REPUBLIC OF CAMEROON
Peace - Work - Fatherland

MINISTRY OF FINANCES

Directorate General of Taxation

Annual Report 2015

DGI
Direction Générale des Impôts

H.E PAUL BIYA
President of the Republic of Cameroon

Mr PHILEMON YANG
Prime Minister – Head of Government

Mr ALAMINE OUSMANE MEY
Minister of Finance

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Minister Delegate to the
Minister of Finance

Mr Gilbert Didier EDOA
Secretary General Ministry of Finance

FOREWORD
BY THE MINISTER OF FINANCE

In 2015, the Cameroonian economy and its public finances stood up to multiple shocks arising from a very unstable and difficult environment. This resilience as underlined by the Head of State, H.E President Paul Biya, during the new year message to the nation on December 31st 2015, bolsters the options taken by the President of the Republic to make Cameroon an emerging country by 2035. The constant and robust growth of our economy since 2010 which was close to 6% in 2015 despite a morose national and international climate is an illustration of this winning strategy.
On the local scene, the security challenges along the northern and eastern borders of our country did not undermine our economy and public finances despite the huge pressure exerted on the budget of the State. This pressure was further heightened by the need for more resources with the acceleration in the implementation of developmental projects.

On the international scene, the plummeting oil prices observed in the second semester of 2014 continued in 2015 thereby negatively impacting State resources generated from the sale of this commodity. The slowdown in the growth of emerging economies equally continued this year.

Within this context, the Ministry of Finance intensified its budgetary strategy around improving the mobilisation of internal fiscal resources. This was demonstrated in 2015 through the implementation of pro-active reforms in tax policy as well as tax administration issues.

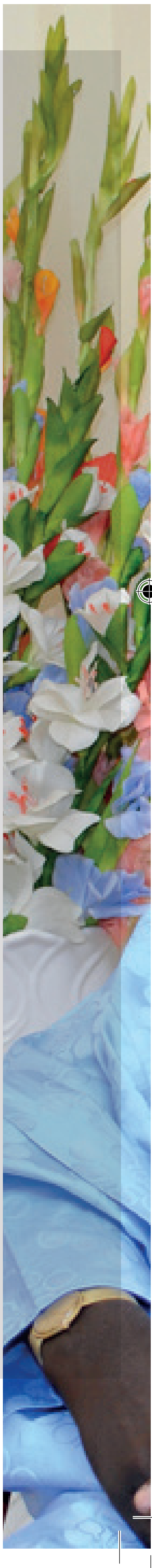
With regards to tax administration, the reforms geared at reorganising services and modernising procedures that begun in 2013 and which were already bearing fruits were further strengthened. Throughout the year, they enabled the administration face the different risks associated with the filing of returns and payment of taxes by taxpayers. Above all, they led to a reduction in the cost of compliance through the simplification of filing and payment processes.

With regards to tax policy, 2015 was marked by a decisive twist in the drive by authorities towards a broader tax base and moderate tax rates. The five (5) point reduction in the company tax rate is a perfect illustration. Beyond the taxation of corporate persons, tax policy reforms equally touched the consumption domain with the reform of the excise duty via the introduction in our system of a specific excise duty thereby strengthening the use of taxation as a socio-economic policy tool. These reforms and others bore wonderful results. Our country in terms non-oil internal taxes reached the symbolic figure of 1 500 billion approaching 1 600 billion for the very first time.

The improved growth in the mobilisation of tax revenue observed since the end of the 2013 fiscal year was successfully pursued in 2015 and deserves to be consolidated in the face of ever growing needs of the State for an emerging economy in 2035.

This 2015 annual report, constitutes a fundamental medium for describing and analysing activities carried out by the Tax Administration within this period. I am convinced that people of every walk of life will find therein interesting information for a better understanding of the Cameroon Tax Administration, one of the strategic levers of the Ministry of Finance.

