taxation is defined as all the compulsory levies made by the tax administration for the benefit of the above-mentioned local authorities. This definition highlights two constituent elements:

   - **The origin of the levy:** although destined *in fine* to local authorities, they are collected by the tax authorities of the State;

   - **Allocation of the levy:** the sums collected in respect of local taxation are allocated to the financing of the budgets of the beneficiary local authorities.

3. It should be recalled that the legislative and regulatory provisions governing State taxes and duties apply *mutatis mutandis* to local taxes and levies. Accordingly, the rules and procedures applicable to national taxation, particularly those relating to assessment and audit, the imposition of penalties, collection, and dispute resolution, shall also govern local taxation, subject to the necessary adjustments arising from its specific nature and the express provisions of the Law on Local Taxation.

II. Section C-2.- Categories of local taxes

4. Local taxes are divided into different categories according to the beneficiary local authority and the nature of the levy:

   - **Council taxes**: These are taxes the proceeds of which are allocated to the municipalities (councils, sub divisional councils and city councils) for the financing of their skills and the realization of their projects;

   - **The additional council taxes**: These levies consist of an additional percentage applied to certain State taxes, the proceeds of which are paid to the LRAs;

   - **council taxes and royalties**: These levies are collected in return for a service provided by the municipality to users. In principle, the amount of the amount is proportionate to the cost of the service provided;

- **Regional taxes and royalties:** The proceeds of these levies are allocated to the regions to finance their competences and the implementation of their policies.

5. It should be noted that the legislature retains the authority to establish, by law, new levies for the benefit of Regional and Local Authorities (RLAs). This prerogative enables the local tax system to adapt to changing economic and social conditions, as well as to the specific needs of local communities.

III. <u>Section C-3</u>.- Conditions for the collection of local taxes

6. The collection of a tax or levy by a LRA is subject to compliance with the following three conditions:

- **The principle of legality**: any tax levy must first be instituted by law, in accordance with the constitutional principle of the legality of taxation. A local authority may not, on its own initiative, create a tax, levy or fee not provided for by law;

- **the Vote of the deliberative body**: the implementation of the levy requires a deliberation voted by the competent assembly (municipal council, city council, and regional council).

  However, it is specified that such a deliberation is only required where the law has not exhaustively set out the terms and conditions for the assessment, payment, collection, and allocation of the levy. In cases where the law provides a complete and self-executing framework, the collection may proceed without the need for further deliberation. In such circumstances, the local authority is bound to apply the legal provisions as enacted.

  Example: The Law on Local Taxation establishes a permissible range of CFAF 1,000 to CFAF 5,000 for market fees. Within this framework, a municipal council may lawfully set the rate at, for instance, CFAF 4,000 per stall.

  However, any deliberation fixing the rate at CFAF 6,000 would constitute an ultra vires act and be deemed illegal on grounds of abuse of authority.

- **Approval by the supervisory authority**: The decision of the deliberative body must be submitted for approval to the competent administrative authority:

  ✓ *or councils*: the Senior Divisional Officer ensures that the deliberation complies with the applicable legal and regulatory provisions;

  ✓ *For regions*: this authority is exercised by the Governor.

  Such approval constitutes a condition *sine qua non* for the enforceability of the levy. It serves to uphold the balance between local financial autonomy and the rule of law, notably by preventing jurisdictional conflicts, double taxation, and economic distortions.

7. Officers of the Tax Centres for Local Taxes and Individuals (CFLP) are responsible for verifying compliance with the conditions set out in point 6 above. In this capacity, they are required to:

- Inform Regional and Local Authorities (RLAs) of the legal requirements governing the collection of local taxes and fees;
- Ensure that the specific rates adopted by each RLA are accurately recorded in the Directorate General of Taxation's information system, where applicable;
- Verify the conformity of levies established by deliberative bodies with the applicable legal and regulatory framework;
- Report any irregularities or breaches to the competent administrative and fiscal authorities.

8. Failure to comply with the requirements set forth in section C3, as detailed in the preceding provisions, shall result in the automatic nullity of any collection instruments issued, as well as of the taxes and levies established thereunder, without prejudice to the penalties applicable to those responsible for such violations.

IV. Sections C-4 and C-6.- Local tax administration

9. The State tax administration is henceforth responsible for managing all levies allocated to Regional and Local Authorities (RLAs). In this capacity, it exercises full authority over the tax functions relating to communal and regional levies, including:

- Taxpayer registration: The identification and enrolment of persons liable for local taxes;
- Issuance of revenue instruments: The preparation and delivery of documents establishing local tax liabilities (e.g. tax notices, collection notices, etc.);
- Tax collection: The recovery of amounts due in respect of local taxes;
- Tax audit: The verification of the accuracy and compliance of taxpayers' declarations and payments;
- Tax litigation: the handling of claims and disputes relating to local taxes at the administrative stage.

10. For the effective administration of local taxation, Regional and Local Authorities (RLAs) are required to:

- Transmit to the State tax services, no later than 31 January of each year, their contribution to the updating of the taxpayer register for local tax purposes;
- Provide technical and administrative assistance to the tax administration, exclusively upon request, to support the proper conduct of assessment, audit, and collection operations relating to local taxes.

11. Tax revenues collected by the tax administration on behalf of Regional and Local Authorities (RLAs) and public bodies are subject to a 10% withholding as assessment and collection fees. The distribution modalities of this withholding continue to be governed by the provisions in force prior to the enactment of the Law on Local Taxation Reform.

12. Under the provisions of section C6 of the Law on Local Taxation, the issuance and collection of local taxes are carried out in accordance with the procedural rules applicable to State taxes, subject to the derogations expressly provided for by the said law.

13. This principle of procedural alignment aims to ensure the efficiency and fairness of the tax collection system, for the benefit of both the State and the RLAs. It thereby guarantees the uniform application of collection procedures throughout the national territory.

14. The State is thus responsible for ensuring the efficiency of tax collection across all tax categories, including local taxes. In this respect, the State tax services are required to:

- Apply tax procedures uniformly: Tax officials must apply the same rules and procedures to the collection of local taxes as they do to national taxes, in accordance with the General Tax Code (GTC) and the applicable regulatory texts;

- Ensure effective collection: Tax services must deploy equivalent effort and diligence in collecting local taxes as they do for national taxes, in order to optimise revenue mobilisation for RLAs;

- Collaborate with RLAs: Close cooperation with Regional and Local Authorities is essential to ensure the proper application of tax procedures and the effectiveness of local tax collection. Such cooperation may take the form of information-sharing, joint training sessions, or the establishment of joint teams or monitoring and evaluation mechanisms.

V. Section C-5. Principle of solidarity through equalization

15. Section C5 of the Law on Local Taxation reaffirms the principle of inter-territorial solidarity through the equalisation of certain fiscal resources among Regional and Local Authorities (RLAs). This mechanism of financial solidarity aims to reduce disparities in fiscal capacity between RLAs and to promote the balanced and harmonious development of the national territory.

16. For reminder purposes, equalisation refers to the redistribution of a portion of tax revenues collected from RLAs with higher fiscal capacity to those with lower fiscal potential.

17. The criteria and modalities governing the equalisation mechanism are laid down by specific legislative and regulatory instruments.

PART II: MUNICIPAL TAXES

Section C 7.- General provisions

18. Council taxes refer to a category of levies whose proceeds are allocated to councils for the financing of their statutory responsibilities and the fulfilment of their public service mandates.

19. These taxes, detailed in the following paragraphs, constitute an essential source of revenue for councils, enabling them to fund local public services and address the needs of their constituencies. They include:

- the business licence contribution;
- the licence fees;
- the comprehensive tax;
- the real estate tax;
- real estate transfer duties;
- the motor vehicle stamp duty;
- the annual forestry royalty;
- the advertising stamp duty;
- the tourist tax;
- the special excise duty earmarked for the collection and treatment of household waste, for the benefit of Regional and Local Authorities (RLAs).

20. Pursuant to paragraph 2 of section C7, tax revenues allocated to councils may, where necessary, be subject to a ceiling established by the Finance Law. The modalities and applicable thresholds for such ceilings shall be set forth in the relevant provisions of the said law.

CHAPTER I.- THE BUSINESS LICENCE

I. Sections C8, C 9 and C 11.- Scope of application

A. Taxable persons

21. Pursuant to the provisions of Section C8 of the Law on Local Taxation, any natural or legal person, of Cameroonian or foreign nationality, engaged in an economic, commercial, industrial, or other professional activity within a council area, unless expressly exempted by law, is liable to the business licence contribution.

22. Liability to the business licence contribution is subject to the fulfilment of the following three cumulative criteria:

- **Carrying on an activity on a habitual and independent basis**: the activity must be exercised regularly and not on an occasional basis, and the taxpayer must act in their own name and for their own account.

  Illustration: An individual who occasionally sells produce from their home garden is not subject to the business licence, whereas a market gardener who regularly engages in such activity is.

- **Engaging in a profit-generating activity**: the activity must be pursued with a profit motive, i.e. with the intention of generating income or financial gain.

  Illustration: A non-profit organisation conducting charitable activities is not subject to the business licence, whereas an association operating a fitness centre for profit is.

- **Carrying on the activity within a Cameroonian council area**: the activity must take place within the territorial jurisdiction of a Cameroonian council.

- **Generating an annual turnover excluding taxes of at least CFAF 50 million**, except in cases where the nature of the activity makes it inherently subject to the business licence contribution.

B. Exemptions

i. Permamnent exemption

23. Pursuant to the provisions of Section C11 of the Law on Local Taxation, certain natural or legal persons are permanently exempt from payment of the business licence contribution. Annex 1 to this Circular provides a list of the persons eligible for this exemption.

24. The IT Department of the Directorate General of Taxation is responsible for configuring the list of persons exempt from the business licence contribution, as set out in Annex 1 to this Circular, within the dedicated application for the declaration of said contribution.

25. Persons exempt from the business licence shall equally not file the said tax return for the said levy.

ii. Temporary exemption

26. In accordance with Section C12(1) of the Law on Local Taxation, newly established businesses are exempt from the business licence contribution for a period of twelve (12) months from the date of their creation.

27. For the purposes of this provision, a newly established business is defined as any enterprise that is newly incorporated, duly registered in the Trade and Personal Property Credit Register, and has effectively commenced operations.

28. The exemption from the business licence contribution is granted to newly established businesses for a period of twelve (12) months starting from the effective date of commencement of their activity.

29. Pursuant to Section C12(2) of the Law on Local Taxation, businesses affiliated with an approved management centre (ccredited tax centers) benefit from an extension of the exemption period, bringing the total duration to twenty-four (24) months.

30. The extension of the exemption is subject to the business's effective affiliation with a CGA. Proof of such affiliation shall be established through consultation of the CGA membership database made available on the website of the tax administration.

31. In this regard, the Division responsible for tax legislation and the Division in charge of taxpayer registration are hereby instructed to proceed without delay with the necessary configurations for the integration and automated use of this data in the information systems of the Directorate General of Taxation.

32. It should be noted that this measure applies only to newly established businesses that have joined a CGA no later than within the first year following their creation. A business that joins a CGA beyond its first year of activity shall not be entitled to the exemption from the business licence contribution.

II. Section C 10.- Determination of the taxable base

i. General principle: Taxation based on turnover

33. In accordance with paragraph 1 of Section C10 of the Law on Local Taxation, the business licence is assessed on the basis of the taxpayer's turnover excluding taxes from the most recent closed fiscal year. This provision applies exclusively to taxpayers who are not subject to the Comprehensive Tax, i.e., those whose annual turnover excluding taxes exceeds fifty million (50,000,000) CFA francs.

34. Turnover shall be understood as the total amount of sales of goods and provision of services realised by the enterprise during the reference period, after deducting discounts, rebates, and refunds granted to customers.

35. Turnover excluding taxes refers to turnover net of Value Added Tax (VAT) and excise duties.

ii. Exception to the principle of turnover-based taxation

36. Companies in the Administered Margin Sectors, listed in Section 21 of the General Tax Code, are taxed, for the business licence, based on their gross margin. However, in the event that such an enterprise opts for the standard taxation regime, the contribution is calculated based on the actual turnover realised.

37. Gross margin refers to the difference between the selling price and the cost price, increased by any gratuities and commissions of any kind, in accordance with point 11 of Circular No. 001/MINFI/DGI/LRI/L of 12 January 2017 laying down the modalities for applying the tax provisions of Law No. 2016/018 of 14 December 2016 on the Finance Law of the Republic of Cameroon for the 2017 fiscal year.

38. With regard to companies engaged in the distribution of beverages, the business licence contribution is also assessed on the basis of gross margin. However, it is expressly stated that this method of assessment does not apply to enterprises involved in the production of such products.

39. Furthermore, as an exception to the general principle of turnover-based taxation of the business licence taxation, certain categories of activities are mandatorily subject to said contribution, regardless of the actual turnover realised. These include:

- New taxpayers operating in the petroleum, mining, gas, credit, microfinance, insurance, and mobile telecommunications sectors;
- Taxpayers holding an approval under any of the regimes provided for in Law No. 2013/004 of 18 April 2013 establishing investment incentives in the Republic of Cameroon, once they commence operations;
- Notaries holding public office;
- New taxpayers benefiting, by express derogation from the Director General of Taxation, either from an investment programme duly validated by the tax administration or from a public contract exceeding one hundred million (100,000,000) CFA francs.

iii. Miscellaneous provisions

40. It is recalled that the Law on Local Taxation repealed the previous provisions that established specific assessment modalities for certain categories of activities, notably interurban transport of persons and goods, as well as the sale of petroleum products by service station operators. These activities are now subject to the general rules governing the assessment of the business licence contribution.

41. A taxpayer's compliance per the business licence contribution—and with other taxes and levies, is evidenced by a Tax Compliance Certificate. This digital document is available online on the website of the Directorate General of Taxation (www.impots.cm).

42. The Tax Compliance Certificate must be permanently and visibly displayed at the taxpayer's business premises. It must also be presented upon request by the tax authorities.

III. Sections C 13 and C 14.- rules governing the assessment of the business licence

43. The procedures for assessing the business licence contribution remain unchanged and are detailed in Circular No. 001/MINFI/DGI/LRI/L of 12 January 2017, which sets out the implementing rules for the tax provisions of Law No. 2016/018 of 14 December 2016 on the Finance Law of the Republic of Cameroon for the 2017 fiscal year.

i. Applicable rates

44. Pursuant to Section C13 of the Law on Local Taxation, the business licence contribution is calculated by applying a rate to the taxpayer's annual turnover, excluding taxes, from the most recent closed fiscal year, as follows:

- Large enterprises: 0.159%, with a minimum contribution of CFAF 5,000,000 and a maximum of CFAF 2.5 billion;
- Medium-sized enterprises: 0.283%, with a minimum contribution of CFAF 141,500 and a maximum of CFAF 4,500,000.

45. Large enterprises refer to those under the jurisdiction of the Directorate of Large Enterprises. Medium-sized enterprises are those supervised by the Medium-sized Taxpayer Centres (CIME) and the Specialised Tax Centres (CSIPLI and CSI-EPA).

46. In the interest of equity, each turnover bracket is subject to both a minimum (floor) and a maximum (ceiling) contribution.

47. The amount of the business licence contribution is determined by applying the applicable rate to the taxpayer's annual turnover excluding taxes, as declared for the last closed fiscal year.

48. New taxpayers, who by definition have not yet realised any turnover, are exempt from the business licence contribution. This applies, in particular, to those registering their business at the One-Stop Shop for Business Creation (CFCE).

49. Taxpayers already in business but declaring zero turnover for the reference period remain liable for the business licence contribution at the minimum rate (floor) provided for in Section C13 of the Law on Local Taxation.

50. As in the past, the total amount of the business licence contribution includes the following components:

- **The principal of the business licence**, which is distributed among the urban community, the councils, and the Special Fund for Equipment and Inter-municipal Intervention (FEICOM). The principal is calculated by applying the relevant rate to

the taxpayer's annual turnover excluding taxes, based on the category of activity, in accordance with Section C13 of the Law on Local Taxation;

- **The audiovisual licence fee**, allocated to Cameroon Radio Television (CRTV), the rate of which is set by Ordinance No. 89/004 of 12 December 1989 establishing the audiovisual fee;

- **Additional taxes for consular chambers**, allocated either to the Chamber of Commerce, Industry, Mines and Crafts (CCIMA) or to the Chamber of Agriculture, Fisheries, Livestock and Forestry (CAPEF), as appropriate;

- **The local development tax**, allocated to the council, the rate of which is set in Section C86 of the Law on Local Taxation.

51. For reminder purposes, the Local Development Tax (LDT), assessed in accordance with Section C86 of the Law on Local Taxation, is deducted from the total amount of the business licence. The remaining balance is then allocated among the other recipients according to the distribution key provided below.

52. The assessment rules set out above apply uniformly to all taxpayers liable to the business licence contribution, regardless of the nature of their activities.

ii. Breakdown and allocation of the proceeds of the business licence

53. The revenue from the business licence is distributed among the following various beneficiaries, in accordance with the legal and regulatory provisions in force:

- Regional and local authorities (councils, city councils);
- the Special Fund for Equipment and Intermunicipal Intervention (FEICOM) ;
- Cameroon Radio Television (CRTV) ;
- the Consular Chambers (Chamber of Commerce, Industry, Mines and Handicrafts (CCIMA), and Chamber of Agriculture, Fisheries, Livestock and Forestry (CAPEF)).

54. The share due to each beneficiary is determined by applying the following coefficients:

- Councils or city councils: 39.4%;
- FEICOM : 9,85% ;
- CRTV : 49,27% ;
- CCIMA or CAPEF: 1.48%.

55. It should be recalled that, under Section C 4 of the Law on Local Taxation, assessment and collection costs set at 10% of the share due to each beneficiary shall be deducted from the proceeds of the contribution of the business licence.

56. The IT Department of the General Directorate of Taxation is responsible for setting up the above-mentioned distribution keys in the IT system of the Tax Administration, in order to ensure the automation of the calculation and distribution of the contribution of the patents.

IV. Section C 15.- Special provisions

57. In accordance with Section C 15 of the Law on Local Taxation, the basis of assessment of the contribution of the patents is determined by considering the special provisions aimed at adapting taxation to the specificities of certain economic and commercial activities.

58. These provisions derogating from the ordinary law regime apply to the the following situations:

i. Section C 15-1.- Commercial activities without accounting reliable accounting records: estimated turnover assessment

59. In the absence of reliable accounting records that allow for the accurate determination of turnover generated by a commercial activity, section C15-1 provides for a flat-rate estimation method, under which the turnover is deemed to be equal to ten times the value of the inventoried stock, assessed at its retail selling price.

60. However, this section also provides for a safeguard clause that authorises the Tax Inspector or Controller to assess the business licence contribution by comparison with a similar establishment, where such a method proves to be more relevant and better suited to the specific circumstances of the case.

61. The tax authorities must conduct an effective audit of the taxpayer's stock and assess it at the retail price customarily applied by the establishment. The stock verification may be conducted through a physical inventory carried out jointly with the taxpayer. The valuation must be based on the usual selling prices applied by the establishment or by similar businesses operating in the same geographical area.

62. The estimated turnover is determined by multiplying the assessed stock value by ten. This estimated turnover constitutes the assessment base for the business licence contribution, unless the comparative method is applied.

63. The comparative assessment must be based on an establishment with similar characteristics (type of activity, size, location, etc.) and possessing reliable accounting data that reflects its actual turnover.

64. The turnover of the reference establishment may then be used as the assessment base for the taxpayer under audit, subject to appropriate adjustments where necessary to account for the specific nature of the taxpayer's operations.

65. The estimated turnover may also be determined in the context of an unannounced audit, in accordance with the provisions of Section M15 of the Manual of Tax Procedures.

ii. Section C 15 (2 and 3). - Import-export operations and the specific business licence

66. Pursuant to the provisions of Section C15(2) of the Law on Local Taxation, the conduct of import and export operations constitutes a taxable activity subject to the specific business licence for importers or exporters. This obligation applies regardless of whether intermediaries are used.

67. Consequently, import and export operations carried out through banks, banking agencies, or entities acting as commodity commission agents or customs brokers do not exempt the clients of such entities from payment of the import or export business licence, where those clients are effectively conducting such operations on their own behalf.

68. Accordingly, all importers and exporters are subject to the specific importer/exporter business licence and must therefore be reclassified under the actual taxation regime (régime du réel).

69. To ensure the comprehensive identification of the taxpayers concerned, the Division in charge of Statistics and Registration within the Directorate General of Taxation is hereby requested to obtain from the Ministry of Trade the full list of active importers. This list must be transmitted to the tax administration no later than the 15th day of the month following the end of each semester.

70. Based on this list, during the upcoming transfer sessions, the Division in charge of Statistics and Registration shall proceed with the systematic reclassification of all importers previously subject to the former simplified regime to the actual taxation regime, in accordance with the applicable legal provisions.

i. Section C 15 (4). - The case of transport operations and itinerant traders

71. Per Section C15(4) of the aforementioned Law, the business licence held by a transport operator does not cover itinerant trading activities that may be carried out on an ancillary basis by the transporter, driver and their assistants, shipowner, captain, or crew members.

72. Consequently, individuals whose principal activity is transport but who also engage, on an ancillary basis, in itinerant trading are required to pay separate business licence contributions for each of these activities.

73. The tax administration must therefore clearly distinguish between the business licence for transport operators, which applies to the transport activity itself, and the business licence for itinerant traders, which covers the mobile sale of goods.

74. Payment of the business licence for transport activity does not exempt the taxpayer from the obligation to pay the business licence for itinerant trading, where the conditions for exercising such activity are met.

ii. Section 15 (5). - Shipping companies and permanent establishments stable in Cameroon

75. Maritime and airline companies whose vessels or aircraft serve Cameroon are liable for the business licence contribution only if they maintain a permanent establishment in Cameroon, within the meaning of Sections 5 and 5 bis of the General Tax Code (GTC) and any applicable tax treaties.

76. The mere fact of operating maritime or air services to or from Cameroon does not, in itself, constitute the existence of a permanent establishment and therefore does not, on its own, give rise to liability for the business licence in Cameroon.

77. The tax authorities must refer to the definition of a permanent establishment as set forth in Cameroonian tax legislation and in any applicable international tax treaties to determine whether a shipping or airline company is deemed to have a permanent establishment in Cameroon. For reference, the concept of a permanent establishment generally implies the existence of a fixed place of business in Cameroon through which the company conducts all or part of its activities (e.g., place of management, branch, office, construction site of a certain duration, etc.).

78. Where a permanent establishment exists, the business licence contribution is assessed based on the turnover attributable to that establishment.

iii. Section C 15 (6). – Foreig insurance companies and taxation of their representatives in Cameroon

79. In accordance with the provisions of Section C15(6) of the Law on Local Taxation, foreign insurance companies that do not have a permanent establishment in Cameroon but operate through a representative therein are subject to the business licence contribution exclusively at the location of the registered office or principal establishment of the insurance agent acting on their behalf.

80. The Division responsible for Statistics and Registration within the Directorate General of Taxation shall undertake the identification of insurance agents established in Cameroon who represent foreign insurance companies lacking a permanent establishment in the national territory. This identification shall rely, where appropriate, on information transmitted by insurance companies, professional insurance associations, and the agent registers maintained by the National Insurance Directorate (DNA).

81. The business licence contribution due in respect of insurance operations carried out through authorised representatives shall be assessed in the name of the agent, at the location of their principal place of business in Cameroon. The taxable base shall encompass the totality of insurance transactions carried out by the agent on behalf of the foreign company, including commissions and all other forms of remuneration received in connection therewith.

V. Sections C 16 - C 18- On the annual nature of the business licence

i. The principle of annuality (Section C, 16)

82. Per section C16 of the Law on Local Taxation, the business licence contribution is due on an annual basis. Any natural or legal person carrying out a taxable activity as of 1 January is liable for the full payment of the contribution for the entire calendar year.

ii. Exceptions to the principle of annuality

⇒ Commerncement of activity during the year (Section C 17)

83. For activities starting during the year, the contribution of the business licence due from the first day of the month in which the activity actually begins. By way of illustration, an activity starting on 12 April will be subject to taxation from 1 April.

84. Activities which, by their nature, cannot be carried out in instalments over the year (in particular seasonal or event activities) remain subject to the full annual contribution, regardless of the month in which they start.

⇒ Cessation of activity (Section C-18)

85. Modulation of the business licence in the event of cessation of activity is only permitted in the following situations:

- death of the individual operator;
- judicial liquidation procedure;
- expropriation;
- eviction ordered by court decision.

86. In the cases mentioned above, the business licemce is payable until the end of the calendar month in which the activity ceases. By way of illustration, in the event of cessation of activity on 10 September, taxation is due until 30 September.

87. In order to benefit from the modulation of the business licence, the taxpayer (or his beneficiaries) must produce, on pain of inadmissibility of the application:

- an authentic deed justifying the event (judicial liquidation judgment, expropriation order, court decision ordering the eviction);
- a detailed declaration of cessation of activity, signed within three (3) months of the date of the event.

88. The declaration of cessation of activity must be made within three (03) months of the justifying event. Failure to comply with this deadline shall result in the inadmissibility of the request for discharge. As such, the tax services must:

- systematically verify the temporal consistency between the date of the declaration of cessation of activity and the dates of the supporting documents produced;

- reject any request for modification of the business licence based on grounds other than those expressly provided for above;
- apply a presumption of continuity of activity in the absence of a formalised declaration of cessation and production of the required supporting documents.

VI. Sections C 19-C 20.- Obligations persons liable to the business licence

89. Pursuant to Section C19 of the Law on Local Taxation, all taxpayers engaged in activities subject to the business licence contribution—including those benefiting from an exemption—are subject to the registration obligations set out in the Tax Procedure Code.

90. The registration requirement provided under the Tax Procedure Code applies to all taxpayers engaged in a business activity subject to the business licence contribution. This obligation entails the filing of a declaration of existence or commencement of activity with the tax administration, within the timeframes and under the conditions established by applicable regulations.

91. It should be emphasised that the registration obligation also applies to taxpayers benefiting from an exemption from the business licence contribution.

92. In accordance with Section C20 of the Law on Local Taxation, taxpayers operating multiple establishments are required to submit to the State tax services, no later than 15 January of each year, a detailed breakdown of turnover by establishment, along with their respective locations by council. This information must be attached as an annex to the business licence declaration form.

93. The tax administration shall identify taxpayers operating multiple establishments that are subject to the business licence contribution. This identification may be carried out using data drawn from declarations of existence, the business taxpayer register, and field audits.

VII. Section C21 –C 22.- On the issuance and payment of the business licence

94. Sections C21 and C22 of the Law on Local Taxation lay down the procedures for declaration and deadlines for payment of the business licence contribution. These procedures vary depending on whether the payment is for a renewed tax period or follows the end of a temporary exemption:

⇒ *In the case of a continuing taxable activity from one year to the next*, taxpayers are required to declare and pay the business licence contribution in a single instalment, within two (2) months from the start of the fiscal year. Payment must therefore be made no later than 28 February of the relevant year;

⇒ *Where the taxpayer exits a legally established temporary exemption period,* a period of two (2) months from the end of said exemption is granted for declaration and payment of the contribution.

It should be noted that exemption periods are assessed on a calendar-year basis, from 1 January to 31 December, and not on a rolling basis from the date of activity commencement.

95. The declaration of the business licence must be submitted exclusively online, using the electronic form provided by the tax administration via the tele-declaration application. Paper-based declarations are no longer accepted.

96. Payment of the business licence must be made in a single instalment covering the entire tax year, within the deadlines mentioned above.

97. No partial or instalment payments are permitted, except under exceptional circumstances and subject to express derogation granted by the tax administration upon submission of duly justified grounds.

98. Payment of the business licence contribution shall be made exclusively on the basis of a tax assessment notice generated by the State tax administration's digital system. The electronic tax notice constitutes the sole valid instrument for making the payment.

99. The business licence shall be paid using one of the authorised payment methods, as provided for in Section M7 of the Manual of Tax Procedure.

VIII. Sections C-23 and C-24. – Sanctions

100. The sanctions regime applicable to the business licence contribution comprises two distinct components: (i) the application of late payment penalties, and (ii) the implementation of the assessment by default procedure (arbitrary assessment).

⇒ Late payment penalties (Section 23 of the Law on Local Taxation)

101. Any taxpayer who fails to pay the business licence within the legal deadlines is subject to a penalty of 10% per month of delay, calculated on the remaining amount due. This penalty:

- applies fromfirst day after the payment deadline;
- is due for each full month of delay, without splitting.

102. The cumulative amount of late payment penalties is capped at thirty percent (30%) of the principal tax due. Once this threshold is reached, no further penalties may accrue, irrespective of whether payment has subsequently been made.

⇒ Assessment by default (arbitrary assessment)

103. Any taxpayer engaged in an activity subject to the business licence contribution who fails to comply with the declaration and payment obligations is liable to be assessed ex officio for the entire fiscal year, in accordance with the provisions of Section L29 of the Tax Procedure Code.

104. For the proper implementation of the assessment by default procedure in matters relating to the business licence contribution, tax services shall refer to the guidelines set forth in Circular No. 00000391/MINFI/DGI/DC/CCX of 16 December 2017, establishing the operational modalities for the enforcement of such procedure.

105. Where a taxpayer is subject to assessment by default, the resulting tax assessment shall be automatically increased by a surcharge of one hundred percent (100%) of the principal amount. In the event of repeated default by the same taxpayer, the surcharge shall be raised to one hundred and fifty percent (150%).

CHAPTER II: THE LICENCE FEE

I. Sections C 25-C 28.- The scope of the licence fee

106. The Law on Local Taxation maintains the liability to the licence fee for all natural or legal persons holding an authorisation to sell, either wholesale or retail, or to manufacture alcoholic or non-alcoholic beverages.

107. The following are therefore considered to be beverages :

- **for non-alcoholic beverages non-alcoholic** :

  ✓ beer with a zero alcohol content, resulting from the fermentation of a wort made from malt, barley or rice, hops and water ;

  ✓ cider, perry, from the fermentation of fresh apple and pear juice and, in general, all fermented juices of fresh fruit, including: lemon, orange, pineapple, raspberry, pomegranate, with the express exclusion of wine.

- **for non-alcoholic beverages Alcoholic** : beers, wines, liqueurs and all other beverages other than those mentioned above.

108. It is recalled that, in accordance with the provisions of Section C 28 of the Law on Local Taxation, licences are exempt from the contribution of :

- the production and sale of mineral waters;

- the production and sale of carbonated waters, flavoured or not by non-alcoholic extracts;

- the sale of fresh unfermented fruit juices.

109. Exemption is subject to the condition that the production and sales activities listed in the above point are carried out in an establishment distinct and separate from the one in which activities are carried on that give rise to the licence contribution.

110. The tax administration must therefore ensure strict compliance with this condition of separate and distinct exercise during tax audits.

111. Furthermore, the law on local taxation has broadened the scope of the licence contribution to the following operations:

- the manufacture or sale of firearms, ammunition and explosives.
- gambling and entertainment. This category includes games which, under whatever name:
  - are based on the expectation of gain, in kind or in cash, that can be acquired by lot or by any other means;
  - are intended exclusively for entertainment.

II. Section C 29.- Liability to the licence fee

a. The Annual and personal nature of the licence fee

112. Section C 29, paragraph 1, of the Law on Local Taxation maintains the dual principle of annuality and personal nature of the licences fee. Pursuant to this provision, which renews the previous rules, it isexpressly recalledthat:

- the contribution is dueunderthe entire calendar year. Any cessation or commencement of activity during the year does not exempt the taxpayer from his obligation for the full year.Consequently, any fraction of a year of operation entails the payment of the entire annual contribution;
- The contribution is levied individually on each taxpayer, whether a natural or legal person, on account of the operation of an activity falling within its scope.

b. Liability by establishment

113. The new Law on Local Taxation also reaffirms the principle of liability to the licence contribution on a per-establishment basis.

114. For the purposes of the licence fee, an "establishment" shall be understood to mean any place where an activity subject to the said contribution is carried out. This includes commercial premises, factories, offices, worksites, or any other fixed installation where the activity is effectively conducted, whether on a permanent or temporary basis.

III. Sections C 30-C 34 and C 37.- Assessment of the licence fee

115. For purposes of determining the licence fee, it is necessary to distinguish whether the activity concerned falls under the business licence regime or under the Comprehensive Tax Regime (*CTR*).

a. Activities under the business locence regime

116. For activities falling within the scope of the business licence regime, the amount of the licence contribution is calculated by applying a multiplier coefficient to the principal amount of the business licence due for the activity in question. The applicable coefficients are as follows:

- **Production and/or distribution of non-alcoholic beverages**: The licence contribution is equal to two (2) times the amount of the business licence contribution.

  Example 1: A company whose principal activity is the manufacture and sale of fruit juice is liable for a business licence of CFAF 500,000. Its licence fee will therefore be: **500,000 × 2 = CFAF 1,000,000.**

  Example 2: An establishment engaged in the retail sale of non-alcoholic beverages and liable for a business licence of CFAF 150,000 shall be required to pay a licence fee of: **150,000 × 2 = CFAF 300,000.**

- **Production and/or distribution of alcoholic beverages, firearms, ammunition, explosives, as well as gambling and entertainment activities**: The licence contribution is equal to four (4) times the amount of the business licence contribution.

  Example 3: A brewing company owing a business licence contribution of CFAF 800,000 shall pay a licence contribution of: **800,000 × 4 = CFAF 3,200,000.**

  Example 4: A bar selling alcoholic beverages, with a business licence contribution of CFAF 250,000, shall owe a licence contribution of: **250,000 × 4 = CFAF 1,000,000.**

  Example 5: A company engaged in the trade of firearms, subject to a business licence of CFAF 600,000, shall pay a licence fee of: **600,000 × 4 = CFAF 2,400,000.**

  Example 6: An establishment operating games of chance, with a business licence of CFAF 1,200,000, shall owe a licence fee of: **1,200,000 × 4 = CFAF 4,800,000.**

b. Activities subject to the Comprehensive Tax Regime (CTR)

117. For taxpayers subject to the Comprehensive Tax regime, the amount of the licence fee is determined by applying a multiplier coefficient to the amount of Comprehensive Tax due in respect of the relevant activity.

- **Production and/or distribution of non-alcoholic beverages:** The applicable rate is one (1) time the amount of Comprehensive Tax.

    - *Example 7:* A small retailer selling non-alcoholic beverages and liable for an annual Comprehensive Tax of CFAF 80,000 shall owe a licence contribution of: **80,000 × 1 = CFAF 80,000**.

- **Production and/or distribution of alcoholic beverages, firearms, ammunition, explosives, as well as gambling and entertainment activities: The applicable rate is two (2) times the amount of Comprehensive Tax.**

    - *Example 8:* A small bar selling alcoholic beverages and subject to a Comprehensive Tax of CFAF 120,000 shall owe a licence contribution of: **120,000 × 2 = CFAF 240,000**.

118. It should be recalled that Section C34 of the Law on Local Taxation extends, by legal effect, the definition of "sale." This extension entails the obligation to include, in the turnover serving as the assessment base for the licence contribution, a number of operations which, although not sales in the traditional sense, nonetheless reflect an underlying economic activity that must be taken into account.

119. The absence of a direct and immediate financial transaction shall in no case justify the exclusion of such operations from the taxable base. Accordingly, the following transactions are deemed to constitute sales and must, without exception, be included in the taxable turnover:

- Free distributions: Any free distribution of goods or services linked to a licensed activity is presumed to constitute a sale. The absence of monetary consideration has no bearing on the tax treatment.

- Commercial discounts: In the case of a sale of goods or services with a price reduction—regardless of its designation or rationale (rebate, discount, markdown, cash reduction, etc.)—only the nominal value of the good or service prior to any reduction shall be included in the taxable turnover. No form of reduction may be deducted from the turnover used to assess the licence contribution.

- Barter and exchange transactions: Transactions involving the exchange of goods or services without express monetary consideration must be monetarily valued and included in turnover at their fair market value.

- Withdrawals for personal consumption: Goods or services withdrawn by the operator, shareholders, or staff of the business for personal use are legally deemed to have been sold and must be included in the taxable turnover, irrespective of whether any payment was made. The absence of financial consideration does not exempt the business from its tax liability.

c. The case of multiple activities

120. Section C31 of the Law on Local Taxation addresses the situation of taxpayers who, within a single establishment, simultaneously carry out an activity subject to the licence fee alongside one or more activities that are not subject to such contribution.

- **Principle of specialisation of the tax base**

121. In such cases of combined activities, the licence contribution is assessed solely on the turnover generated from the activity subject to the licence. Turnover from other activities not subject to the licence contribution shall be excluded from the taxable base.

- **Taxpayer obligations**

122. Taxpayers concerned by the provisions of Section C31 must be able to produce documentation clearly distinguishing the turnover attributable to the licensed activity from that of the other activities carried out within the same establishment.

123. In the absence of a formal cost accounting system, which may be justified by the taxpayer's size, any objective, relevant, verifiable, and documented allocation key may be used. This allocation method must reflect the nature of the activities conducted and must be applied consistently across fiscal years, unless duly justified by significant operational changes. Examples of acceptable allocation keys include:

- the surface area of the premises allocated to each activity;
- the number of transactions or customers in each activity;
- any other method that is probative and adapted to the specific situation of the company.

- **Tax administration oversight**

124. The tax administration is entitled to verify the regularity and accuracy of the taxpayer's accounts, as well as the reliability and justification of the method used to determine the taxable turnover.

125. In cases of concealed turnover, the tax administration may reassess the tax base and apply the penalties provided under the applicable tax legislation, including interest for late payment, surcharges, and fines.

d. The case of taxpayers engaged in several activities laible to the licence

126. Where a single establishment carries out several activities falling under different licence categories, Section C33 of the Law on Local Taxation establishes the principle that the highest applicable licence rate shall prevail.

127. In such cases, the taxpayer must first identify all activities within the establishment that are subject to the licence. The taxpayer must then determine, for each activity, the applicable licence category and rate, in accordance with the provisions of Section C30 of the Law on Local Taxation and its implementing regulations.

128. The applicable licence for the entire establishment shall be the one carrying the highest monetary value, calculated according to the applicable rules for the relevant category.

129. Once the highest licence rate is determined, it shall be applied to the total turnover of the establishment, covering all activities. There shall be no breakdown of turnover by activity for the purpose of applying different rates. This scenario must be clearly distinguished from that addressed under Section C31, which concerns the coexistence of licensed and non-licensed activities, and where only the turnover of the licensed activity is included in the taxable base.

Illustrations:

- *Example 1:* An establishment operates both as a bar (alcoholic beverage sales) and as a gaming venue. Since the licence for gaming activities is higher than that for bars, the "gaming" licence shall apply and will be calculated on the total turnover of the establishment (bar + games).

- *Example 2:* A business simultaneously sells non-alcoholic beverages and firearms. As the licence for firearms carries a higher rate, the "firearms" licence will apply and will be assessed on the total turnover of the establishment.

130. For taxpayers affiliated with an Accredited Management Centre (AMC), the applicable licence contribution rates shall be reduced by half.

IV. Sections C 35-C 36.- Miscellaneous and transitional provisions

a. Section C35 – Autonomy and cumulation of the licence fee

131. The payment of the licence fee constitutes a distinct and autonomous obligation from that of the business licence contribution or the Comprehensive Tax. Liability to the licence fee shall in no case exempt the taxpayer from the obligation to pay the business licence or the Comprehensive Tax, where the conditions for those levies are met. Each tax retains its own assessment base and legal regime.

132. Accordingly, the taxpayer is required to pay:

- **the licence fee**, assessed in accordance with the provisions of Sections C30 and following of the Law on Local Taxation, based on the turnover generated from the activity subject to the fee (or, in the case of multiple licensed activities, according to the rules set out in Section C33);

- **and, cumulatively**, the business licence or the Comprehensive Tax, assessed according to the specific rules applicable to each levy, on the basis of the turnover, or other relevant tax base, generated from the taxpayer's overall commercial activity.

133. No exemption, credit, or offset is permitted between these distinct tax obligations. The licence fee, the business licence contribution, and the Comprehensive Tax remain separate and independent fiscal liabilities, each assessed and collected according to its respective legal and procedural framework, with no cross-adjustment or compensatory mechanism between them.

b. Section C36 – Application of the rules governing the contribution of the business icences and the comprehensive tax to the licence fee

134. Unless expressly provided otherwise by the Law on Local Taxation, all rules, procedures, and legal guarantees applicable to the business licence contribution and the Comprehensive Tax shall apply mutatis mutandis to the licence fee. This includes, in particular:

- the general principles of taxation;
- the legal definition of an establishment;
- the declaratory obligations of taxpayers (content, format, deadlines);
- the methods of audit and verification by the tax administration;
- the procedures for establishing the tax liability (tax notices, notices of assessment, etc.).

c. Sanctions

135. It is recalled that engaging in an activity subject to the licence fee without first obtaining the required administrative authorisation (licence), and without payment of the fee, constitutes a violation subject to assessment by default. In such cases, the resulting tax liability shall be increased by a penalty of one hundred percent (100%).