Alamine OUSMANE MEY
Ministre des Finances



DGI

Direction Générale des Impôts

EXECUTIVE SUMMARY

The Cameroonian economy in 2015 demonstrated resilience against a regional backdrop marked by:

- security and human crises along the Northern borders with Nigeria and the Eastern borders with the Central African Republic (CAR);

- the steady fall in oil prices;

- a world economic context characterised by stagnation in OECD countries and slowdown in growth within emerging countries.

Despite this singularly adverse context and thanks to its diversified economy, growth rate in Cameroon stood at **5.8%**.

Within this context, the Directorate General of Taxation(DGT) mobilised gross tax revenue to the tune of **FCFA 1 931.1 billion** in 2015, representing a **FCFA 230.6 billion** upturn in absolute terms and **13.6%** in relative terms as compared to the year 2014. Revenue mobilised included State budgetary revenue and revenue assigned to Local Authorities as well as certain Public Administrative Establishments.

In terms of budgetary revenue, **FCFA 1 760.8 billion** was mobilised, divided into non-oil tax revenue and oil sector company tax. In regard to non-tax revenue and against an objective set by the Finance Law at **FCFA 1 403.8 billion**, tax collection stood at FCFA **1 588.9 billion**, representing a **113.2%** achievement rate. Of the **FCFA 201.3 billion** initially expected from the Company Tax, **FCFA 171.9 billion** was effectively collected, representing an **85,4%** achievement rate.

As concerns assigned revenue, the DGT mobilised **FCFA 170.3 billion**, representing **FCFA 120.2 billion** for CTD and **FCFA 50.1** for EPAs.

Throughout the 2015 fiscal year, the non-payment of taxes and duties by certain public enterprises facing financial difficulties and benefitting from tax exonerations had a negative impact on the mobilisation of resources by the DGT. In the case of public enterprises, tax revenue losses in 2015 revolved around **FCFA 122.2 billion**. These losses, nevertheless, failed to derail the performance of the tax administration.

The main taxes under our tax system, notably the VAT, non-oil company tax and excise duty continued on an excellent upward trend, as compared to 2014. Internal VAT revenue attained **FCFA 523.7 billion**, representing a **14.4%** growth as against that of 2014 which stood at **FCFA 457.9 billion**. The non-oil company tax in general, and excise duty in particular, witnessed a remarkable evolution in 2015, with non-oil company tax settling at **FCFA 367.1 billion**, representing a **23.2%** growth. As for excise duty that stood at **FCFA 170.2 billion**, it increased by **60.0%**.

The abovementioned results were obtained within a context of continuous implementation of reforms by the tax administration (continuation of the restructuring of services), commencement of tax policy reforms (reduction of the company tax rate, modification of excise duty, ...),but also acceleration of reforms to improve the quality of service rendered to users.

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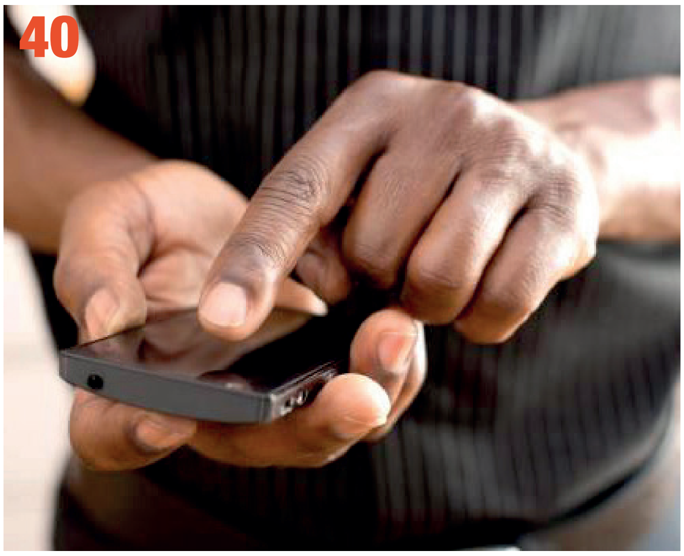