136. Likewise, where a taxpayer engages in an activity falling within a higher licence fee category than initially declared, the unpaid difference shall be subject to recovery, together with the penalties provided under the Manual of Tax Procedures.

CHAPTER III: THE COMPREHENSIVE TAX

137. The local taxation law establishes the *Comprehensive Tax Regime (CTR)*, which replaces the former simplified and global (discharge) tax regimes previously in force.

I. Section C38.- General provisions relating to the comprehensive tax regime (CTR)

138. The Synthetic General Tax (IGS) is of a discharge tax. As a result, taxpayers covered by this regime are exempt, in respect of the activities covered by the IGS, from the following taxes:

- the business licence;
- the Value Added Tax (VAT);
- the Personal Income Tax (PIT) for Industrial and Commercial Profits;
- the Personal Income Tax (PIT) on agricultural profits.

139. Notwithstanding its discharge nature, Section C 38, paragraph 2 of the Law on Local Taxation provides that taxpayers subject to the IGS remain subject to:

- taxes and fees for services rendered;
- The licence fee;
- withholding taxes and duties on their invoicing to entities authorized to withhold at source.
- social security and tax deductions related to the remuneration of their staff;
- any other withholdings made to third parties such as withholding tax, special income tax, etc. ;
- registration fees relating to lease contracts relating to premises or spaces rented for operating purposes.

140. In such cases, the assessment base, applicable rates, and collection procedures for the above-mentioned obligations remain governed by the common tax law applicable to all taxpayers.

141. Liability to the CTR does not exempt individual taxpayers from their annual tax return filing obligations. They remain required to file an annual personal income tax return in accordance with section 74 of the General Tax Code (GTC), following the conditions and procedures therein.

142. Similarly, taxpayers subject to the CTR with a turnover equal to or greater than ten million (10,000,000) CFA francs are required, pursuant to Section C 44 (1) of the Law on Local Taxation, to submit an annual declaration before 15 May of each year, according to the model put online by the tax authorities.

II. Section C 39.- Scope of application

a. Taxable persons

143. In accordance with the provisions of Section C 39 of the law on local taxation, the following are subject to the CTR, taxpayers who meet the following two conditions:

- carry out, as a main or secondary activity, an economic activity falling within one of the following four categories :
  - Commercial activity: The concept of commercial activity is understood in a broad sense and encompasses all transactions involving the purchase and resale of movable or immovable property, as well as the provision of services;
  - industrial activity;
  - craft activity;
  - agropastoral activity.
- not be subject to the actual tax regime.

144. However, the actual regime automatically falls under the and are therefore excluded from the scope of the IGS:

- holders of notarial offices;
- liberal professionals, regardless of the amount of their annual turnover.

145. As a reminder, Pursuant to the provisions of Section 93 c of the General Tax Code, the following are subject to the actual regime and therefore excluded from the IGS regime:

- sole proprietorships and legal entities with a turnover annual tax excluding taxes equal to or greater than 50 million CFA francs;
- regardless of their turnover, new taxpayers in the oil, mining, gas, credit, microfinance, insurance and mobile phone sectors;
- New taxpayers who can prove approval under one of the regimes of Law No. 2013/004 of 18 April 2013 establishing incentives for private investment in the Republic of Cameroon;
- holders of notarial offices;
- on the express derogation granted by the Director General of Taxation, new taxpayers Justifying an investment programme duly validated by the tax authorities, or an order for an amount greater than one hundred million (100,000,000) CFA francs.

b. Considerations regarding turnover threshold for eligibility under the Comprehensive Tax Regime (CTR)

146. The assessment of whether the turnover threshold of fifty million (50,000,000) CFA francs is met is based on the preceding calendar year. Accordingly, a taxpayer's eligibility for the Comprehensive Tax Regime (CTR) in year N is determined by the amount of turnover, excluding taxes, realized during year N-1.

147. If the taxpayer exceeds the statutory turnover threshold of fifty million (50,000,000) CFA francs during a given calendar year, they are automatically reclassified under the standard taxation regime, pursuant to the provisions of Article C 48 of the Local Taxation Law.

148. Conversely, if a taxpayer under the standard taxation regime reports an annual turnover, excluding taxes, of less than 50 million CFA francs, they remain under that regime for an additional two years. After this period—and where applicable, following a general tax audit—the taxpayer may transition to the CTR if their turnover remains below the 50 million CFA francs threshold.

149. In cases where an individual taxpayer simultaneously carries out activities subject to the CTR and other activities subject to different tax regimes, only the turnover specifically attributable to activities falling within the scope of the CTR is considered for the purpose of evaluating the fifty million (50,000,000) CFA francs threshold. Income derived from other activities not covered by the CTR remains subject to the applicable standard taxation rules.

Illustration:

Mr. Jean TALLA is an individual residing in Yaoundé. During the calendar year N-1, he carried out the following two activities:

- **Main activity:** retail trade of food products. Mr. TALLA operates a general grocery store in the Mvog-Mbi neighborhood. The turnover, excluding taxes, generated from this commercial activity in year N-1 amounts to 35,000,000 CFA francs.

- **Secondary activity:** rental of residential apartments. Mr. TALLA owns two apartments that he rents to private individuals for residential purposes. The gross rental income derived from this civil activity in year N-1 amounts to 20,000,000 CFA francs.

Analysis with respect to eligibility for the Comprehensive Tax Regime (CTR):

- **Nature of the activities carried out:**

  - The retail trade of food products qualifies as a commercial activity, expressly covered under Article C 39 of the Local Taxation Law for the purposes of applying the CTR.

  - The rental of residential apartments to private individuals constitutes real estate income, which is not listed under Article C 39 as falling within the scope of the CTR.

- **Assessment of the turnover threshold:**

  - Only the turnover from the commercial activity (grocery store) is considered when assessing whether the 50,000,000 CFA francs threshold for the CTR is met.

  - The rental income, being part of a separate tax category (real estate income), is excluded from the turnover calculation for CTR eligibility purposes.

III. Section C 40.- Rukes governing the assessment of the CTR

a. Section C 40 (1). – The tax base and rate of the CTR

i. The tax base

150. Pursuant to the provisions of Section C 40, paragraph 1 of the Local Taxation Law, the Comprehensive Tax Regime (CTR) is assessed based on the taxpayer's annual turnover, exclusive of taxes.

151. For existing businesses, the turnover taken into account is that actually generated during the calendar year preceding the year of taxation (year N–1), for the purpose of determining eligibility under the CTR.

152. For newly established businesses, which by definition have no prior turnover, the projected turnover declared by the taxpayer at the time of business registration is used to assess eligibility under the CTR.

153. In all cases, the tax administration reserves the right to audit the projected turnover declared and to adjust where necessary. Such audit shall be conducted based on the nature of the activity, prevailing market conditions, and any relevant information available to the administration. In the event of an underreported turnover, the administration may reclassify the taxpayer under the appropriate tax regime, effective from the commencement of business activity.

154. It is further specified that, for taxpayers operating in sectors with regulated margins, as listed in Section 21 of the General Tax Code, the turnover to be retained for purposes of CTR assessment shall be the gross margin realized. The same rule applies to the distribution of beverages.

ii. CTR rates

155. The CTR is assessed annually based on a progressive schedule set forth in Section C 40, paragraph 1 of the Local Taxation Law, and determined according to the range of annual turnover generated:

Class	Revenue Range (FCFA)	Annual amount to be paid (FCFA)
1.	Less than 500 thousand	**20 000**
2.	Equal to or greater than 500 thousand and less than 1 million	**30 000**
3.	Equal to or greater than 1 million and less than 1.5 million	**40 000**
4.	Equal to or greater than 1.5 million and less than 2 million	**50 000**
5.	Equal to or greater than 2 million and less than 2.5 million	**60 000**
6.	Equal to or greater than 2.5 million and less than 5 million	**150 000**
7.	Equal to or greater than 5 million and less than 10 million	**300 000**
8.	Equal to or greater than 10 million and less than 20 million	**500 000**
9.	Equal to or greater than 20 million and less than 30 million	**1 000 000**
10.	Equal to or greater than 30 million and less than 50 million	**2 000 000**

b. <u>Section C 40 (2).-</u> The specific case of members of Accredited Management Centres (AMCs)

156. Taxpayers who are members of an Accredited Management Centre are entitled to a 50% reduction in the rates applicable under the Comprehensive Tax Regime (CTR), as outlined in the preceding section. This reduction is granted automatically to taxpayers who can prove their membership in an AMC at the time of CTR assessment and payment. The up-to-date list of AMC members is published on the official website of the Tax Administration (DGT).

<u>Illustration</u> :

Madam Marie EYENGA operates a ready-to-wear clothing business at the Central Market in Yaoundé. She falls under the Comprehensive Tax Regime (CTR) and is subject to mandatory bookkeeping due to the nature of her activity.

In fiscal year N–1, Madam EYENGA reported an annual turnover excluding taxes of XAF 8,000,000.

Analysis and calculation of the CTR:

1. **Determination of the applicable IGS rate (without CGA):**

- According to the CTR rate schedule provided in Section C 40 of the Local Taxation Law, a turnover of XAF 8,000,000 falls within Class 7 (greater than or equal to XAF 5,000,000 and less than XAF 10,000,000).

- The fixed CTR amount for Class 7 is XAF 300,000.

=> CTR to be paid without membership of a CGA: 300,000 CFA francs.

2. **Application of the reduction in the case of membership of an AMC:**

- Madam EYENGA decides to join a CGA to benefit from member advantages, including professional support and tax reductions.

- Under Section C 40, paragraph 2 of the Local Taxation Law, CTR rates are halved for taxpayers subject to bookkeeping obligations who are affiliated with a CGA.

- The applicable discount is therefore: XAF 300,000 ÷ 2 = XAF 150,000.

=> CTR payable with CGA membership: XAF 300,000 – XAF 150,000 = XAF 150,000.

IV. <u>Sections C 41-C 42</u>.- Declaration and assessment of the CTR

157. In accordance with the provisions of Section C 42 of the Local Taxation Law, the CTR is payable on a per-establishment basis when a single taxpayer operates multiple business establishments.

158. The principle of CTR liability by establishment implies that each establishment, considered as an autonomous economic unit carrying out a distinct activity, is treated as a separate taxable entity for CTR purposes. As a result, the CTR must be assessed and calculated independently for each establishment, based solely on the turnover generated by the activity conducted within that specific location.

159. Pursuant to Section C 41 of the Local Taxation Law, taxpayers under the Comprehensive Tax Regime (CTR) are subject to a declaration regime comprising the following elements:

- An annual advance declaration, which serves as the standard method of declaring CTR liability. However, taxpayers may opt instead for a quarterly declaration and payment regime;

- An annual summary return, submitted at the end of the fiscal year, to regularize the information declared and payments made throughout the period, based on the actual turnover recorded.

a. Early payment of the IGS

160. In accordance with the provisions of Section C 41 of the Local Taxation Law, taxpayers subject to the Comprehensive Tax Regime (CTR) are required to file an annual advance declaration for this levy no later than April 15 of the tax year.

161. This declaration entails the immediate payment of the corresponding tax liability.

162. Notwithstanding the provisions relating to the annual declaration of income, the CTR may also be declared and paid on a quarterly basis. Each calendar quarter constitutes a separate tax period for CTR purposes and requires a distinct declaration and corresponding payment.

163. The deadline for the declaration and payment of the CTR is set at fifteen (15) days following the end of each calendar quarter. The quarterly payment deadlines are as follows:

- For the first quarter (January–March): no later than April 15;
- For the second quarter (April–June): no later than July 15;
- For the third quarter (July–September): no later than October 15;
- For the fourth quarter (October–December): no later than January 15 of the following year.

164. The declaration of the Comprehensive Tax Regime (CTR) must be submitted exclusively via electronic means, using the official template prescribed by the Tax Administration, accessible through the website of the General Directorate of Taxation: [www.impots.cm].

165. The option to pay the full annual tax liability in a single advance payment is exercised within the online filing interface. A dedicated field is provided in the electronic form, allowing the taxpayer to indicate their intention to pay the CTR as a lump sum. Taxpayers must complete this field accurately if they choose the single annual payment option. If no explicit choice is made in the application, the quarterly payment regime will automatically apply.

b. The annual summary declaration of the CTR

166. The annual summary declaration of the Comprehensive Tax Regime (CTR) must be filed exclusively online, using the electronic template made available by the Tax Administration. The submission of paper-based declarations is expressly prohibited. This declaration must be submitted no later than 15 May of each year.

167. The standardised form, which is the sole authorised format, is accessible via the official website of the General Directorate of Taxation: [www.impots.cm]. All data entry and transmission of the declaration must be carried out through this online form.

168. Upon successful electronic filing, the system immediately issues a digital acknowledgement of receipt. This electronic document serves as formal proof that the declaration has been received by the Tax Administration and constitutes evidence of compliance with the reporting obligation.

169. The electronic filing process automatically generates a notice of assessment indicating the amount of CTR payable.

170. The annual summary declaration may give rise to adjustments, initiated either by the Tax Administration or by the taxpayer.

171. Where the taxpayer voluntarily initiates an adjustment, they are required to clearly state any **excess turnover** in their annual summary declaration and to **spontaneously pay** the corresponding additional tax. In such cases, no penalties shall be applied.

172. In parallel, the Tax Administration reserves the right to **audit and adjust** the CTR. The review and verification of the annual summary declaration serve as an essential mechanism to ensure the accuracy and consistency of the information reported.

c. Obligation to withhold at source

173. It is recalled that taxpayers under the Comprehensive Tax Regime (CTR) are required to withhold at source the taxes applicable to salaries and wages paid, as well as the rent withholding tax.

174. Amounts withheld must be remitted concurrently with the CTR payment, on a quarterly basis.

175. However, taxpayers may elect to remit such withholdings on a monthly basis, in which case the payment must be made no later than the 15th day of the month following the month in which the withholding was effected.

d. Specific reporting requirements applicable to taxpayers with several establishments and adjustment procedures

176. Taxpayers under the Comprehensive Tax Regime (CTR) who operate multiple establishments located within the jurisdiction of different tax centres are required to submit a single advance declaration (annual or quarterly), centralized at the Local Tax Centre for Individuals where their principal establishment is located.

177. The principal establishment refers to the business's actual headquarters or administrative management office. In the absence of a clearly identifiable place of effective management, the principal establishment is the one formally designated as such by the taxpayer through a declaration submitted to the Tax Administration. Any filing of the annual summary declaration with a tax centre other than that of the principal establishment shall be deemed non-compliant.

178. The declaration must include a breakdown of turnover by establishment, enabling the correct allocation of tax liability to each entity.

179. Based on this information, the tax administration's information system automatically distributes the CTR proceeds among the various municipalities where the taxpayer's establishments are located.

180. This breakdown requirement also applies to the annual summary declaration, which must accurately reflect the actual turnover generated by each establishment during the fiscal year.

181. The declaration must fully and accurately itemize the turnover realized by the taxpayer in each of their establishments over the calendar year, establishment by establishment.

182. A taxpayer with multiple establishments is permitted to initiate a voluntary adjustment when they observe, during the preparation of their annual summary declaration, that the aggregate turnover of their establishments exceeds the total turnover previously declared on a quarterly basis for each establishment.

183. In such cases, the taxpayer must take the initiative to regularize their situation by explicitly indicating the excess turnover in the annual summary declaration and voluntarily paying the corresponding additional tax—without the imposition of penalties or late interest.

184. Independently of any voluntary action by the taxpayer, the Tax Administration reserves the right to initiate adjustment procedures for the CTR. To this end, the review and audit of the annual summary declaration serve as a key tool for verifying the consistency and accuracy of reported data.

185. Where such a review reveals discrepancies between the total turnover reported in the summary and the sum of the quarterly figures, the Tax Administration shall carry out the necessary adjustments in accordance with applicable legal and regulatory provisions.

V. Sections C 43-C 44.- Obligations of taxpayers subject to the CTR

i. General obligations

- **Obligation to Register**

186. Pursuant to Section C 43-1 of the Local Taxation Law, every person liable under the Comprehensive Tax Regime (CTR) is required to register in the national taxpayer database.

187. Registration must be carried out exclusively online via the official website of the General Directorate of Taxation: [www.impots.cm]. No other registration method—whether paper-based or through a third-party institution—is accepted. This electronic registration requirement applies automatically, even where the taxpayer benefits from a tax exemption regime.

188. Regional and Local Authorities (RLAs) are not authorised under any circumstances to register taxpayers for the CTR. RLAs must promptly forward any information or lists of potential CTR taxpayers in their possession to the Tax Administration, specifically to the territorially competent Local Tax Centre for Individuals (CFLP), to enable their proper registration in the national taxpayer database.

- **Obligation to Declare and Pay within Legal Deadlines**

189. Every person liable under the CTR is required to file tax returns and pay the corresponding tax within the prescribed legal deadlines.

- **Proof of Tax Compliance**

190. Under Section C 43-2 of the Local Taxation Law, all persons subject to the CTR must be able to demonstrate their tax compliance at any time. This proof is provided exclusively by presenting a valid Tax Compliance Certificate (TCC).

191. The TCC, issued by the Tax Administration under conditions and for the duration provided in Section L 94 bis of the General Tax Code (GTC), certifies that the taxpayer is in good standing with respect to CTR obligations as of the date of issuance. Presentation of the certificate upon request by the competent authorities constitutes a fundamental tax obligation.

- **Accounting obligations**

192. In accordance with Section C 44-1 of the Local Taxation Law, taxpayers under the CTR whose annual turnover equals or exceeds ten million (10,000,000) CFA francs are required to maintain accounting records in accordance with the minimum cash-basis accounting system provided for under the OHADA Uniform Act on Accounting Law and Financial Reporting.

193. The accounting records must be made available upon request by the competent tax authorities.

194. Refusal to present accounting records when requested by the Tax Administration constitutes a violation that may trigger the application of the sanctions outlined in Section C 47 of the Local Taxation Law, as detailed in the following section.

195. CTR taxpayers whose annual turnover exceeds ten million (10,000,000) CFA francs, excluding taxes, are also required to file a Statistical and Tax Return (STR) no later than 15 May of each year.

VI. Sections C 45-C 48.- Sanctions regime

i. Section C45 – Penalties in the event of default on time

196. Failure to pay amounts due under the Comprehensive Tax Regime (CTR) within the legal timeframes (either quarterly or in a single annual advance payment) gives rise to the following sanctions:

- **Immediate and automatic closure** of the concerned establishment(s): closure is enforced by the Tax Administration as of right, as soon as non-payment is established. This closure is immediate and results in the suspension of all economic activity on the premises until full compliance is restored;

- **A financial penalty of fifty percent (50%)** of the unpaid tax: in addition to closure, failure to pay within the prescribed deadlines results in a penalty equal to 50% of the outstanding tax. This penalty is in addition to the principal tax and any applicable late payment interest.

ii. Section C46.-Sanctions applicable in the event of failure to present the tax compliance certificate (TCC)

197. Failure to present a valid Tax Compliance Certificate (TCC) upon request by the tax authorities, as proof of CTR compliance, triggers the following cumulative sanctions:

- **Immediate closure of the establishment**: where the ACF is not presented during an inspection by the Tax Administration, the establishment is closed immediately. Activity may only resume upon full regularization and submission of the valid certificate;
- **A fixed tax fine of twenty-five thousand (25,000) CFA francs**, in addition to the closure. This fine is independent of any other penalties potentially applicable for separate tax breaches.

198. As an exception, and pursuant to Section C 46-2 of the Local Taxation Law, special sanctions apply to street vendors and professional transport operators (passenger or freight) who fail to present a valid ACF. These include:

- Seizure of non-perishable movable assets or the transport vehicle;
- Impoundment of the seized assets or vehicle by the municipal authorities.

199. It is emphasized that the TCC requirement applies only to professional operators engaged in commercial road transport. It does not apply to private individuals using vehicles for non-commercial and personal purposes.

iii. Section C 47.-Sanctions applicable in the event of failure to keep accounts

200. Taxpayers under the CTR who are legally required to maintain accounts and fail to do so are subject to the following cumulative sanctions:

- *Closure of the establishment*: failure to comply with accounting obligations results in the immediate closure of the establishment until accounting records have been properly set up;
- *A tax fine of one million (1,000,000) CFA francs*: this fine, which underscores the seriousness of the offence, is imposed in addition to the closure. It is separate from any penalties arising from other tax violations.

iv. Section C48 – Automatic transfer to the actual regime in the event that the threshold of 50 million CFA francs in turnover is exceeded

201. Where the Tax Administration establishes, based on conclusive evidence, that a CTR taxpayer has an annual turnover exceeding fifty million (50,000,000) CFA francs, the taxpayer is automatically reclassified under the standard tax regime, subject to business licence fee, income tax, and VAT obligations.

202. This reclassification takes effect as soon as the threshold breach is duly established by the Tax Administration.

203. A formal notification of the change in tax regime is issued to the taxpayer without delay. The reassignment becomes fully effective and legally binding from the date of notification, no grace period, transition phase, or special relief shall apply.

204. The new tax obligations resulting from this reclassification, including filing requirements and applicable accounting standards, are communicated to the taxpayer by the territorially competent tax centre.

VII. The specific case of distributors of beverages

205. By exception to the general rules above, the CTR payable by **beverage distributors** is assessed on the basis of the **gross margin** realized on sales, including any discounts or commissions received.

206. The **gross margin** is defined as the difference between the retail selling price (excluding taxes) and the purchase price (excluding taxes) of the goods or services, as per the pricing schedule approved by the beverage producer, plus any form of gratuities or commissions.

207. It is recalled that the **gross margin method** described in this section applies **exclusively to beverage distribution activities**. Beverage **producers** remain subject to the **general CTR rules**, the **business licence fee**, and the **licence fee**, all of which are based primarily on turnover.

VIII. Miscellaneous and transitional provisions

208. The tax provisions previously applicable to taxpayers under the now-abolished flat-rate and simplified tax regimes shall continue to apply mutatis mutandis to those falling under the Comprehensive Tax Regime (CTR), as specified in the General Tax Code.

CHAPTER IV: THE REAL ESTATE TAX

a. Section C 49.- General principles of the tax on land ownership

209. In accordance with the provisions of Section C49 –1 of the law on local taxation, the real estate tax is now due annually on all real estate properties, built or not, located on the territory of a municipality.

210. This extension of the scope of the real estate tax marks a substantial change compared to the previous regime governed by Section 577 of the General Tax Code, which limited the application of this levy only to properties located in the capitals of administrative units and certain specific agglomerations.

b. Section C49 –1.- Criteria for liability

211. Section C 49-1 of the Local Taxation law establishes distinct conditions for tax assessment based on the developed or undeveloped nature of immovable properties, specifically as follows:

- **Developed Properties:** The assessment of developed properties for the real estate tax is predicated upon the availability of fundamental infrastructure and public utilities servicing such properties. These include, but are not limited to, networks of paved or surfaced roadways, potable water distribution, electrical power supply, and/or telecommunication services.

  The mere presence of any single one of these infrastructures shall suffice to render the property laible to taxation.

- **Undeveloped Properties:** The assessment of undeveloped properties for the real estate tax remains contingent upon their geographic situs within the principal administrative centres (head quarters of administrative units).

212. In accordance with Section C 49-2 of the Law on Local Taxation, parcels of land located within urban fringe areas are also subject to the TPF.

213. An "urban fringe area" is defined as the transitional zone surrounding a municipality. It is characterized by lower-density urbanization that is actively developing, and it experiences a significant economic and social influence from the adjacent municipality.

214. The competent tax authorities must consult the official demarcations of urban fringe areas, as established and officially published by the relevant State and local government agencies.

c. <u>Section C 49 (3)</u>.- Real estate tax liability under the local taxation law.

215. Any natural or legal person demonstrating the capacity of proprietor of developed or undeveloped immovable property, including a de facto owner, shall be liable for the real estate tax.

216. The term "de facto owner" refers to any individual or entity who, despite lacking a formal title deed, acts in practice as the true possessor of proprietary rights over an immovable asset. This is evidenced, among other things, by the effective exercise of any prerogatives inherent to ownership, such as the right of use (*usus*) and the right to enjoy its fruits (*fructus*).

217. A de facto owner is also considered the person who assumes the charges and obligations ordinarily associated with ownership, including, but not limited to, its enjoyment, maintenance, and necessary repairs.

218. Consequently, the Tax Administration is empowered to levy and collect the TPF from any person who, without a formal proprietary instrument, effectively and overtly exercises the attributes of ownership over developed or undeveloped immovable property. The burden of proof for establishing de facto ownership rests with the Administration.

d. <u>Section C 49</u>.- Specific cases of liability to the real estate tax

219. Notwithstanding the general principle governing real estate tax liability, section C 49, paragraph 4, stipulates specific rules for situations where ownership rights over immovable property are separated or shared due to certain agreements or administrative authorizations that grant real property rights to different parties.

220. Section 220. Accordingly, in the case of an emphyteutic lease (a very long-term lease), a building lease (a lease for the purpose of construction), a rehabilitation lease (a lease for the purpose of property renovation), or a temporary occupation permit of public domain property that creates a real property right, the real estate tax shall be assessed, exclusively, in the name of the emphyteutic lessee, the building or rehabilitation lessee, or the holder of the temporary occupation permit. This applies even if the lessor or the competent authority retains ownership of the underlying land.

I. Section C50. – Exemptions from the real estate

221. Section C 50 of the Law on Local Taxation essentially includes the categories of properties exempt from the real estate tax provided for by the former Section 578 of the General Tax Code.

222. The following are exempt from the tax on land ownership: (REAL ESTATE TAX) the following property classes:

- **properties belonging to legal persons governed by public law**: State, Decentralized Local Authorities, Public Establishments;
- **properties assigned to public service missions**: public or private hospitals and schools;
- **the properties of religious bodies and associations recognised as being of public utility for non-profit use;**
- **industrial, agricultural and livestock construction and fishing (excluding offices)**: factories, sheds, storage warehouses;
- **the properties of international organizations** that have signed a headquarters agreement with Cameroon;
- **the properties of diplomatic representations**, on condition of reciprocity;
- **the properties of approved sports clubs, associations and bodies used for sports activities and sports infrastructure;**
- **land exclusively used for agriculture, livestock and/or fishing.** Exclusively affected land is defined as a plot of land whose main and permanent use is dedicated to one or more of the following activities: soil cultivation, animal breeding (of any kind), and/or fishing (in water), fresh, brackish or salt), to the exclusion of any other commercial, industrial, residential or recreational activity that is not directly and necessarily related to farming, livestock or fishing.

223. The benefit of tax exemptions is not contingent upon the prior issuance of a certificate from the Tax Administration. Taxpayers who determine that they meet the legal conditions for an exemption are required to expressly state this in their tax declaration.

The Information Technology Division of the Directorate General of Taxation (DGT) is responsible for configuring the DGI's information system to facilitate the declaration of these exemptions in accordance with established procedures.

224. The Tax Administration retains the right to conduct a post-declaration verification of the regularity of declared exemptions. Furthermore, where applicable, it may disallow any tax benefit unduly applied.

II. Section C 51- The chargeable event and due date for the real estate tax

i. Section C 51 (1).- Maintaining the previous rules relating to the chargeable event

225. Section C 51 of the Law on Local Taxation retains, without substantial legal modification, the provisions of former Section 579 of the General Tax Code (GTC) that were previously applicable regarding the taxable event for the Real Estate Tax.

226. As a reminder, the taxable event for the Real Estate Tax is constituted by the holding of the status of proprietor, whether *de jure* or *de facto*, of an immovable property falling within the scope of the tax as defined in the preceding sections of this Circular.

ii. Section C 51 (2).- Due date for payment

227. Pursuant to the provisions of Section C 51-2 of the Law on Local Taxation, the Real Estate Tax is due as of January 1st of the tax year. It must be settled by June 30th of each year, based on a tax return filed by the liable party or on a pre-filled tax return made available to taxpayers by the Tax Administration.

228. Notwithstanding the terms of the preceding paragraph, and pending the full transposition of Section C 51-2, in its version derived from the Finance Law for the 2025 fiscal year, into the General Tax Code, the payment of the Real Estate Tax for the 2025 fiscal year remains governed by the specific deadlines stipulated by former Section 579 of the General Tax Code, as amended by the said Finance Law for the 2025 fiscal year.

229. Furthermore, and pursuant to Section C 151 of the Law on Local Taxation, the payment of the Real Estate Tax due for the 2025 fiscal year shall continue to be governed by the deadlines stipulated in former Section 579 of the General Tax Code.

230. Per these transitional provisions, three distinct payment deadlines apply for the 2025 fiscal year, categorized by the liable parties as follows:

- **July 31, 2025:** For high-net worth individuals, and for employees of the public and parapublic sectors.
- **September 30, 2025:** For employees of private sector taxpayers falling under the purview of the LTO, the **MTO**, and the **Specialized Tax Centers**.
- **October 31, 2025:** For all other liable parties, including non-residents.

III. Sections C-52 and C-53- The determination of the basis of assessment for the real estate tax

i. Sections C 52 and C 53. - Base, reference values and rates

231. In contrast to the provisions of former Section 580 of the **General Tax Code**, which retained the "value of land and buildings" as the assessment criterion, the new Section C 52 of the Law on Local Taxation now establishes the criterion of the "value of the property determined according to its land zone."

232. Pursuant to Sections C 52 and C 53 of the Law on Local Taxation, a specific regulatory instrument defines the various existing land zones within each municipality or group of municipalities. This same instrument also establishes reference values for each land zone, itemized by property category (developed and undeveloped).

233. Furthermore, it prescribes the applicable rates of the Real Estate Tax, in accordance with the provisions of Section C 53 of the Law on Local Taxation.

ii. Transitional provisions relating to tax assessment

234. Pursuant to the provisions of Section C 151 of the Law on Local Taxation, which establishes the principle of the gradual implementation of its provisions, the assessment procedures for the Real Estate Tax (TPF) remain provisionally those previously in force.

235. In this regard, it is stipulated that these transitional assessment procedures are precisely defined by the provisions of Sections 580 and 581 of the **General Tax Code**, specifically by the application of a single rate of 0.1% on the value of the property (land and buildings).

236. The competent departments responsible for tax legislation and information technology within the Tax Administration, in close consultation with the Local Regional Authorities, are tasked with diligently ensuring the regular update of the mercurial values used as a basis for determining the reference property values. They are also responsible for ensuring that these updated mercurial values are effectively and regularly integrated into the information system of the Tax Administration.

IV. Section C55. - Miscellaneous provisions relating to the real estate tax

237. Section C 55 of the Law on Local Taxation establishes a series of specific obligations for liable parties of the Real Estate Tax.

a. Section C 55 (1).- Conditioning of the registration of real estate deeds to payment of the real estate tax

238. Pursuant to the provisions of Section C 55, paragraph 1, of the Law on Local Taxation, authentic deeds or private instruments concerning mortgages, transfers of ownership, or transfers of rights in real estate matters shall not be validly submitted for the registration formality with the competent services of the Tax Administration, unless express and prior

justification of the regular and full payment of the real estate tax pertaining to the immovable property directly concerned by the deed submitted for registration is provided.

239. As such, the mandatory production of a receipt for payment of the real estate tax, relating to the immovable property subject to the deed to be registered, is a prerequisite for the granting of the registration formality by the Tax Authorities.

b. <u>Section C 55 (2)</u>.- Conditioning of registration to the production of a REAL ESTATE TAX receipt or a certificate of tax compliance

240. The terms of Section C 55 (2) of the law on local taxation, any registration of a building in the land conservation register is conditional on the production of a receipt justifying the payment of the REAL ESTATE TAX relating to the said building, or, in the absence of effective liability for the tax, by the mandatory presentation of a certificate of tax compliance valid.

241. It is specified in this regard that only the joint or alternative production of one of these two documents (receipt of payment of the REAL ESTATE TAX and/or certificate of tax compliance) makes it possible to satisfy the legal prerequisite for any registration procedure Land.

c. <u>Section C 55 (3)</u>.- Obligation to deposit title deeds and similar documents by taxpayers and exempt persons

242. Section C 55 (3) of the law on local taxation, establishes an obligation declarative, which is imposed indiscriminately on both those actually liable for the real estate tax and persons benefiting from an exemption legally justified of the said tax.

243. The persons thus targeted are required, under penalty of tax penalties, to transmit electronically, through the online declaration platform dedicated to it, a duplicate conforming to the original title deeds of the buildings taxable or exempt, building permits, construction estimates, and any other similar official documents of a relevant and probative nature for the determination of the basis of assessment and the control of the real estate tax.

244. This deposit must be made within the legal period of one month following the official date of issue of the said documents.

d. <u>Section C 55 (4)</u>.- Obligation to transmit documents by the issuing services

245. Pursuant to the provisions of Section C 55 of the Law on Local Taxation, the departments issuing building permits, construction specifications and any other document relevant to the determination or control of the basis of assessment of the real estate tax, are required to send these documents to the tax authorities.

246. These services are also required, under the same penalties and sanctions, to systematically send a certified copy of the original of the title deeds, building permits, construction estimates, and all other equivalent official documents, to the territorially competent tax

service, within the legal period of three (03) days following the official date of their establishment.

247. The main objective of the essential data transmission is to ensure an exhaustive, reliable and systematic exchange of information in an optimal manner between the services issuing documents with a direct tax impact and the Tax Administration, in order to facilitate the precise and exhaustive identification of taxpayers potentially liable and the control of of the real estate tax base.

248. To this end, the Tax Investigations Division and the Division in charge of IT to co-develop Data exchange protocols with the services in charge of urban planning of the RLAs and the ministry in charge of the estates. These protocols should make it possible to Systematize the collection of relevant information relating to the real estate tax and facilitate exploitation by the tax authorities.

e. Section C 55 (5). - Solidarity of co-owners and co-owners in terms of payment

249. Section C 55 (5) of the Law on Local Taxation establishes joint and several payment in the event of multiple undivided owners or co-owners. Consequently, when the title deeds, building permits or any other reference document are drawn up in the name of a joint ownership, the co-owners are personally and severally liable for the immediate and full payment of the real estate tax.

250. The same rule of solidarity applies in the case of co-ownership. The co-owners are personally and jointly liable for the total amount of the real estate tax due, both for the common and private portions, including when the management of the building is carried out by a property manager.

CHAPTER V: PROPERTUY TRANFER TAX

251. Section C 57 of the Law on local taxation establishes, for councils, a property transfer tax on immovable property.

252. The essential procedures for the declaration and payment of the said property transfer tax remain those defined by the General Tax Code, specifically the mandatory filing of an online declaration on the digital platform of the Tax Administration.

253. Under the terms of Section C 57 of the Law on Local Taxation, **property transfer tax** on immovable property is applicable at the following rates:

- At the intermediate rate of 10%: for deeds and transfers of urban developed immovable property;
- At the average rate of 5%: for deeds and transfers of urban undeveloped and rural developed immovable property;
- At the reduced rate of 2%: for deeds and transfers of rural undeveloped immovable property;

- At the super-reduced rate of 1%: notwithstanding the provisions of Section 344 of the General Tax Code, for deeds and transfers of immovable property in favor of associations recognized as being of public utility and duly authorized religious organizations.

254. Under the provisions of Section 543 of the General Tax Code, residential leases concerning immovable property located in urban areas are subject to a registration duty at a rate of 2%. This rate is reduced to 1% when the immovable properties are located in rural areas.

255. Regarding commercial leases, the rate for registration duties is set at 10%, in accordance with the provisions of Section 341 of the General Tax Code.

CHAPTER VI: AUTOMOBILE STAMP DUTY

256. All the provisions governing the scope of application, the tariffs, the methods of collection, exemptions, and penalties relating to motor stamp duty remain unchanged and remain in constant application, in full compliance with the requirements of Sections 594 to 603 of the General Tax Code, as well as all the regulatory texts adopted for their application.

257. As a reminder, in accordance with Section 598 of the General Tax Code, insurance companies are designated as legally liable for motor stamp duty. They collect the right at the time of taking out the liability insurance policy, whether this subscription is made directly or through their agents or brokers.

258. The operative event is the possession of a vehicle in circulation, i.e. put on the road after registration, even if it is parked.

259. The automobile stamp duty is payable:

- at the end of the existing policy (renewal);
- when the vehicle is delivered or when crossing the customs cordon (new registration).

260. The automobile stamp duty is collected on the first annual purchase of the insurance policy, in a single payment, regardless of any splitting of the insurance premium. The issuance of the insurance certificate is subject to the prior payment of the automobile stamp duty.

261. In accordance with Section 597 of the General Tax Code, the previous automobile stamp duty tariffs were as follows:

- **Passenger and freight public transport vehicles** :
  - 02 to 07 HP: 15,000 FCFA;
  - 08 to 13 HP: 25,000 FCFA;
  - 14 to 20 HP: 50,000 CFA francs;
  - More than 20 HP: 150,000 FCFA.
- **Other vehicles** :
  - 02 to 07 HP: 30,000 FCFA;
  - 08 to 13 HP: 50,000 FCFA;
  - 14 to 20 HP: 75,000 CFA francs;

- More than 20 HP: 200,000 FCFA.

CHAPTER VII: ANNUAL FOREST ROYALTY

262. In accordance with the provisions of Section C 7 (1) of the law on local taxation, the basis of assessment of the FRG remains the surface area of the logging titles granted, including both Forest Management Units and the sale of standing volume permits.

263. As a reminder, and Pursuant to Section C71 –2 of the Law on Local Taxation, the FRG is made up of two distinct and cumulative components, namely:

- a legally fixed floor price: the floor price is a minimum and incompressible component of the foretry royalty, fixed by law and applicable to all logging titles. The amount of the floor price is differentiated according to the nature of the security, and is maintained at the following levels:
  - standing volume permits: two thousand five hundred (2,500) CFA francs per hectare;
  - concessions : one thousand (1,000) CFA francs per hectare;
  - these amounts constitute legal minimums and cannot be reduced or adjusted by the Tax Administration or the RLAs;
- a financial offer resulting from the procedure for the allocation of titles: the financial offer constitutes a variable component of the annual forest royalty, resulting from the procedure for the allocation of logging titles.

  When the candidates for the award of a title are put out to competition, the financial offers proposed by the tenderers are a decisive factor in the choice of the successful tenderer. The amount of the financial offer selected for each security is added to the legal floor price to determine the total amount of the FRG due for the said security.

264. The tax authorities must ensure that payment deadlines are strictly respected of the annual forestry royalty (15 March, 15 June, 15 September). Reminders and formal notices must be sent to taxpayers in the event of non-compliance with these deadlines. Automatic application of penalties delay and the initiation of recovery procedures must be systematically implemented in the event that payment deadlines are exceeded.

265. In accordance with Section C71 –4 of the law on local taxation, the revenue from the forest royalty is divided equally between the State and the municipalities, according to the following distribution key:

- State: fifty percent (50%) of the proceeds of the annual forestry royalty;
- Councils: fifty per cent (50%) of the product of the annual forestry royalty.

CHAPTER VIII: STAMP DUTY ON ADVERTISING

I. Scope

a. Section C 72.- Advertising media liable to the stamp duty on advertising

266. In accordance with the provisions of Section C 72 of the law on local taxation, are expressly subject to stamp duty on advertising The following media:

- Posters: any form of advertising poster on paper, protected or not, as long as it is installed for a period of more than six (06) months in public places or places open to the public, or visible from these places. Liability is independent of the existence of a fee or the absence thereof, and expressly excludes commercial signs;

- leaflets or leaflets: any document distributed free of charge to the public in public places or places open to the public, with or without payment and which is not of an exclusively technical nature. This category mainly targets promotional and commercial documents;

- advertising panels: any engraving or advertising inscription, illuminated or not, other than posters, installed in public places or places open to the public, or visible from these places, with or without a fee, and which does not constitute a commercial sign. This category encompasses a wide variety of fixed and permanent advertising devices;

- Advertising by press, radio, cinema, television and vehicles equipped with loudspeakers: any broadcasting of advertising messages by the traditional media (written press, radio, cinema, television) or by vehicles specifically equipped for the purpose of broadcasting advertising sound;

- Free distributions in the commercial context: any distribution free of charge samples, promotional products or gifts for the purposes of commercial promotion and sales development;

- any other material or intangible medium: this general formula aims to cover any advertising medium not expressly mentioned in the previous categories, whether physical media (advertising items, advertising, etc.). on street furniture) or intangible (online advertising, SMS advertising).

267. The tax authorities must carry out an exhaustive inventory of the advertising media present in their territorial jurisdiction, identifying precisely the nature of each medium, its location and the advertiser benefiting from the advertising. This inventory can be carried out by means of on-the-spot checks, the use of existing databases and spontaneous declarations by advertisers and advertising agencies.