IV. OTHER HIGHLIHTS

V. THE DGT AND ITS PARTNERS IN 2015

VI. THE DGT ON THE INTERNATIONAL SCENE IN 2015

LIST OF ACRONYMS

AIT Advance Income Tax
ATAF African Tax Administrations Forum
BIC Industrial and commercial profits
NCB Non-commercial Profits
BPW Building, Public Works
CAFCAM French Business Circle in Cameroon
DTC Divisional Taxation Centre
GTC General Tax Code
MTO Medium Size Taxpayer Office
RTC Regional Taxation Centre
RTC A Regional Taxation Centre for Adamawa
RTC C 1 Regional Taxation Centre for Centre 1
RTC C 2 Regional Taxation Centre for Centre 2
RTC FN Regional Taxation Centre for Far North
RTC L 1 Regional Taxation Centre for Littoral 1
RTC L 2 Regional Taxation Centre for Littoral 2
RTC N Regional Taxation Centre for North
RTC NW Regional Taxation Centre for North-West
RTC W Regional Taxation Centre for West
RTC S Regional Taxation Centre for South
RTC SW Regional Taxation Centre for South-West
STC Specialised Taxation Centre
CSPLI Specialised Tax Centre for Liberal Professions and Real Estate
CTD Regional and Local Authority
ED Excise Duty
DE Registration duty
DI Division for Information and Communication Technology
DEPSC Division for Investigations, Programming and monitoring of Tax Audits
DEPRF Division for Studies, Planning and Tax Reforms
DGB Directorate General of Budget
LTU Large Taxpayers Unit
DGT Directorate General of Taxation
DGTCFM Directorate General of Treasury and Financial and Monetary Cooperation
DLRFI Division for Legislation and International Fiscal Relations
DSSI Division for Statistics, Simulations and Registration
EPA Public Administrative Establishment
GEX Cocoa and coffee exporters union
GICAM Cameroon Employers' Union
IRCM Tax on Income from Stocks and Shares
IRPP Personal income tax
FL Finance Law
TIN Taxpayer Identification Number
NTIC New Information and Communication Technologies
GDP Gross Domestic Product
PSREP Livestock and fishery revenue enhancement programme
PSRMEE Mines, water and energy revenue enhancement programme
AFR Annual Forestry Royalty
SCDP Cameroon Petroleum Depots Company
SNH National Hydrocarbons Corporation
SONARA National Refinery Company
CET Common External Tariff
ICT Information and Communication Technologies
STPP Special Tax on Petroleum Products
STPP Special Income Tax
VAT Value AddedTax

01

THE DIRECTORATE GENERAL OF TAXATION IN BRIEF

The central services of the Directorate General of Taxation are made up of ten (10) Departments and structures ranking as such

The Directorate General of Taxation (DGT):