268. The tax authorities must inform advertisers, advertising agencies, printers, cinema operators, radio and television stations and owners of advertising vehicles of their obligations on stamp duty on advertising. Awareness-raising actions, practical guides for declaration and payment must be made available to taxpayers to facilitate their compliance.

b. Section C 74 (4).- Exemptions

269. Section C 74 (4) of the law on local taxation renews the exemption stamp duty on advertising for illuminated signs and plaques placed on the facades of industrial and commercial establishments, with the aim of locating them.

270. Exemption is conditioned by two cumulative elements:

- the nature of the support: illuminated plaques and signs. Exemption applies exclusively to illuminated plates and signs affixed to the facades of industrial and commercial establishments. Other types of advertising media, whether illuminated or not, are excluded from the benefit of the exemption;

- The purpose: location of the establishment. Exemption is limited to signs whose purpose is to locate the industrial or commercial establishment. Signs with a promotional or advertising vocation that go beyond the simple function of location remain taxable. If there is any doubt about the purpose of a brand, it is advisable to refer to its content and the context in which it is located.

271. Particular attention must be paid to the distinction between exempt "commercial signs" and taxable advertising media. Commercial signs are those whose sole purpose is to locate an establishment commercial or industrial on its façade (professional plaque, logo affixed to a window).

II. Section C 74. - The procedures for the payment of stamp duty on advertising

272. The basis of assessment for stamp duty on advertising is made up of the total cost invoiced to the advertiser by the advertising agency or advertising consulting agency. This invoiced cost must include all expenses directly related to production and distribution advertising (design, printing, manufacturing, location rental, media insertion, distribution, etc.).

273. It is specified that the amount used as a basis for the calculation of stamp duty is the amount excluding tax (VAT).

274. The rate of stamp duty on advertising is 3%. It applies to the taxable base thus defined to calculate the amount of stamp duty payable. This tariff applies to all taxable advertising media referred to in Section C 72 of the law on local taxation, excluding advertising automobile and tobacco and beverages.

275. By way of derogation from the general tariff of 3%, section C74 –2 of the law on local taxation provides for a specific and flat-rate rate for advertising per motor vehicle, fixed as follows:

- vehicle with sound diffuser: thirty thousand (30,000) CFA francs per month and per vehicle;

- vehicle without sound broadcaster: twenty thousand (20,000) CFA francs per month and per vehicle.

276. Because of the public health issues attached to consumption of tobacco and alcohol, Section C74 –3 of the law on local taxation provides for a high rate of stamp duty on advertising for these products, set at fifteen percent (15%). This rate applies to all forms of advertising to promote tobacco and beverages including free distributions for promotional purposes.

277. The 15% rate applies to the invoiced cost of advertising on tobacco and beverages alcohol, according to the same calculation methods as for the general rate of 3% (stamp duty = Price excluding tax x 15%).

III. Section 75. The procedures for collecting stamp duty on advertising

278. Section C75 –1 of the Law on Local Taxation defines the terms of payment stamp duty on advertising distinguishing according to whether the advertiser is part of a specialized management unit or not:

- **for advertisers under specialized management units,** namely those under the LTO, the MTO and the Specialized Tax Centers, the payment of stamp duty on advertising is carried out by withholding tax.

  Taxpayers covered by the SKUs are thus responsible for withholding the amount of stamp duty at the time of payment for the advertising service and for remitting the sums thus collected to their tax office, in accordance with the same procedures as for other taxes, duties and charges (declaration and payment monthly);

- **for non-SKU advertisers,** payment stamp duty on advertising is paid through the intermediary of advertising agencies. Advertisers pay the stamp duty to the agency, which is responsible for collecting the amount of stamp duty and paying it to its tax office.

  Stamp duty on advertising collected by the company must be paid no later than the 15th of the month following that in which the duties were collected.

IV. Specific obligations

279. Printers of leaflets and posters established in Cameroon are subject to obligations to facilitate the control of stamp duty. They must keep a special register stamped and initialled by the department in charge of registration, on which they must record all the printing of posters and leaflets that they make. This register must mention, in particular, the identity of the advertiser, the nature and quantity of the printed media, the amount of stamp duty collected, and the payment references.

280. In addition, posters, leaflets and leaflets printed in Cameroon must bear the name of the printer and their serial number in the printing register corresponding to the stamp collected. These mandatory information are intended to ensure the traceability of the media and to facilitate the tax authorities' controls.

281. Users of posters, leaflets and leaflets printed outside Cameroon are required to submit a prior declaration to their tax office before importing these documents. This declaration must specify the nature and quantity of the imported media.

282. Payment stamp duty must be paid within one month of the entry of the media into Cameroon, at the tax office that received the prior declaration. No use of these documents is permitted until the stamp duty payable has been paid in full. These provisions aim to ensure the collection of stamp duty on imported advertisements before their broadcast on Cameroonian territory.

V. Section C 76.- Sanctions

283. Failure to comply with the provisions governing stamp duty on advertisingis subject to a specific regime of penalties broken down mainly as follows:

- **General Offence:** all Violation of the provisions relating tostamp duty on advertising is sanctionedby thecumulative applicationof afine the amount of which is not specified,andof aAdditional fee,with a minimum expressly set at the amountof theFee initially payable for the advertising medium concerned;

- **Lack of register or receipt:** Theabsence fromproductionof theMandatory registration orof thereceipt attesting to its existence is liableof afine Lump sumof fifty thousand (50 000) CFA francs,Matchingof adaily on-call dutyfrom five thousand (5,000) CFA francs,applicable until the actual production of the said register or receipt duly drawn up;

- **Late filing of registers for visa:** theFailure to presentsomeregisters approved by the competent services,in the calendar quarter following the quarter in whichtheadvertising was carried out,is sanctionedby afinefromfive thousand (5,000) CFA francs per visa omitted,applicable to each register that has not been submitted within the prescribed time limits;

- **omission of payment references In the register:** theFailure to mention,for each item listedatregistersomeReferences attesting toof theRegular paymentof theStamp duty on advertising is liableof afinefromtwo thousand (2,000) CFA francs per citation omitted,for each omission found in the register;

- **omission of the printer's name and serial number on advertising media** : theFailure to mention,on every poster, leaflet or leafletof thenameof thePrinter responsible for printing,as well asof theCorresponding serial numberto theadvertising within its register,is sanctionedby afinefromtwo thousand (2,000) CFA francs per omission and per advertising medium(poster, leaflet or leaflet) ;

- **seizure and destruction of non-compliant advertising media:** posters, leaflets or leaflets presenting one or more contraventions of the provisions of the law on local taxation are likely to be seized on a report of offence, and subsequently destroyed within three (03) months of their seizure, in the presence of a commission set up for this

purpose, the composition and operating procedures of which are determined by regulation;

- **Liability of the billboard in the event of flagrante delicto:**in the event that a display istakenin the act of irregular posting (without payment in a public place or open to the public, it will be theSole debtorfull payment of duties and penalties payable in respect of such publicity Irregular.

CHAPTER IX: TOURIST TAX

284. Section C 77 of the law on local taxation fully renews the legal framework governing the Tourist Tax. Consequently, both the basis of assessment of the said tax and its methods of declaration, collection and control remain unchanged. In this respect, the tax services are called upon to refer to the provisions of Sections 221 et seq. of the General Tax Code, as detailed in the circular specifying the terms and conditions of application of the 2017 Finance Law.

285. As a reminder, the rates of the tourist tax are set as follows:

- 5-star hotels: CFA francs 5,000 per night;
- 4-star hotels: CFA F 4,000 per night;
- 3-star hotels: CFA francs 3,000 per night;
- furnished establishments and other gîtes: CFA francs 2,000 per night;
- 2-star hotels: CFA francs 1,000 per night;
- 1-star hotels and other non-classified accommodation establishments: F CFA 500 per night.

286. It should be noted that the substantial change made to the Tourist Tax regime lies in the new distribution key for the proceeds of this tax, as defined in Section C 79 of the Law on Local Taxation.

287. Under the terms of Section C 79, the revenue from the Tourist Tax is now allocated as follows:

- State : 45% of total revenue;
- Special Purpose Account for tourism and leisure: 32.5% of total revenue, i.e. 35% minus 10% for assessment and collection costs;
- Municipality in which the accommodation establishment is located: 18% of the total revenue, i.e. 20% minus 10% for assessment and collection costs;
- Assessment and collection costs : 5.5% of total revenue.

CHAPTER X: OF THE SPECIAL EXCISE DUTY INTENDED TO FINANCE THE COLLECTION AND TREATMENT OF REFUSE FOR THE BENEFIT OF THE LRAs

288. Section C 81 of the Law on Local Taxation incorporates the provisions of the 2019 Finance Act establishing the special excise duty for the collection and treatment of waste. This special excise duty is specifically allocated to the financing of operations for the collection and treatment of household waste and similar waste. It is an essential fiscal instrument for Regional and Local Authorities (LRA) in the exercise of their responsibilities in relation to waste management.

a. From the plate

289. In accordance with the provisions of Section C 81 of the Law on Local Taxation, the basis of assessment for the special excise duty is the taxable value for customs purposes of the goods imported into the national territory.

290. In line with the Community tax framework, Section C 81 of the Law on Local Taxation renews the exemption for imports benefiting from the duty-free regime provided for in Section 332 of the revised CEMAC Customs Code.

291. For the administration of this levy, the products referred to in Section 332 of the Customs Code are set up in the cumtom departmet's computer system.

b. Assessment and collection procedures

292. The rate of the special excise duty is set at one per cent (1%) of the taxable base mentioned above.

293. The collection of this special excise duty is carried out by the customs administration.

c. Allocation and repayment

294. The terms and conditions for the distribution of the proceeds of the special excise duty intended to finance the collection and treatment of waste for the benefit of the RLAs are specified by Decree No. 2023/0486/PM of 24 July 2023 laying down the terms and conditions for collection, centralisation, distribution and repayment of the proceeds of the said special excise duty.

TITLE III - ADDITIONAL COUNCIL TAX

CHAPTER I.- GENERAL

295. Section C 82 of the law on local taxation broadens the base of the Additional Council Tax Centimes (ACT) by integrating new categories of taxes.

296. Thus, in addition to the taxes and duties previously subject to the Additional Council Tax, namely

- the Personal Income Tax (PIT);
- the Corporate Income Tax (CIT) and;
- the Value Added Tax (VAT),

section C 82 of the Law on Local Taxation extends the tax base of the CAC to the following levies:

- excise duties;
- the Special Income Tax;
- registration fees on public procurement.

297. In addition, paragraph 2 of Section C 82 introduces the possibility of capping the revenues of the additional council tax. This measure can be activated s by the Finance Law as necessary.

CHAPTER II.- RATES OF ADDITIONAL COUNCIL TAX.

298. Section C 83 maintains the standard rate of the additional council tax at ten per cent (10%) of the principal for the following taxes:

- Personal Income Tax (PIT);
- Corporate Income Tax (CIT);
- Value Added Tax (VAT).

299. In addition, section C 83 of the Law on Local Taxation reproduces without modification the previous provisions concerning the calculation of the additional council taxs, based both on the principal and on the increases in basic taxes and duties.

300. However, Section C 83 of the Law on Local Taxation introduces a modulation by setting a reduced rate of five percent (5%) for the new categories of taxes and duties included in the CAC base, namely:

- excise duties;
- the Special Income Tax;
- registration fees on public procurement.

301. Finally, it is reiterated that, pursuant to Section C 83, paragraph 4, of the Law on Local Taxation, the rules regarding the assessment basis, issuance, collection, and litigation concerning the additional council tax remain identical to those applicable to the taxes and duties that form the basis for the additional council tax.

CHAPTER III.- DISTRIBUTION OF THE PRODUCT OF THE ADDITIONAL COUNCIL TAX

302. Section C 84 of the Law on Local Taxation maintains the mechanism for the distribution of the proceeds of the additional council tax as defined by Decree No. 2011/1731/PM of 18 July 2011 laying down the modalities for the centralisation, distribution and repayment of the proceeds of municipal taxes subject to equalization.

303. Pursuant to the provisions of Section 6 of the said decree, the revenue from the additional communal centimes is distributed as follows:

- 10% for the benefit of the State, in respect of assessment and collection costs;
- 20% for the Special Fund for FEICOM for inter-municipal cooperation;
- 42% for the benefit of FEICOM under equalization.
- 28% for the benefit of municipalities and urban communities as part of the basic deduction.

CHAPTER IV.- MISCELLANEOUS AND TRANSITIONAL PROVISIONS

304. The changes made to the additional council tax regime (in particular to its base) apply from 1 January 2025.

305. It should be recalled that the additional council tax applies to both specific excise duties and ad valorem excise duties.

TITLE IV.- COUNCIL TAXES AND FEES

CHAPTER I - THE LOCAL DEVELOPMENT TAX

306. Section C 86 of the law on local taxation enshrines, for the benefit of the municipalities, a municipal tax called the "Local Development Tax (TDL)". It is specified that this tax constitutes a contribution by the population to the financing of the basic public services offered by the municipalities.

A. Nature of TDL-funded core public services

307. Paragraph 2 of Section C 86 of the Law on Local Taxation defines the counterpart of the Local Development Tax. This is levied for basic services and services provided to the population by the municipalities, in particular:

- public lighting ;
- sanitation ;
- the removal of household waste ;
- the operation of ambulances ;

- water supply ;
- electrification.

308. The proceeds of the TDL shall be devoted primarily to the financing of the infrastructure necessary for the provision of the basic services listed in the point above.

B. Calculation of the local development

309. Section C 86 of the law on local taxation maintains the local development tax tariff schedule by distinguishing between two categories of taxpayers:

- **For public and private sector employees:**

- monthly basic salary between 62,000 and 75,000 CFA francs: 3,000 CFA francs/year;
- monthly basic salary between 75,001 and 100,000 CFA francs: 6,000 CFA francs/year;
- monthly basic salary between 100,001 and 125,000 CFA francs: 9,000 CFA francs/year;
- monthly basic salary between 125,001 and 150,000 CFA francs: 12,000 CFA francs/year;
- monthly basic salary between 150,001 FCFA and 200,000 FCFA: 15,000 FCFA/year;
- monthly basic salary between 200,001 and 250,000 CFA francs: 18,000 CFA francs/year;
- monthly basic salary between 250,001 and 300,000 CFA francs: 24,000 CFA francs/year;
- monthly basic salary between 300,001 and 500,000 CFA francs: 27,000 CFA francs/year;
- monthly basic salary above 500,000 CFA francs: 30,000 CFA francs/year.

- **For those subject to the licence contribution**

- principal tax equal to or less than 30,000 CFA francs: 7,500 CFA francs/year;
- principal tax of between 30,001 and 60,000 CFA francs: 9,000 CFA francs per year;
- principal tax of between 60,001 and 100,000 CFA francs: 15,000 CFA francs/year;
- principal tax of between 100,001 and 150,000 CFA francs: 22,500 CFA francs/year;
- principal tax of between 150,001 and 200,000 CFA francs: 30,000 CFA francs/year;
- principal tax of between 200,001 and 300,000 CFA francs: 45,000 CFA francs/year;
- principal tax of between 300,001 and 400,000 CFA francs: 60,000 CFA francs/year;
- principal tax of between 400,001 and 500,000 CFA francs: 75,000 CFA francs per year;
- principal tax in excess of 500,000 CFA francs: 90,000 CFA francs/year.

310. For taxpayers liable to the comprehensive tax scheme, the TDL rates are renewed, i.e. those provided for above, applicable to taxpayers' liable to the business license.

311. Section C 88 of the Law on Local Taxation harmonizes the collection modalities for the Local Development Tax by aligning them with those of the taxes and duties to which it is linked. Accordingly, the assessment basis, issuance, collection, deadlines, penalties, enforcement actions, and litigation procedures for the Local Development Tax follow those applicable to the Personal Income Tax, the Business License Tax, and the Comprehensive Tax.

CHAPTER II - OF THE LOCAL STAMP DUTY

312. Section C 89of the law on local taxation institutes a stamp duty at the local level, called "Local Stamp Duty". This stamp duty replaces the old municipal stamp duty, thus extending its scope of application to all Regional and local authorities including at the regional level.

313. The rates of the Local Stamp Duty are set according to the format of the documents, according to the following scale:

- documents less than or equal to one page of A4 format: five hundred (500) CFA francs. This rate applies in particular to the following documents:
  - a copy or extract of a civil status certificate;
  - legalization or physical certification of signature or document;
  - the suppletive judgment;
  - the power of attorney;
  - the invoices of the service providers addressed to the LRAs;
  - any request to the CPC executives.
- documents larger than A4 format: one thousand (1,000) CFA francs.

314. It should be noted that thecollection Local Stamp Dutyis insured under the same terms and conditionsthan thoseapplicable to the size stamp duty.AccordinglytheCollection rulesatcontrolthesanctionstheprosecutionand thecontentious remain the samefor these two categories of stamp duty,Guaranteeingthus aUnified managementand Harmonised on the national territory.

CHAPTER III.- MUNICIPAL FEES

I. SECTIONS C 90 and C 91.- General provisions

315. The Law on Local Taxation rationalizes the regime of local council duties by, *inter alia*, reducing their number and re-designating them as council fees, the exhaustive list of which is set forth therein. In this framework, Decentralized Territorial Collectivities are empowered to institute such fees by resolution of the municipal council, subject to extant legal provisions.

316. A council fee may only be instituted and levied within a municipality's territory if it is expressly authorized by Section C 91 of the Law on Local Taxation and has been enacted by a resolution of the municipal council. Such resolution shall, where applicable, stipulate the rates, particularly when the law establishes a permissible range within which the municipality is empowered to fix said rates.

317. Consequently, municipalities are only authorized to levy a council fee if it satisfies both of these cumulative conditions. Conversely, should a municipality fail to incorporate a fee provided for in Section C 91 of the Law on Local Taxation into its budget, no corresponding levy may be imposed upon liable parties within its jurisdiction.

318. Section 318. The council fee so instituted is leviable from any person fulfilling the specific criteria stipulated by law, notably by reason of:

- the carrying out of taxable transactions on the municipal territory;
- the possession of taxable property;
- the exercise of a taxable activity;
- or any other comparable situation resulting in liability to the said fee.

II. <u>Sections C 92-C 94</u>.- Livestock slaughter fees

a. Scope and criteria for liability

319. The livestock slaughter fee is payable by any person slaughtering a livestock in a slaughterhouse fitted out or managed by the municipality, regardless of the status of the person liable for payment and the destination of the animal (consumption domestic or commercialization).

320. By livestock, we mean domestic species bred for agricultural, commercial or food production. These include cattle (oxen, cows), sheep (sheep), goats (goats), pigs (pigs), poultry (chickens, ducks, turkeys, guinea fowl).

321. Slaughters carried out as part of a control Sanitary measures imposed by the veterinary authorities as well as the Emergency felling for public health reasons. The same is true of slaughter for religious rites.

322. The following are considered to be slaughterhouses fitted out by the municipality, those built, refurbished or equipped by the municipality alone or in partnership with other public or private persons, provided that the municipality has undertaken work with a view to putting them into service.

323. The municipality does not have to own the infrastructure, as participation in its development is sufficient to justify the collection of the felling fee.

324. By Slaughterhouses managed by the municipality, it must be understood:

- those administered directly by the municipal services;

- those managed within the framework of a municipal authority;
- those operated by an establishment Municipal public ;
- those operated by Private operators under concession or leasing from the municipality ;
- those leased to the municipality and operated directly by the latter.

325. On the other hand are not subject to the municipal felling right, animals slaughtered in establishments managed by public or private persons other than the municipality or its public establishments, provided that they are duly authorised under applicable law. However, these establishments remain liable for the duties and service taxes collected by the veterinary services in relation to sanitary and veterinary inspection, in accordance with the regulations in force.

b. Taxation methods

326. The chargeable event for the slaughter duty is the presentation of the animals to the slaughterhouse, the payment of the being due prior to any felling operation.

327. Slaughter duties are assessed and collected by the State tax services, in accordance with the provisions of Section C 93 of the Law on Local Taxation.

328. The basis of these duties is the number of animals actually slaughtered. The practical arrangements for liquidation will be the subject of a special text issued by the Minister of Finance.

329. The ceiling rates are set as follows:

- 2,500 CFA francs per head for cattle and horses;
- 1,500 CFA francs per head for pigs ;
- 1,000 CFA francs per head for sheep and goats;
- 250 CFA francs per head for poultry and rabbits.