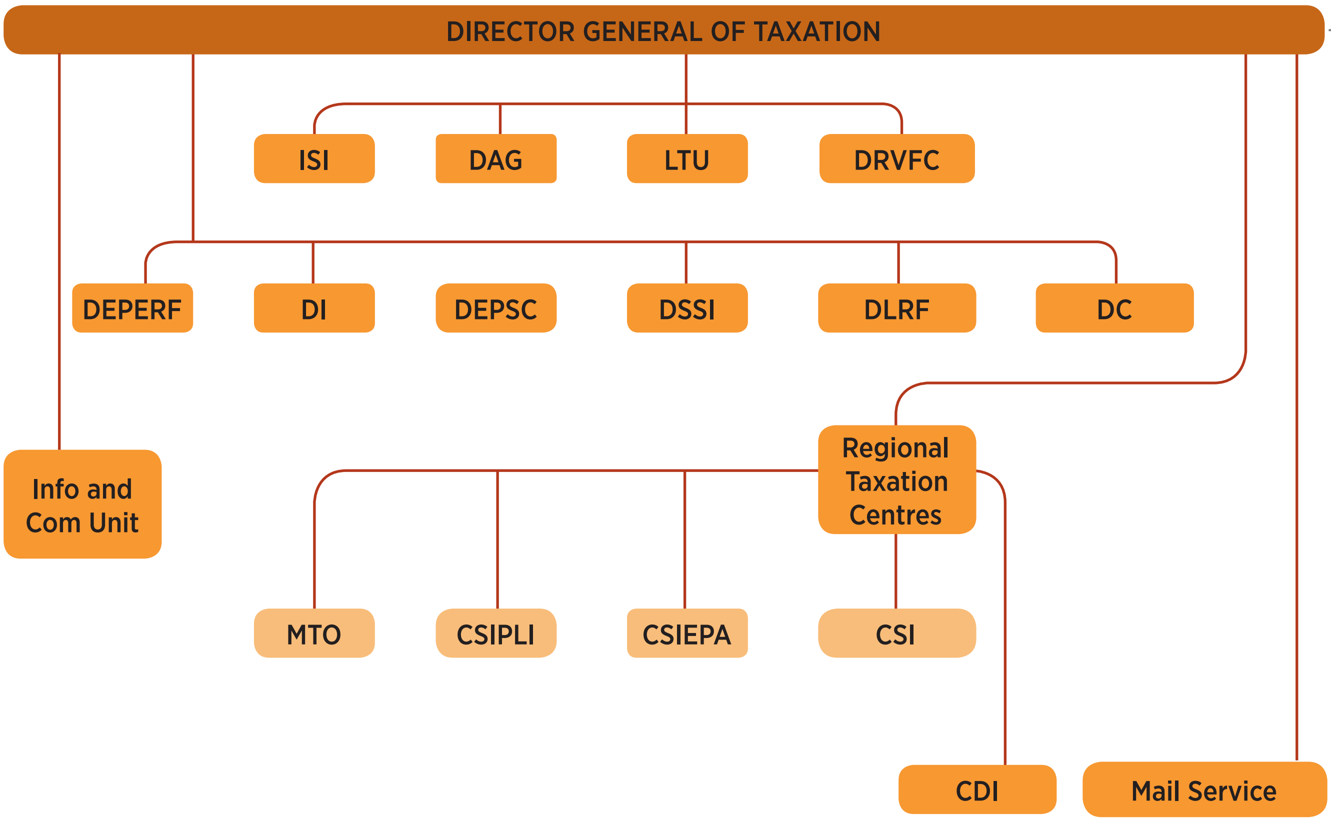
SECULAR ARM OF THE STATE AND LOCAL AUTHORITIES (CTD) IN THE COLLECTION OF RESOURCES

The missions of the Directorate General of Taxation (DGT) are outlined under Decree No.2013/066 of 28 February2013 as follows :

- elaboration of legislative and regulatory texts on direct and indirect taxes, registration fees, stamp duty and trusteeship, diverse royalties, notably oil, mining, forestry, agricultural, livestock and fishing products taxes, including all taxes and duties that fall under the competence of the DGT, in collaboration with the relevant administrations;
- control, coordination and facilitation of taxation services;
- collection, centralisation, provision and monitoring of the use of tax-related information;
- identification, location and registration of taxpayers;
- issuance and collection of direct and indirect taxes, registration fees, stamp duty and trusteeship, diverse royalties and taxes;
- audit of direct taxes, registration fees, stamp duty and trusteeship, diverse royalties and taxes;
- collection and use of landed property tax-related information;
- trusteeship;
- centralisation of statistics on the issuance and collection of direct and indirect taxes;
- fight against tax fraud and repression of tax offenses;
- examination of petitions for adjustment and claims of taxpayers relating to the taxes levied;
- tax treaties and agreements.

Organisation chart of the DGT

To accomplish its missions, the DGT is divided into central services (10 departments and similar ranking structures) and devolved services (12 Regional Taxation Centres[1]).



ISI : Internal Audit Service
DAG : Department of General Administration
LTU : Large Taxpayers Unit
DRVFC : Department of Tax Collection, Fiscal Values and Stamp Duty
DEPRF: Division for Studies, Planning and Tax Reforms
DEPSCF: Division for Investigations, Programming and Monitoring of Tax Audits
DSSI : Division for Statistics, Simulations and Registration
DI : Information and Communication Technology Division
DLRFI : Division for Legislation and International Fiscal Relations
DC : Division for Disputes
MTO : Medium Size Taxpayer Office
CSIPLI : Specialized Taxation Centre for Liberal Professions and Real Estate
CSIEPA : Specialized Taxation Centre for Public Administrative Establishments, Local Authorities and other Bodies
STC : Specialized Taxation Centre
DTC : Divisional Taxation Centre

[1] The Centre and Littoral regions, because of their potentials, host two (02) Regional Taxation Centres.

THE CENTRAL SERVICES

Modeste MOPA FATOING
Director General

Philip PENANJE
Head of the Internal Audit Service

Mariamou KASSIMOU
Director of General Administration

Marie-Catherine MBARGA
Director of Tax Collection, Fiscal Values and Stamp Duty

Roger MEYONG
Director of Large Taxpayers Unit

AND THEIR OFFICIALS

Central services of the Directorate General of Taxation comprise ten (10) departments and similar ranking outfits

Dorothy AGBOR
Head of the Division for Statistics, Simulations and Registration

Nicolas HIOL
Head of the Division for Studies, Planning and Monitoring of Tax Reforms

Roland ATANGA FONGUE
Head of the Division for Legislation and International Fiscal Relations

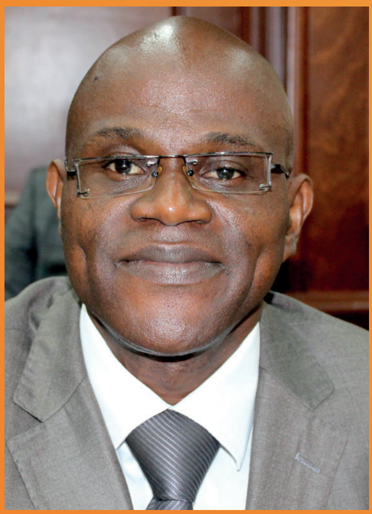
OUMAR ALI
Head of the Division for Disputes

ETOA KESSEK
Head of the Division for Investigations, Programming and Monitoring of Tax Audits

David MAMOUDOU
Head of the Division for Information and Communication Technology

DEVOLVED SERVICES

The devolved services of the Directorate General of Taxation are composed of twelve (12) Regional Centres