330. As the law on local taxation has set ceiling rates, each municipality is free to adopt, by deliberation, specific tariffs, subject to compliance with the law.

c. Sanctions

331. In accordance with the provisions of Section C 94, paragraph 3 of the law on local taxation, the fraudulent slaughter of the animals concerned is punishable by a fine Lump sum, applicable per head of livestock slaughtered, in the following amounts:

- 25,000 CFA francs for cattle and horses;
- 15,000 CFA francs for pigs, sheep and goats;
- 1,000 CFA francs for poultry and rabbits.

332. Fraudulent slaughter means:

- any slaughter carried out in a municipal slaughterhouse without payment of the slaughter duty;
- any slaughter carried out outside a slaughterhouse fitted out or managed by the municipality ;
- any violation of the regulatory provisions governing the slaughter of animals and food hygiene standards.

III. Sections C-95 and C-96.- Impoundment fees

A. Criteria for liability and chargeable event

333. Impound rights apply to owners and keepers of animals or movable property in the following situations:

- wandering animals : any stray animal found on the public highway and without an owner;
- Infringement of road regulations : any failure to use the road, in particular in the event of irregular occupation of public space;
- object without a guardian : any movable property abandoned on the public highway.

334. It should be noted that the mere observation of an infringement of road regulations does not automatically lead to impoundment. It leads, where appropriate, to the collection of police fines.

335. Impoundment can only take place if the local authority ensures effective and secure custody of the seized property.

B. Impoundment and return of property

336. The event giving rise to impound rights is characterised by the actual entry of the property into a fitted and secure enclosure, materialised by an impoundment report drawn up by the municipal staff or by the agents of the judicial police.

337. Payment impound fees is only payable from the time the property enters the enclosure and is a prerequisite for any return.

338. Payment methods and withdrawal procedures, in particular the rates in force, the time limit for making a complaint and the means of payment, must be brought to the attention of the citizens by means of a notice on the premises of the pound and disseminated by all useful means.

C. Assessment and collection

339. Section C 96 of the Law on Local Taxation provides for tariff ceilings depending on the nature of the property seized, which must be determined by the competent authority by deliberation, within the following limits:

- Large livestock: 20,000 to 50,000 CFA francs per head per day;
- Small livestock: 5,000 to 15,000 CFA francs per head per day;
- Pets : 5,000 FCFA to 10,000 FCFA per head per day;
- Trucks and heavy machinery : 50,000 to 100,000 CFA francs per vehicle per day;
- Other vehicles: 5,000 FCFA to 25,000 FCFA per vehicle per day;
- Motorcycles : 5,000 to 20,000 CFA francs per motorcycle per day;
- Other items : 2,000 FCFA to 5,000 FCFA per object per day.

340. It is the responsibility of the local authority to communicate, as soon as possible, the rates retained to the tax authorities within its jurisdiction. In the absence of a deliberation, the tax authorities will apply the minimum legal quota until the regularization.

341. The collection of impoundment fees as well as fines is exclusively provided by the State tax services. Payment of these rights, justified by the presentation of a receipt of payment duly issued by the tax administration's computer system, immediately ends the impoundment, thus ensuring the return of the goods concerned. Offenders (owners or holders of impounded property) must therefore contact the Local Tax Centre and individuals with territorial jurisdiction to pay impound fees.

D. Sanctions regime and auction procedure

342. Impound rights, constituting a penalty for violation of road regulations, are calculated on a daily basis, in proportion to the number of days spent in the impound.

343. In case of non-payment Within the prescribed period, and thirty days after the admission to the impound accompanied by a formal notice equivalent to an order to pay, the municipality and the tax authorities jointly carry out the auction unclaimed property. The proceeds of these sales are collected in full by the tax authorities, with a view to the discharge of impound duties.

E. Miscellaneous provisions

344. Each local authority will have to keep an up-to-date complete register of the seizure and custody operations, mentioning in particular the date of impoundment, the precise identification of the property, the owner's contact details when available and the amount of the impoundment fees Payable.

345. Before any sale is made, a notification and a formal notice must be sent to the owners concerned. A report detailing all the steps taken will be drawn up and archived by the competent services, thus ensuring the legality and transparency of the auction procedure.

IV. Items C97, C98, C99, C100, C101, C102.- Rents of developed market areas

346. The new law on local taxation establishes a unified regime for the collection of rents, merging the former place fee and fixed fees, in order to structure market revenues on the basis of an effective occupation of the municipal facilities.

a. Scope and liability

347. Under Section C 97 of the Law on Local Taxation, rents of developed market areas apply to all markets within the territory of a municipality.

348. By market, it is understood to mean any space regularly allocated to commercial activities organised under the authority of the regional and local authority, including Got it shops, sheds or stands set up by the municipality, even when they are located outside the actual market sites.

349. Liability concerns, without distinction:

- regular occupants, understood as those who have a space on a permanent, habitual or subscription basis;
- occasional occupants, who use a pitch on an occasional, daily or intermittent basis.

350. The chargeable event for taxation is the actual occupation, even for a short period, of a space located within the administrative limits of the market.

b. Criteria for setting rents

351. Determination of rents is based on several criteria aimed at ensuring the fairness and transparency of the system.

- ***in the first place***, the disparity in living standards, which reflects the degree of development of each locality, must be taken into account; Thus, in areas where the standard of living is higher, rents will be proportionately greater;
- ***secondly,*** the specialisation specific to each market – according to its size, the nature of the goods marketed and the volume of revenue generated – is a decisive factor in setting tariffs;
- ***Finally***, the geographical location, including proximity to major supply centres, is also considered, so that the markets for the located near these centres may be subject to higher than those located in less favoured areas.

352. It is thus established that, regardless of the merchant's domicile, the rents will be uniform for all occupants and the only variable justifying differentiation will be the area occupied.

353. Rent collection is carried out directly with the merchants and vendors occupying the furnished spaces. The Municipal Council is responsible, through deliberation, for setting the applicable tariffs by integrating all the criteria mentioned above.

354. It is then the responsibility of the municipality to bring these tariffs to the attention of all market operators, by means of posters and via official media, in order to ensure clear and accessible information. In addition, the State tax services, in collaboration with the municipal services, monitor the effective occupancy of the facilities and rigorously collect rents, thus guaranteeing centralized and secure revenue management.

c. Procedures for setting prices for permanent shops and stands

355. Pursuant to the provisions of Section C 98 of the Law on Local Taxation, the Municipal Council is vested with the power to fix, by deliberation, the monthly rates applicable to shops or stalls built in a sustainable manner on the markets.

356. The deliberation must specify, where appropriate, the terms and conditions for revising the tariffs and ensure that they reflect the specificities of the local market. In addition, the allocation of space for the establishment of these shops or stands may be carried out either through a tendering procedure or by mutual agreement.

357. In all cases, the terms of award and the criteria chosen must be brought to the attention of the candidates and displayed in a transparent manner, in accordance with the rules and procedures in force.

d. Contractual rules and prohibition of subletting

358. Pursuant to the provisions of Section C 99 of the Law on Local Taxation, any permanent occupation of a developed area is the subject of a formal contract concluded between the municipality and the occupier.

359. This contract must include, in detail, the identity of the tenant as well as his or her unique identifier, the precise location of the market (indicating the city, district or locality), the cadastral reference of the market, the number assigned to the shop, the surface area of the space concerned, the amount of the monthly fee applicable, the duration of the lease and the nature of the activity carried out.

360. In addition, the subletting of the developed space is strictly prohibited.

361. Failure to comply with this prohibition exposes the occupant to a financial penalty equivalent to two hundred percent (200%) of the duties due, without prejudice to administrative sanctions and legal proceedings that may be initiated.

e. Fee schedule applicable to municipal shops (Section C 100)

362. The monthly rates applicable to the municipal shops are determined according to the surface area occupied, according to the following scale:

No.	Range of areas occupied by municipal shops	Range of rent rates monthly meetings of the municipal shops
1	up to 4 m2	**5,000 FCFA to 10,000 FCFA per month**
2	from 4.01 m2 to 6 m2	**10,001 FCFA to 15,000 FCFA per month**
3	from 6.01 m2 to 8 m2	**15,001 FCFA to 20,000 FCFA per month**
4	from 8.01 m2 to 10 m2	**20,001 FCFA to 25,000 FCFA per month**
5	from 10.01 m2 to 12 m2	**25,001 FCFA to 30,000 FCFA per month**
6	from 12.01 m2 to 14 m2	**30,001 FCFA to 35,000 FCFA per month**
7	from 14.01 m2 to 16 m2	**35,001 CFA francs to 40,000 CFA francs per month**
8	from 16.01 m2 to 18 m2	**40,001 CFA francs to 45,000 CFA francs per month**
9	from 18.01 m2 to 20 m2	**45,001 FCFA to 50,000 FCFA per month**
10	from 20.01 m2 to 22 m2	**50,001 FCFA to 55,000 FCFA per month**
11	from 22.01 m2 to 24 m2	**55,001 FCFA to 60,000 FCFA per month**
12	of more than 24 m2	**60,001 FCFA to 70,000 FCFA per month**

363. The municipal council is authorised to proceed, in accordance with the above scale, to periodically review these tariffs, by means of deliberation, in order to adapt them in particular to changes in the costs or economic value of the pitches.

364. In case of non-payment of a rent term, a formal notice will be served on the occupant, granting him a period of fifteen (15) days to regularize his situation. In the absence of regularisation within the time limit, the Centre for Local and Individual Taxation will, in accordance with the legal provisions in force, seal the shop in question.

365. The unsealing can only take place after payment full amount of the unpaid term, together with the payment of a fine flat rate of 5,000 CFA francs.

f. Selling goods on sidewalks and other public spaces outside of marketplaces

366. Pursuant to Section C 101, the sale of goods on sidewalks and other public spaces outside market places is strictly prohibited. This ban aims to preserve public order and guarantee free movement in pedestrian areas.

367. In the event that, during regular checks carried out by the municipality It is found that a trader occupies a sidewalk or any other public space for the sale of goods, the goods concerned must be impounded immediately.

368. Impoundment is carried out in accordance with the procedures in force as soon as the illegal occupation is established by the competent authorities. This operation includes the drafting of a detailed report specifying the offence and the measures taken, as well as the formal notification sent to the offender.

g. Methods of payment and collection of rents of spaces set up in the markets

369. In accordance with the provisions of Section C 102 of the Law on Local Taxation, the settlement and collection of rents relating to the spaces set up in the markets are provided by the State tax services.

370. The liquidation procedure is based on the tariffs set by the City Council, which take into account the criteria defined by the regulations (in particular the area occupied and local particularities). The amounts thus established are the subject of a detailed statement, sent to the tax services.

371. Rent collection is carried out electronically, through the dedicated IT platforms of the General Directorate of Taxation.

372. For a better administration of this levy, mayors are required to systematically transmit to the Local Tax Centres the rental contracts concluded with the various occupants of the sites concerned.

V. Sections C103, C104, C105 and C106.- Building permits or layout fees

a. Scope

373. Any construction, regardless of its use (residential, commercial or other), is subject to the payment requirement building permit fees or to set up in certain defined areas, i.e. the capital of an administrative unit or in an agglomeration with an approved urban plan.

374. For the record, the building permit is only issued if the plot of land to be used for the construction has a land title. The Permit to Establish is an administrative act of urban planning required for all constructions not eligible for the building permit.

b. Settlement and payment terms Rights

375. In accordance with the provisions of Section C 104 of the Law on Local Taxation, the Municipal Council, within the framework of its budgetary powers, sets by deliberation a rate applicable to the duties on building permits or to implant. This rate is set at one percent (1%) of the value of the construction, whether it is a major development or a new construction.

376. The competent services of the LRAs are responsible for the technical examination phase of the building permit application file or to implement it submitted by the user to the LRA. At the end of this examination, a notification indicating the basis and amount of the duties adopted shall be sent to the latter with a copy to the CFLP with territorial jurisdiction.

377. The user is required to make his declaration online on the basis of the elements notified to him by the LRA and to pay the said fees to the State tax services, then to return the receipts of payment to the Municipality for the issuance of the building permit or to implant.

378. The amount of the fees is determined on the basis of an estimate that has been assessed, validated and, where appropriate, drawn up ex officio by the municipal technical services.

c. Sanctions in the event of execution of the work without payment prior

379. Pursuant to Section C 105 of the Law on Local Taxation, any execution of works without payment Preliminary fee on the building permit or to set up exposes the builder to a financial penalty.

380. The amount of the fine is set at thirty percent (30%) of the duties due and must be collected for the benefit of the municipality. This sanction does not in any way exempt the builder from payment full amount of the principal amount of the duties payable.

381. It is specified that, unless otherwise provided for in Section 125 of Law No. 2004/003 of 21 April 2004 governing urban planning in Cameroon, the absence of a building permit or installation does not automatically lead to the demolition of the structure.

d. Collection, conditionality of the issuance of the permit and control procedures

382. Fees on building permits or to set up are exclusively collected by the Tax Administration. Payment The full scope of these rights is a prerequisite for the issuance of the building or establishment permit.

383. In the absence of payment, no permit can be issued.

384. In any event, the technical services of the municipalities have the power to check all the permits issued, both in terms of content and form. This control, which goes beyond the technical aspects of urban planning, includes in particular the verification of the effective payment of the fees on the building permit or to be implemented via the computer system of the General Directorate of Taxes.

385. The purpose of the inspections is to guarantee the regularity of the operations and to allow the application of the penalties provided for, in particular in the event of the execution of the work without payment prior.

VI. Sections C107, C108, C109 and C110.- Occupancy rights for car parks, car parks and platforms

386. For the record, the right to occupy car parks, of car parks and platforms is the result of an administrative simplification measure, merging three separate taxes previously in force: the parking tax, the right to occupy car parks and the platform ticket.

a. Liability

387. The levying of that duty is subject to the actual provision of a service for the development of parking areas for private vehicles and vehicles for commercial or industrial use.

388. These rights benefit exclusively to the LRAs (municipalities, urban communities or district municipalities) that have developed such infrastructures.

389. For the purposes of these provisions, "developed parking areas" shall mean all of the following infrastructures, set up and materialized by the local authority:

- Developed car parks: these are clearly demarcated spaces, signposted and prepared for the parking of vehicles by the municipal authority;

- car parks: these are spaces specifically dedicated to parking, whether on the surface or in structures, developed and managed by the municipality or placed under its supervision, intended for the parking of vehicles used for the public transport of goods and people, in particular trucks, vans and buses;

- bus station or landing stage platforms: understood as specific parking areas for bus stations for picking up and dropping off passengers and goods, as well as landing stages for river or lake activities.

390. It should be noted that parking areas developed for the exclusive benefit of public administrations do not give rise to the right to collect occupancy fees.

391. Exemption of these rights also applies to administrative vehicles, ambulances and vehicles contributing to the maintenance of order, as long as they bear the number plates specific to the Armed Forces, the Gendarmerie and the National Security.

b. Assessment and collection

392. In accordance with the provisions of Section C 108 of the Law on Local Taxation, the tariffs applicable to parking rights are established as follows:

a) Equipped car parks

- 100 FCFA per hour of occupation ;
- 500 FCFA per day and per parking space ;
- 15,000 FCFA per month and per parking space.

b) Parking lots

- 1,000 CFA francs per day for cars and vans ;
- 2,000 CFA francs per day for trucks and buses.

c) Bus station and landing stage infrastructure

- Bus station : 250 FCFA per load ;
- Drop-off area :

- 200 CFA francs per load for canoes without motors;
- 500 CFA francs per load for motor canoes with less than 10 seats;
- 1,000 CFA francs per load for motor canoes with more than 10 seats.

393. The duties thus defined must be paid in advance to the State tax services, for the benefit of the local authority that developed the infrastructure concerned.

394. In the specific case of the quay ticket, the fee is collected exclusively for the benefit of the municipality in accordance with Section C 109 (2) of the Local Tax Act.

395. The collection is made against the issuance of an electronic receipt attesting to the payment full and prior duty payable.

396. The electronic receipt, generated and issued by the terminals at the time of payment, is the only valid document attesting to the payment of parking fees.

397. Municipal control agents and tax services are empowered to verify the regularity of public domain occupation and compliance with fiscal obligations, either by reading the electronic receipt (through an appropriate verification system) or, failing that, upon presentation of the receipt by the user.

c. Sanctions regime

398. In case of non-payment in accordance with the procedures laid down in Section C110 of the Law on Local Taxation, a penalty equivalent to 100% of the amount due in principal is immediately payable.

399. This penalty, collected for the benefit of the community, is in addition to the payment full of duties, without prejudice to recovery actions and control measures that could be incurred by the tax authorities.

VII. Sections C111, C112 and C113.- Municipal excise duty on polluting activities

400. The law on local taxation establishes a financial contribution collected for the benefit of the municipal budget in return for activities likely to generate environmental nuisance or degrade public infrastructure.

a. Scope

401. Pursuant to the provisions of Section C 111 of the Law on Local Taxation, these excise duties are payable for the following activities:

a. *Transit and transhumance cattle from a neighbouring state*: This category refers to the Moving herds of cattle (cattle, sheep, goats, etc.) which cross the municipal territory from a Border countries (Bordering State). It includes both the simple transit (passage for a period not exceeding 15 days) that the transhumance (seasonal movement to pastures of more than 15 days);

b. *The transport of products from quarries*: this applies in particular to the transport of materials extracted from quarries, such as stones, gravel, sand, and other construction materials. This is aimed at transport by all types of vehicles, including heavy goods vehicles;

c. *recovery of products from non-communal and non-community forests*: This category covers resource exploitation and recovery (wood, non-timber forest products, etc.) from forests that are neither the property of the municipality, or local communities;

d. *any other activity likely to cause damage to the public road and/or the road*: this category makes it possible to be subject to municipal excise duty any other activity, not expressly mentioned above, which is recognised as being likely to degrade the public road and/or the roadway on the municipal territory. The implementation of this general provision requires a Deliberation of the municipal council, who will have to Precisely identify the activity concerned, degrading nature to the public highway or roadway.

b. Prices

- **Transit activities and transhumance**

402. Is deemed to be in transit, any cattle passing through a municipality without staying there for more than fifteen (15) consecutive days. The fees due for transit are set as follows:

- **for cattle and equines** : between 1,000 and 2,000 CFA francs per head of livestock and per commune crossing;
- **for sheep and goats** : between 500 FCFA and 1,000 FCFA per head of cattle and per commune crossing;
- **for poultry and rabbits** : between 250 and 500 FCFA per capita and per commune crossing.

403. These tariffs apply when the cattle are simply crossing the municipal territory without settling there permanently.

404. When herds initially in transit are stationed for more than fifteen (15) consecutive days on the territory of the same municipality, they are deemed to be in a situation of transhumance from the sixteenth (16th) day, except in cases of duly established force majeure. The change of regime takes place automatically without any further formality.

405. The rates of the municipal excise duty applicable to transhumance activities are identical to those provided for transitnamely:

- **Cattle and equines** : from 1,000 CFA francs to 2,000 CFA francs per head of cattle and per commune ;
- **Sheep and goats** : from 500 FCFA to 1,000 FCFA per head of cattle and per commune ;
- **Poultry and rabbits** : from 250 FCFA to 500 FCFA per capita and per commune.

406. The corresponding fees become payable from the sixteenth (16th) day of continuous presence of the cattle on the municipal territory.

- **Transport of quarry products**

407. The rates relating to the transport of quarry products are set according to the capacity of the vehicle used. Thus, the provisions of Section C112 of the Law on Local Taxation provide:

- for a vehicle weighing less than 6 tons, the applicable rate is CFAF 1,000 per truck and per trip;
- for a vehicle with a capacity of between 6 and 10 tons, the rate is 2,000 CFA francs per truck and per trip;
- for a vehicle weighing more than 10 tons, the rate is 3,000 CFA francs per truck and per trip.

408. These amounts are payable per trip, for each vehicle, as soon as the transport activity is recorded on the territory of the municipality loading station.

b. Recovery of products from non-communal and non-communal forests

409. The tariff applicable to the recovery of products from non-communal and non-community forests is set at CFAF 2,000 per cubic metre (m^3).

410. This amount is payable by the owner of the recovered products, who must pay this sum in return for the recovery authorisation.

c. Damage to the public road and/or roadway

✓ **Pricing for damage related to earthworks, pipes and other interventions**

- For a road made of asphalt with bitumen, the rate is set between 90,000 FCFA and 200,000 FCFA per m^2.
- for a road paved with bitumen, the rate varies from 45,000 FCFA to 100,000 FCFA per m^2;
- for a dirt road, the applicable rate is between 15,000 FCFA and 50,000 FCFA per m^2;
- for a pavement, the rate is set between 15,000 FCFA and 50,000 FCFA per m^2.

✓ **Pricing for damage caused by tracked machinery**

- for a road paved with bitumen, the rate is set between 50,000 FCFA and 100,000 FCFA per m^2;
- for a dirt road, the rate varies from 20,000 FCFA to 50,000 FCFA per m^2;
- for a sidewalk, the applicable rate is between 20,000 FCFA and 50,000 FCFA per m^2.

✓ **Sanctions in case of execution without prior authorization**

411. The execution of sewer or earthworks work, as well as the circulation of machinery not equipped with tyres, as referred to in the previous provisions, without first obtaining municipal authorisation, exposes the perpetrators to a penalty.

412. This penalty is equivalent to 100% of the amount due in principal and is in addition to the duties initially payable, without prejudice to the additional penalties provided for by the regulations in force.

c. Collection methods

413. In accordance with the provisions of paragraph 1 of Section C 113 of the Law on Local Taxation, the exclusive competence to ensure the collection of municipal excise duty east allocated to the State tax services.

414. However, they must work closely with:

- **Representatives of traditional authorities:** This collaboration, based on knowledge of the field and the privileged relationship maintained with the populations and local economic operators, is reflected in joint actions of information, awareness and facilitation of collection.

  The terms of application of this partnership are determined by a memorandum of understanding concluded between the head of the territorially competent regional tax centre and the traditional authorities, depending on the specificities of the context;

- **the decentralised services of the State:** the administrative authorities and other decentralised entities provide their support and expertise in all areas requiring their assistance, at the request of the head of the territorially competent Centre for Local Taxation and Individuals.

415. Payments are made in accordance with the terms and conditions set out in the General Tax Code, in particular by electronic means, by bank transfer or at a counter. At the end of each transaction, an electronic receipt is issued and must be kept by users as well as by the tax authorities for possible subsequent checks.

416. The implementation of these recovery procedures aims to ensure transparency and traceability of excise tax revenues, which offset the costs borne by the community as a result of polluting activities.

TITLE V.- SPECIAL PROVISIONS APPLICABLE TO COUNCILS AND URBAN COUNCILS

CHAPTER I.- PROCEDURES FOR THE ALLOCATION OF MUNICIPAL TAXES (Sections C 114 to C 119 and C 122 to C 123)

417. The following share of the revenue from the taxes and duties below shall be directly assigned, as the case may be, to the municipality or the urban community location (the one housing the headquarters of the structure, the taxpayer's habitual residence or the customs post that made it possible to collect the revenue):

- 100% of the proceeds from the Comprehensive Tax;
- 80% of the proceeds from the Business License Tax;
- 80% of the communal share of the proceeds from the Real Estate Tax;
- 80% of the communal share of the proceeds from the Property Transfer Tax on immovable property;
- 50% of the communal share of the proceeds from the Annual Forestry Royalty to the host commune of the exploitation;
- 50% of the communal share of the proceeds from the Stamp Duty on Advertising;
- 28% of the proceeds from the additional council tax;
- 20% of the proceeds from the Tourist Tax.

418. For the specific case of the Comprehensive Tax and the Business License Tax, in the event of multiple establishments, the taxpayer must disaggregate their turnover by establishment and by municipality. A summary declaration at the end of the fiscal year allows for the allocation of the tax proportionally to the turnover generated in each municipality.

CHAPTER II.- THE DISTRIBUTION OF TAXES AND DUTIES BETWEEN THE URBAN COUNCILS AND THE SUB-DIVISIONAL COUNCILS

419. Sections C 120 and C 121 of the Law on Local Taxation define the modalities for the distribution of tax revenues between the **urban council** and its **sub-divisional councils.** In this regard, the Law distinguishes between revenues exclusively allocated to the urban council, revenues exclusively allocated to the sub-divisional council, and revenues shared between the two entities.

A. Revenues Exclusively Allocated to the Urban Council

420. The revenues exclusively allocated to the **urban council** comprise:

- The basic withholding from the proceeds of the additional council tax paid by taxpayers whose head office or tax domicile is located within the territory of the urban council;
- The basic withholding from the proceeds of the additional council tax assessed on the Value Added Tax withheld at source on public procurement contracts and the Personal Income Tax withheld at source on the salaries of State personnel;
- The proceeds of the additional council tax derived from equalization;
- The communal share of the Business License Tax;
- The communal share of the License Contribution;
- The proceeds of the Motor Vehicle Stamp Duty derived from equalization;
- The proceeds of the Local Development Tax, whether it be the share directly remitted to Decentralized Territorial Collectivities or that derived from equalization;
- The proceeds from the fees for occupying wharves/docks developed by an urban council, and from the fees for occupying parking lots and parking areas developed by the urban council on the appurtenances of primary and secondary road networks;
- The proceeds from the rents for developed market spaces of the urban council;
- The proceeds from the pound fees of the urban council;
- The proceeds from the livestock slaughtering fees from abattoirs developed by the urban council;
- The proceeds from building and establishment permit fees;
- The proceeds from the municipal excise duty on polluting activities paid for the degradation of road networks falling under the competence of the urban council;
- The proceeds from the local stamp duty paid to the urban council.

B. Revenues Exclusively Allocated to the Sub-Divisional Councils

421. The revenues exclusively allocated to the sub-divisional councils comprise the following levies:

- The proceeds from the Comprehensive Tax;
- The proceeds from the local stamp duty paid to the sub-divisional council;

- The proceeds of the additional council tax derived from equalization;
- The proceeds from the Forestry Royalty, whether it be the share directly remitted to RLAs or that derived from equalization;
- The proceeds from the municipal excise duty on polluting activities, with the exception of that pertaining to the degradation of road networks falling under the competence of the urban council;
- The proceeds from the livestock slaughtering fees from abattoirs developed by the sub-divisional council;
- The proceeds from the rents for developed market spaces of the sub-divisional council;
- The proceeds from the fees for occupying wharves/docks, parking lots, and parking areas developed by the sub-divisional council;
- The proceeds from the impoundment fees of the sub-divisional council.

C. Revenues Shared Between the Urban Council and its Constituent Sub-Divisional Councils

422. The tax revenues subject to distribution between the urban council and the sub-divisional councils are:

- The proceeds from the Stamp Duty on Advertising: These are equally divided between the urban council and the territorially competent sub-divisional council for the basic withholding, at a rate of 40% each;
- The communal share of the Property Transfer Tax on immovable property: This is equally distributed between the urban council and the territorially competent sub-divisional council;
- The communal share of the Real Estate Tax: This is equally shared between the urban council and the territorially competent sub-divisional council;
- The proceeds from the Tourist Tax: These are equally distributed between the urban council and the territorially competent sub-divisional council.

CHAPTER III.- TAX REVENUES OF INTER-MUNICIPALITIES AND EQUALIZATION

423. Pursuant to the provisions of Sections C 122 and C 123 of the Law on Local Taxation, the revenue from taxation allocated to municipalities may be centralised for the purposes of equalization or inter-municipality.

A. Centralised tax revenues paid out as equalization

424. A share of the proceeds of certain levies is centralised to the body in charge of equalization (FEICOM) and redistributed to all municipalities, urban communities and district municipalities in order to ensure the harmonious development of the territories. These are:

- **stamp duty on advertising** up to 50% of the municipal share;
- **of the additional communal centimes** up to 42%;
- **of the forest royalty Annual** up to 50% of the municipal share;
- **Motor stamp duty** up to 90%;
- **the local development tax** paid by public sector employees and by companies under the management of "large companies" up to 90%;
- **of the special excise duty** (intended to finance the collection and treatment of waste) up to 95%.

425. The distribution of the proceeds of municipal taxes centralized equalization is carried out by the Minister in charge of regional and local authorities, in accordance with the procedures and criteria defined by regulation.

B. Inter-municipal tax revenues

426. The tax revenue of the inter-municipality is made up of a 20% share levied on the following products:

- the additional communal centimes;
- The contribution of patents;
- The contribution of licences;
- Property Tax;
- transfer taxes of immovable.

427. Inter-municipal revenues are centralised at FEICOM.

428. The selection criteria and the methods of financing projects presented by municipalities, urban communities and district municipalities are determined by a regulatory text.

TITLE VI.- TAXES AND FEES OF THE REGIONS

429. Section C 124 of the new law on local taxation defines a specific tax basket for the regions, distinct from that allocated to the municipal level of decentralisation.

430. This provision gives the legislator, in the context of the examination and vote on the Finance Law, the power to cap the total amount of tax revenue allocated to the regions.

IX. CHAPTER 1.- METHODS OF ASSESSMENT AND COLLECTION

A. Section C 125- Oil and gas royalties

i. Scope and taxation methods

431. Provisions governing liability to the petroleum royalty and gas those provided for by Law No. 2019/008 of 25 April 2019 on the Petroleum Code and by Law No. 2012/06 of 19 April 2012 on the Gas Code remain.

432. In addition, the taxation arrangements applicable to the oil royalty and gas remain unchanged and comply with the requirements set out in the above-mentioned laws.

ii. Issuance, collection and repayment of the oil royalty and gas

433. Oil royalty and gas is electronically declared and paid by the Société Nationale des Hydrocarbures (SNH) to the Directorate in charge of large companies on the basis of a form provided by the tax authorities.

434. The above-mentioned electronic declaration relates to the share, intended for the regions and centralised with the body in charge of centralisation and equalization, namely the Intercommunal Equipment and Intervention Fund (FEICOM). This share corresponds to the transferable balance of the said fee.

435. The transferable balance is the net portion of the revenue from the oil royalty and gas, calculated after deduction of all the charges, reserves and mandatory charges provided for by the regulations in force.

436. The portion paid by SNH, centralised by FEICOM, shall be distributed among them in accordance with the procedures laid down by regulation.

B. Section C 126.- Mining royalties

437. Pursuant to the provisions of Section C126 of the Law on Local Taxation, a share of the proceeds of the ad valorem tax on mineral substances provided for in Book I of the General Tax Code is allocated to the Regions.

438. Issuance and collection procedures of the ad valorem tax remain those provided for in Sections 239 et seq. of the General Tax Code.

439. A proportion of the mining royalty is allocated to all regions. The share reserved for the regions is determined annually by the Finance Act, which sets the percentage applicable to the transferable balance.

C. Section 127. The special tax on petroleum products

440. The special tax on petroleum products (TSPP), the basis of which is premium petrol, diesel and natural gas for industrial use, is payable on sales of these products as well as on their use by refining industries and oil depots.

441. Methods of assessment, settlement and recovery of the TSPP remain those provided for in Sections 229 et seq. of the General Tax Code. They continue to apply without modification, in accordance with the collection procedures in force.

442. In accordance with the provisions of Section C 127 of the Law on Local Taxation, a share of the proceeds of the TSPP is allocated to the Regions. This share is determined within the limit of an annual ceiling set by the Finance Act, and centralised with the body responsible for equalization inter-municipal and interregional (FEICOM) with a view to its redistribution among the Regions in accordance with the procedures laid down by a specific text.

D. Section 128. The proceeds of the fund for the financing of sustainable development projects in the field of water and sanitation

443. Section C 128 of the Law on Local Taxation allocates to the regions a share of the resources of the Fund for the financing of sustainable development projects in the field of water and sanitation, established by Law No. 98/005 of 14 April 1998 on water.

444. The Fund includes products from the following categories:

- Water royalties ;
- the fee for the withdrawal of surface or groundwater ;
- the sanitation tax on the discharge of industrial wastewater;
- fines and penalties.

i. Scope

- **Fee for the withdrawal of surface or groundwater**

445. This fee applies to natural or legal persons exploiting surface or groundwater for industrial or commercial purposes.

446. The following are expressly exempt:

- public water supply concession companies drinkable;
- natural or legal persons extracting for agricultural, pastoral or fish farming purposes, for daily volumes of less than 5,000 population equivalents.

- **Water Fee**

447. Are subject to the water charge natural or legal persons using stored water for the production of electricity for the purpose of resale, supply to third parties or for their industrial needs.

- **The sanitation tax on industrial wastewater**

448. Industrial companies with wastewater disposal facilities connected to a public or private collection and treatment network are liable for this tax.

ii. **Collection methods**

- **Fee for the withdrawal of surface or groundwater**

449. The applicable tariffs are set by Finance Law No. 2022/020 of 27 December 2022 for the 2023 financial year:

- 16,000,000 CFA francs/MW installed for hydroelectric producers for resale;
- 20,000,000 FCFA/MW installed for self-producers for industrial use.

450. Taxpayers must submit an annual declaration with their tax structure, at the latest March 15 of the financial year concerned, on the basis of a form provided by the tax authorities. Payment is carried out at the competent tax office, in accordance with the regulatory procedures in force.

- **Fee for the withdrawal of surface or groundwater**

451. The rates are set as follows:

- 150 CFA francs/m^3 for the first 1,000 m^3;
- 75 CFA francs/m^3 above 1,000 m^3;
- 25 CFA francs/m^3 for agricultural, pastoral or fish harvests exceeding 5,000 population equivalents.

452. The summary declaration of the monthly volume of water levyed must be subscribed, and the corresponding fee paid, no later than the 15th of the month following that of consumption.

- **The sanitation tax**

453. The tariff is set at 2,000 CFA francs per unit of pollutant load, in accordance with the Finance Law for the 2024 financial year.

454. The taxpayer must submit a monthly declaration of the volumes of wastewater discharged, and pay the corresponding tax no later than the 15th of the following month, under the conditions set out in the Tax Procedures Book of the General Tax Code.

iii.

iv. **Remittance modalities**

455. In accordance with the provisions of Section C 128 (2) of the Law on Local Taxation, the resources of the Fund for the financing of sustainable development projects in the field of water and sanitation are recovered by the State tax services, and paid in full to the public body responsible for centralisation and equalization under the inter-municipal and inter-regional sectors, in this case the Special Fund for Inter-municipal Equipment and Intervention (FEICOM)). This body is responsible for ensuring the centralisation and distribution of funds among the regions, in accordance with the procedures defined by regulation.

E. Section C 129.- Airport stamp duty

i. Scope and taxation methods

456. The provisions governing liability, the determination of the base, the tariffs and the exemptions applicable to the Airport Stamp Duty remain in compliance with the requirements of Sections 605 to 608 bis of the General Tax Code (CGI).

ii. Issuance, collection and repayment of airport stamp duty

457. The airport stamp duty is paid by passengers when purchasing the ticket and collected by the airlines. They are required to pay the corresponding sums to their tax office no later than the 15th of the month following that of collection.

458. In accordance with the provisions of Section C129 of the Law on Local Taxation, the entire revenue from airport stamp duty is allocated to the regions. The collection of this resource is carried out by the services of the General Directorate of Taxes, which pay the entire amount to the Special Fund for Equipment and Intermunicipal Intervention (FEICOM)). This body is responsible for ensuring the centralisation and distribution of funds among the regions, in accordance with the procedures defined by regulation.

F. Section C 130.- Stamp duty on vehicle registration documents

i. Scope and taxation methods

459. Stamp duty on vehicle registration documents is due upon establishment vehicle registration documents and their duplicates for motor vehicles and other motor vehicles.

460. The terms and conditions of liability to stamp duty on vehicle registration documents those set out in Sections 466 and 551 of the General Tax Code remain.

ii. Issuance, collection and repayment of stamp duty on vehicle registration documents

461. Stamp duty on vehicle registration documents is levied in accordance with the following procedures:

- **For second-hand vehicles imported under the release for consumption regime**, stamp duty on vehicle registration documents is issued and collected by the customs administration, on behalf of the Directorate General of Taxes, at the same time as customs duties.

- **For local vehicle transfers**, stamp duty on vehicle registration documents is collected by the taxpayer's tax office when the deed of transfer is presented to the registration formality.

462. In accordance with the combined provisions of Sections **C 130** and **C 133** of the Law on Local Taxation:

- a share of fifty percent (50%) is allocated to the Special Fund for Equipment and Intercommunal Intervention (FEICOM), under section C 130. This share is centralized under the Equalization Interregional and is the subject of a redistribution to all the Regions, in accordance with procedures to be laid down by a specific text;

- the other share of fifty per cent (50%) shall be allocated directly to the Region in whose territory the stamp duty was collected, in accordance with Section C 133.

G. Section C 132. The fee for the use of radio frequencies

i. Scope and taxation methods

463. The allocation of radio frequencies is subject to payment a fee, the legal regime of which is defined by Law No. 2010/013 of 21 December 2010, amended and supplemented by Law No. 2015/06 of 20 April 2015 regulating electronic communications.

ii. Issuance, collection and repayment of the fee for the use of radio frequencies

464. The fee for the use of radio frequencies is payable from the date of issue of the assignment agreement.

465. The permittee of the assignment agreement has a period of thirty (30) days after receipt of the assignment agreement to pay the fee.

466. The fee for the use of radio frequencies is electronically declared and paid by taxable persons holding frequency allocation authorisations issued by the Telecommunications Regulatory Agency (ART) to their tax office, via the electronic platform of the Directorate General of Taxes (DGI).

467. The revenue from the fee for the use of radio frequencies collected by the tax authorities is distributed among the various beneficiaries provided for by the local tax law and Order No. 100/C1B/PM of November 2017 setting out the terms and conditions for the collection, distribution and repayment of fees collected by the Electronic Communications Regulatory Agency.

H. Section C 133. The annual gaming fee

i. Scope and taxation methods

468. The annual gaming fee is payable by any holder of an authorisation or concession to operate games of entertainment, gambling and chance.

469. As a reminder, the amount of the annual gaming fee is determined at the rate of 2% of turnover excluding tax of the taxable operator.

470. The terms and conditions of liability to this fee remain those set by Law No. 2015/012 of 16 July 2015 on the regime of entertainment, gambling and games of chance, as well as by its implementing decree No. 2019/2300 of 18 July 2019.

ii. Issuance, collection and repayment of the annual gaming fee

471. In application of the new law on local taxation, the collection of the annual gaming fee is now provided by the tax authorities. As a result, the administration in charge of regulating gambling is no longer competent in this area, this mission being now entrusted to the services of the General Directorate of Taxes (DGI).

472. The annual gaming fee is paid on the basis of an annual declaration made by the holder of an operating permit or concession to his or her tax office. Reporting and payment are carried out through the DGI's computer system.

473. A share of the proceeds of the annual gaming fee, determined by the Finance Act, is allocated to the Regions. This fraction is paid in full to the Special Fund for Equipment and Intermunicipal Intervention (FEICOM), which is responsible for centralising and redistributing it to the Regions in accordance with the procedures defined by a regulatory text.

CHAPTER 2.- THE MODALITIES FOR THE DISTRIBUTION OF TAXES AND DUTIES OF THE REGIONS

474. The revenue from taxes and duties allocated to the Regions is distributed according to two distinct methods:

- a direct allocation to the Regions concerned;
- centralisation under inter-regionality and equalization, followed by redistribution.

Direct assignment

475. Stamp duty on the vehicle registration document is the subject of a full assignment to the Region of the place of issue of the vehicle registration document.

476. A basic deduction of 20% is made on the regional share of the oil royalty and gas as well as the mining royalty. This fraction is paid directly to the riparian regions of the operating sites.

A. Revenues allocated to inter-regionality and equalization

477. A share corresponding to 30% of the proceeds of the following tax and parafiscal revenues is allocated to the body in charge of centralisation and equalization Under the inter-regionality:

- the proceeds of the oil royalty and gas allocated to the regions;
- the proceeds of the mining royalty allocated to the regions;
- the proceeds of the special tax on petroleum productsallocated to the regions;
- Proceeds from the Fund for the Financing of Sustainable Development Projects in the Field of Water and sanitation assigned to the regions;
- the revenue from the airport stamp duty allocated to the regions;
- revenue from the radio frequency fee allocated to the regions;
- the proceeds of the annual gaming fee.

478. The proceeds of the following levies are centralised and redistributed to the regions under equalization:

- 50% of royalty revenue Oil, Gas and mining assigned to the regions;
- 70% of the proceeds of the Special Fund for the Financing of Water Development Projects and sanitation;
- 70% of the proceeds of the annual gaming fee;
- 70% of the revenue from the airport stamp duty;
- 70% of the proceeds of the share of the special tax on petroleum products allocated to the regions;
- 70% of the proceeds of the share of the radio frequency fee allocated to the regions.

TITLE VIII.- TAX PROCEDURES SPECIFIC TO LOCAL TAXES

CHAPTER 1.- GENERAL PROVISIONS

A. Section C 135- Applicability of the provisions of the Manual of Tax Procedures

479. Pursuant to the provisions of Section C 135 of the Law on Local Taxation, the rules of tax procedure laid down by the Manual of Tax Procedures (MTP) of the General Tax Code apply to taxes, duties, taxes and fees received for the benefit of the RLAs, subject to the adaptations required by the specificities of local taxation.

480. The application of the provisions of the MTP to local taxes involves, in particular:

- the alignment of reporting and collection deadlines and prescription on those of the general scheme, unless specific provisions to the contrary;
- compliance with the general rules of control and litigation fiscal, subject to the specific features of local authorities;
- the extension of the procedural guarantees offered to taxpayers, in particular with regard to the right to information, the right to appeal and the rules for calculating time limits.

481. However, the mutatis mutandis requires adaptation to local realities, in particular with regard to the competences of local authorities and the organisation of the services responsible for the management of local taxes.

B. Section C136 – Principle of exclusivity of issuance and collection operations local taxes

482. In accordance with the provisions of Section C 136 of the Law on Local Taxation, the issuance and collection operations local taxes may not be delegated or granted to third parties. These operations are the exclusive responsibility of the competent tax authorities, in collaboration with the RLAs.

483. Any agreement or arrangement tending to entrust these operations to a private operator shall be automatically null and void. This nullity can be invoked by both the tax authorities than by any other party having a legitimate interest in bringing proceedings.

484. As such, the following are formally prohibited:

- the delegation of the issuance of tax revenue certificates to private or semi-public structures;
- the use of service providers for the execution of collection acts relating to taxes and fees premises;
- any form of compensation related to collection performance local taxes by entities other than the competent tax authorities.

CHAPTER II.- OBLIGATIONS OF TAXPAYERS

A. Section C 137.- Registration obligation prior

485. Section C 137 of the Law on Local Taxation establishes an obligation registration for any natural or legal person subject to the payment local taxes. Prior to the fulfilment of their obligations taxpayers concerned must have a unique identifier number, assigned by the tax authorities.

486. Registration is carried out Exclusively online, via the Directorate General of Taxes (DGI) at the address "www.impots.cm". The issuance of the tax identification number is subject to

the submission of the documents required by theSection L1 of the Book of Tax Procedures as well as by the Decree No. 2012/3731/PM of 13 November 2012, laying down the detailed rules for the application of the provisions of the General Tax Code (CGI) relating to tax registration.

487. Any taxpayer subject to local taxes who does not comply with the obligation registration is subject to the penalties provided for in the Tax Procedures Book, including the application of a fine one hundred thousand (100,000) CFA francs per month of exercise without registration, in accordance with the provisions of Section L 100 (2) of the said Book.

B. <u>Section C 138</u>.- Obligation to file local taxes

i. The filing obligation

488. Taxpayers liable to local taxes must submit a declaration according to the model and form provided by the tax authorities.

489. This declaration must be made online, via the digital portal of the Directorate General of Taxation at the address "www.impots.cm".

ii. filing deadlines

490. Local tax filing deadlines are aligned with those of the State taxesnamely:

- Monthly Returns : at the latest on the 15th of the following month for municipal taxes and the additional communal centimes ;
- Annual income tax returns :
  - 15 March of the following financial year for taxpayers under the Large Enterprises Directorate ;
  - 15 April of the following financial year for taxpayers under the Tax Centers for Medium-Sized Enterprises (CIME) and the Specialized Tax Centers ;
- Comprehensive tax :
  - annual summary declaration: to be submitted by 15 May of each year at the latest;
  - Advance declaration :
    - in the event of an option for annual payment: the declaration and payment must be made by 15 April of each year at the latest;
    - In the event of an option for quarterly payment: the declaration and payment must be made no later than the 15th of the month following the end of each quarter.

iii. Procedure in case of non-filing

491. Should a return not be filed within the prescribed deadlines, the taxpayer receives a formal notice instructing them to regularize their situation within a period of seven (7) days. This formal notice is issued by the Tax Administration in the forms provided for by the Tax Procedures Book and may be transmitted electronically via the taxpayer's tax account.

492. Should the taxpayer fail to comply within the stipulated timeframe, the Tax Administration is empowered to initiate an ex officio assessment procedure, in accordance with the provisions of Section L 29 of the General Tax Code.

CHAPTER III.- THE ISSUANCE OF LOCAL TAXES

A. Section C139.- Issuance of local taxes

493. The tax notice is the payment medium local taxes and duties. It is automatically generated from the IT applications of the General Directorate of Taxes, on the basis of the declarations made by taxpayers.

494. This notice is the sole reference for the settlement of the obligations local tax authorities.

B. Section C 139 (2). - Pre-filled returns and correction by the taxpayer

495. Pursuant to the provisions of paragraph 2 of Section C 139 of the Law on Local Taxation, and in order to facilitate the fulfilment of the obligations taxpayers' tax returns, the tax authorities may, on the basis of the information at their disposal, send a pre-filled return to those liable for local taxes.

496. The Validation of the pre-filled declaration by the taxpayer results in Automatic generation of a tax notice, which is the reference document for the payment of the amounts owed.

497. If the taxpayer does not correct or validate the pre-filled return within the prescribed period, this declaration is deemed to have been accepted and gives rise to the issuance of a tax notice.

CHAPTER IV.- PAYMENT OF LOCAL TAXES

A. Section C 141- Payment methods

498. Taxpayers meet their obligations tax relating to local taxes in the same way as state taxes.

499. Payment can be done by:

- wire transfer;
- mobile telephony;
- cash payments at the counters of licensed commercial banks;
- any other permitted electronic means, including payment terminals.

500. Any payment Carried out outside the procedures provided for above is prohibited. This applies in particular to cash payments, with the exception of those made exclusively at the counters of approved banking institutions.

501. This prohibition applies in particular to payments made directly to municipal collectors and municipal officials, who are not entitled to receive such payments.

502. Tax notices and collection notices, generated by the IT applications of the Directorate General of Taxation, must include the following information:

- TIN of the taxpayer;
- the bank account details of the beneficiary RLA;
- the nature of the tax due;
- the amount of tax due;
- the period of attachment of the tax.

503. Taxpayers must respect the payment deadlines set by law. Failure to comply with these deadlines results in penalties and late payment interest.

504. Any payment transaction results in the issuance of a receipt or receipt, issued electronically.

B. Section C 140 (2)). - Distribution and repayment of local tax revenue

505. The distribution and repayment of the proceeds of taxes, duties, taxes and fees premises issued and collected by the State tax services are the responsibility of the competent services of the Public Treasury.

506. To this end, the revenue relating to these taxes is accounted for in the accounts for the benefit of the LRAs and, where applicable, the bodies in charge of equalization, in specific accounts opened for this purpose.

507. Repayments to the LRAs and the body responsible for centralisation and equalization must take place at regular intervals specified by regulation. The Public Treasury ensures, according to well-established internal procedures, the provision of resources in accordance with the distribution keys defined by law.

508. The competent services of the Ministry in charge of finance and LRAs ensure, each as far as it is concerned, the traceability of all collection, accounting and remittance operations, in order to guarantee the transparency of the process and the reliability of the financial data.

C. Section C 140 (3). - Communication of tax information to RLAs

509. Local and Personal Tax Centres (CFLP) communicate each month to the LRAs in their territorial jurisdiction and to the body responsible for centralisation and equalization, information and data relating to taxes, duties, taxes and fees premises.

510. The information provided relates in particular to:

- revenue forecasts;
- the issues made for each type of tax per taxpayer;
- the amounts actually recovered;
- any other data that makes it possible to assess the level of mobilisation of local own resources.

511. The communication of information is carried out electronically via the platforms or tools set up by the tax authorities. Failing this, paper may be used, provided that the documents are regularly certified by the authorised agents.

D. Section C 141 (4). - Transitional regime applicable to local tax values

512. The terms and conditions for ordering, receiving and managing local tax values are set by regulation.

CHAPTER V.- CONTROL

A. Section C 142.- Competent services in the field of control

513. In accordance with the provisions of Section C 142 of the Law on Local Taxation, the local taxes is exercised by the CFLP and all other competent structures of the DGI.

514. The LRAs may be involved in certain controls, under the coordination and supervision of the competent State services, insofar as the operations concern mobilization and recovery resources intended for them.

515. In addition, controls may also be carried out jointly with structures with specific technical competence, in particular those that previously collected certain fees for the benefit of RLAs.

516. This participation is subject to a concerted schedule between the State tax authorities and the representatives of the RLAs concerned.

B. Methods of implementation of the control

517. Audits are carried out in accordance with the provisions of the Tax Procedures Book, which states, inter alia:

- programming;
- the procedures for verification on the basis of documents and/or on the spot;
- Obligations the retention of accounting documents and supporting documents;
- the penalties applicable in the event of fraud or infringement.

518. tax services and RLA staff involved in control operations are required to respect the confidentiality of the information collected.

CHAPTER VI. – TAX ENFORECMENT

519. The enforcement of local taxes and duties is carried out in strict compliance with the provisions of the Mnual of Tax Procedures (MTP) of the General Tax Code.

520. Prior to any collection action aformal notice equivalent to an order to pay must be served on the defaulting taxpayer, which gives him a period of eight (08) days to proceed with the payment.

521. In case of non-payment At the end of this period, the tax authorities is empowered to implement collection actions provided for in provisions L 55 et seq. of the MTP:

- seizures and sales of movable and immovable property, under the conditions provided for by the MTP;
- the notice to a third party holder, allowing the recovery claims against third parties holding sums due to the taxpayer;
- external constraint;
- the freezing of bank accounts, a precautionary measure to ensure recovery;
- the administrative closure of establishments, in the event of non-compliance with the obligations Tax;
- the impoundment of vehicles, in the event of tax debts related to the use of the said vehicles;
- the revocation of the assignment agreement with respect to the radio fee.

522. Taxpayers concerned by the recovery procedures are informed of their rights and obligations, as well as possible remedies.

CHAPTER VII.- STATUTORY LIMITATION

A. Section C 144.- The principle

523. Amounts due by taxpayers on account of local taxes, duties, and fees are time-barred after a period of four (4) years from their due date, provided that no action has interrupted the said statutory limitation.

524. For council fees, the statutory limitation period is set at two (2) years from their due date, unless an interrupting action occurs.

525. Regarding requests for refund of sums already paid, the statutory limitation applies in favor of the territorial collectivity upon the expiration of a period of two (2) years from the date of payment of the said sums.

B. <u>Modalities of application</u>

- **Starting point of the limitation period**

526. Limitation periods for the benefit of the above-mentioned taxpayer Due date tax, tax, duty or fee.

527. With regard to claims for the restitution of sums paid, the limitation period of two (2) years, provided for in paragraph 3 of Section C 144 shall run from the date of the Payment date.

- **Acts interrupting the limitation period**

528. Prescription is interrupted by any act resulting from the will of the administration or the taxpayer concerning the disputed sums. In particular, the following constitute interruptive acts:

- ✓ formal notices or orders to pay addressed to the taxpayer;
- ✓ the introduction of contentious appeals by the taxpayer;
- ✓ Settlement protocols or plans formalising a payment agreement staggered;
- ✓ the contradictory report of debt reconciliation.

529. When an interruptive act is validly notified or formalized, the limitation period runs again for a period of the same duration (four or two years, as the case may be).

- **Consequences of the expiry of the time limit**

530. At the end of the limitation period, the tax authorities can no longer initiate or continue recovery procedures relating to the prescribed sums, subject to the occurrence of an interruptive act within the legal time limits.

531. Similarly, the taxpayer may no longer, after the expiry of the two (2) year period, demand the refund of taxes, duties, taxes or fees Paid.

- **Management and Monitoring Principles**

532. Collection services are invited to keep a precise follow-up of receivables through dashboards and alerts to anticipate the expiry of limitation periods.

533. Attention is drawn to the need to implement acts interrupting the limitation period in a timely manner (for example, the notification of formal notice) in order to preserve the rights of the decentralized local authority.

534. It is also the responsibility of the competent services to ensure that taxpayers are regularly and fully informed of their obligations local tax authorities, to limit the risk of litigation Prescription.

CHAPTER VIII.- LITIGATION

A. Competency Framework

535. The law on local taxation now simplifies the litigation procedure relating to Communal taxes, duties, taxes and fees. Administrative jurisdiction in matters of contentious and non-contentious jurisdiction lies exclusively with the Tax Administration.

536. The former division of powers between the municipal executive in the first instance and the prefect of the administrative district in the second instance is thus abolished in favour of a single treatment entrusted to the Tax Administration.

B. Scope and legal provisions

537. The rules and procedures applicable to appeals are those set out in Sections L115 to L142 of the Manual of Tax Procedures (MTP) of the General Tax Code.

538. Contentious appeals must be introduced in accordance with the provisions of Sections L116 et seq., including those governing the thresholds and the distribution of powers provided for by the General Tax Code.

539. Litigation remains governed by the provisions of Sections L141 to L146 of the LPF. The referral procedure, the examination of applications and the procedures for appealing against decisions rendered in this context are fully subject to the Book of Tax Procedures.

C. Examination procedures and competent bodies

540. The procedure for examining complaints, whether contentious or non-contentious, is the exclusive responsibility of the tax authorities. The competent courts as well as the procedures for contesting the decisions rendered remain defined by the provisions of the Book of Tax Procedures.

541. Insofar as a tax rebate or reduction is requested, the tax authorities may request from local authorities the information necessary to assess the taxpayer's real financial situation and to justify, if necessary, a benevolent measure.

CHAPTER IX.- THE SYSTEM OF PENALTIES

542. Section C 147 of the Law on Local Taxation defines, for each tax, duty, fee or levy acquired by local authorities, specific penalties whose scope covers all breaches and offences.

543. The competence to pronounce and implement these sanctions lies exclusively with the Tax Administration. No other authority can rule on the matter.

544. Penalties for infringement or non-compliance are those provided for by the General Tax Code. These penalties also apply to taxes, duties, royalties and taxes intended for local authorities, subject to any specific provisions provided for in other texts.

545. The application of these tax penalties does not preclude any criminal prosecution that may be necessary when facts constituting more serious offences are identified. In addition, the laws and regulations in force may provide for additional or specific sanctions, in addition to those set out in the Book of Tax Procedures.

TITLE III.- MISCELLANEOUS AND TRANSITIONAL PROVISIONS

CHAPTER 1.- THE GENERAL ALLOCATION FOR DECENTRALISATION (DGD)

A. Scope of the general allocation for decentralisation

546. In accordance with Section C 148 (1) of the Law on Local Taxation, the General Decentralization Grant (DGD) means the portion of the State's revenue intended for the partial financing of decentralization.

547. As such, tax transfers under local taxation are excluded from the DGD's calculation base.

B. Basis for calculating the DGD

548. Pursuant to Section C 149, paragraph 1, the fraction of the State's revenue allocated to the DGD is determined on the basis of the cash-based revenue of the General State Budget less VAT credit refunds.

549. Pursuant to the provisions of Section C 149 (2) of the Law on Taxation, the budgetary revenue considered in this tax base is made up of:

- tax revenues including taxes, duties, and other mandatory transfers;
- non-tax revenues including property income from the sale of goods and services, fines, penalties and confiscations.

550. In accordance with Section C 149 (3) of the Law on Local Taxation, the following elements are excluded from the calculation basis:

- loans, donations, legacies and assistance funds;
- social security contributions;
- order receipts;
- assigned revenue comprising:
  - the transferable balance of the oil royalty and gas;

- mining royalties;
- the special tax on petroleum products;
- the resources of the fund for the financing of sustainable development projects in the field of water and sanitation;
- the fee for the use of radio frequencies;
- the resources from the annual gaming fee.

551. The Finance Act specifies each year the fraction of revenue allocated to the Regions.

CHAPTER II.- OF THE CADASTRAL SURVEY (SECTION C 150)

552. The law on local taxation has established cadastral surveys carried out jointly by the services of the General Directorate of Taxes (DGI), local authorities, as well as with the administrations and bodies benefiting from local taxes and duties.

553. The "cadastral surveys" aim to improve knowledge of the tax base in relation in particular to the plots, the buildings, their occupants and the activities carried out there.

554. Pursuant to the provisions of Section C 150 (2) of the Law on Local Taxation, cadastral survey operations are organised in accordance with the procedures laid down by regulation.

Section C 151: THE TRANSPOSITION OF THE LAW ON LOCAL TAXATION INTO THE GENERAL TAX CODE

555. In accordance with Section C 151 of the Law on Local Taxation, Law No. 2009/019 of 15 December 2009 on Local Taxation is expressly repealed and will be transposed into the General Tax Code (CGI).

556. Pending this transposition, the provisions of the new law on local taxation apply automatically and constitute the legal reference in terms of local taxation, in addition to the unamended provisions of the General Tax Code.

557. The Section C 151 above enshrines the principle of progressive implementation. Also, pending the effective establishment of the Local Tax Centers and Individuals (CFLP) and the deployment of digital tools for the administration of fees provided for in Section C 91 of the Law on Local Taxation, the LRAs remain authorised, on a transitional basis, to collect the following levies:

- livestock slaughter rights;
- impound rights ;
- Rents of developed market areas ;
- rights on building or establishment permits;
- the rights to occupy car parks, car parks and platforms;

- Municipal excise duty polluting activities (transit and transhumance of livestock, the transport of quarry products, the recovery of products, the degradation of the public road and/or the roadway).

558. Regional and local authorities (RLA) are also authorised to continue the sale of the local tax stamp in accordance with the usual procedures.

559. Taxpayers who were previously subject to the **Global Tax** and other specific levies under the former 2009 Law on Local Taxation retain their liability for the tax installment corresponding to the fourth quarter of the 2024 fiscal year, the payment deadline for which was January 15, 2025. They are invited to contact the Divisional Tax Centres or the councils, as the case may be, in order to fulfil this obligation residual tax liability.

560. The utmost importance is attached to scrupulous compliance with the provisions of this circular. Any difficulty in application must be reported without delay to the Director General of Taxation.

THE MINISTER OF FINANCE

REPUBLIQUE DU CAMEROUN
REPUBLIC OF CAMEROON
LE MINISTRE
The Minister
MINISTRY OF FINANCE
MINISTERE DES FINANCES

Louis Paul MOTAZE

THE MINISTER OF DECENTRALIZATION AND LOCAL DEVELOPMENT

REPUBLIQUE DU CAMEROUN
Republic of Cameroon
Paix-Travail-Patrie
Peace-Work-Fatherland
The Minister
MINISTRY OF DECENTRALIZATION AND LOCAL DEVELOPMENT
MINISTERE DE LA DECENTRALISATION ET DU DEVELOPPEMENT LOCAL

Georges ELANGA OBAM

Appendix

ANNEX N° 1.- PERSONS EXEMPTED FROM THE CONTRIBUTION OF LICENCES (SECTION C 11)

1. the State, local authorities, public establishments and State bodies, for their cultural, educational, health, social, sporting or tourist activities, regardless of their situation with regard to turnover taxation;

2. partners in general partnerships, limited partnerships, limited liability partnerships or public limited companies;

3. songwriters;

4. savings and provident banks administered free of charge, as well as mutual aid societies, when they are duly authorised and operate in accordance with their purpose;

5. the cantiniers attached to the army, when they are not selling beverages drunk to the public;

6. hospitals operated by religious congregations or non-profit organizations;

7. commissaries, agricultural unions and consumer cooperatives, on the condition that they do not have sales stores and confine themselves to grouping their members' orders and distributing, in their consignment stores, the foodstuffs, products or merchandise that have been the subject of the order;

8. private establishments whose purpose is to take in poor children and provide them with training;

9. educational institutions;

10. persons subject to The synthetic general tax ;

11. canoeists, except those who use a motor or steam boat;

12. planters selling firewood exclusively from brush clearing for the development of their plantations;

13. owners or farmers of salt marshes;

14. owners or tenants who accidentally rent out part of their personal home as furnished, when this rental is not periodic;

15. employees, solely in the exercise of their salaried professions;

16. Cooperative Rural Development Societies, Agricultural Relief and Loan Societies operating in accordance with their purpose;

17. cooperative societies and/or their unions as well as joint initiative groups (GIC) for the purpose of:

    a. or to carry out or facilitate all operations concerning the production, conservation or sale of agricultural products coming exclusively from the members' holdings;

    b. or to make available to their members for their use, agricultural equipment, machinery and instruments;

18. travellers, commercial and industrial ushers, whether they work for one or more houses, whether they are remunerated by discounts or fixed salaries, provided that they do not have a professional personality independent of that of the merchants whose products they place.

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