Jean Paul MENGUELE
Head of RTC Adamawa

Ali ALHADJI ABBA
Head of RTC Centre 1

DZOZONG
Head of RTC Centre 2

Justin GNOWE
Head of RTC East

OUSMANOU NASSOUROU
Head of RTC Far North

Joseph ODI
Head of RTC Littoral 1

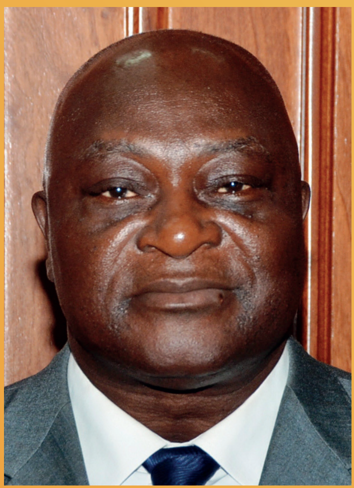
AND THEIR OFFICIALS

Augusta C. EKWELLE
Head of RTC Littoral 2

Luc Désiré NKONO
Head of RTC North

FONYUY FIDELIS BERNSAH
Head of RTC North-West

Amadou MOHAMAN
Head of RTC West



Georges Itoé SAKWE
Head of RTC South

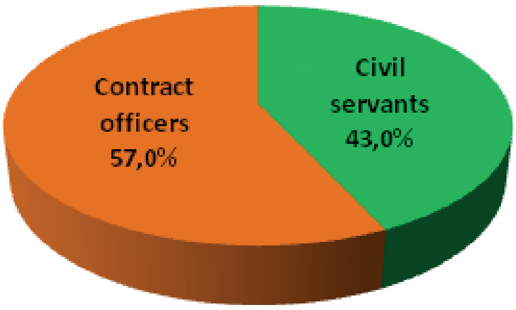
Josué LIHINACK
Head of RTC South-West

DGT Staff per status

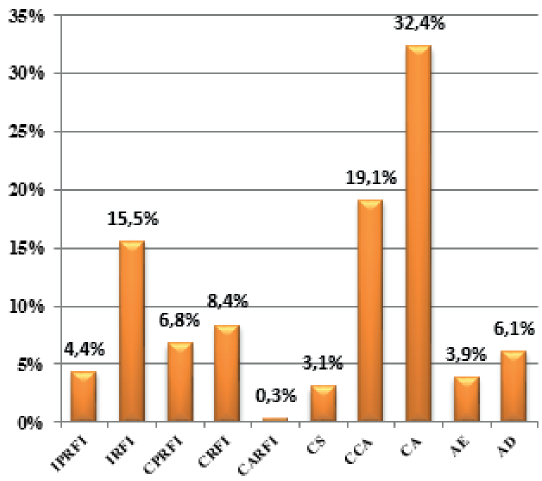
As of 2015, the Directorate General of Taxation employed a total number of 3 662 workers including:

- 1 576 civil servants comprising 1 277 experts, 158 support executives and 141 State agents;
- 2 086 contract workers.

Statut	Nombre	%
Civil Servants	1 576	43%
Contract Officers	2 086	57%
Total	**3 662**	**100%**



Ranks		Nber
Civil servants	Senior Tax Inspectors (IPRFI)	153
	Tax Inspectors (IRFI)	563
	Senior Tax Controllers (CPRFI)	247
	Tax Controllers (CRFI)	303
	Assistant Tax Controllers (CARFI)	11
	Support Executives (CS)	158
	State Agents (AE)	141
	Total number of civil servants	1 576
Contract Officers	Senior Contract Officers (CCA)	692
	Contract Officers (CA)	1 172
	Category 1 to 6 employees (AD)	222
	Total number of contract officers	2 086
Total DGT		3 662

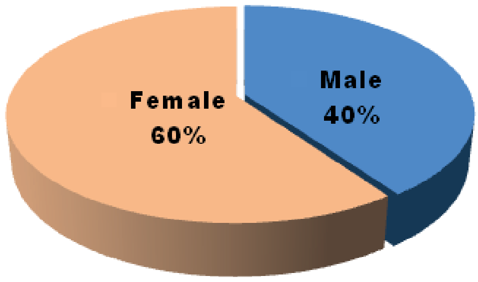


DGT staff per gender

Males account for **60%** of the DGT staff, representing **2 190** employees as against **40%** for females, representing **1 472** employees.

Gender	Number	Rate
Females	1 472	40%
Males	2 190	60%
Total	3 662	100%

Source: DGT



Box 0.1. Human resource: strategic bedrock of the DGT

Human Resources (HR) are key to the DGT revenue mobilisation strategy, for the outfit must count on a skilled and motivated human resource to meet the challenges of optimal mobilisation of resources and improvement of the service rendered. The intent of the Cameroonian tax administration is to avail itself of executives and employees capable in adapting rapidly and effectively to the changes in its environment, as well as respond to performance exigencies.

For this purpose, the DGT counts on a corps of seasoned tax experts, competent enough to effectively live up to operational expectations in terms of tax management, audit and collection as well as the implementation of reforms, modernisation of procedures, and the facilitation and coordination of operational services.

The experts composed of Tax Inspectors and Controllers sent to the DGT, after an initial training at the National School of Administration and Magistracy (ENAM), undergo capacity building throughout their professional career thanks to the tax administration and its partners. Thus regular training constantly enables the available human resource to acquire skills necessary to reach the objectives targeted and to the implement current and future reforms.

Apart from the its specialised staff, the DGT is also open to other corps, mostly as concerns specialised support skills (Statistics, computing,...).

In addition to these two (02) categories, the DGT employs a good number of category 1 to 6 employees and support staff. The latter, upon absorption, benefit from an induction training, punctually backed up by specific training related to the various taxation domains and current reforms.

DGI

Direction Générale des Impôts

02

2015 STATISTICS

A. The DGT, top-ranking in the **mobilisation of State resources in 2015**

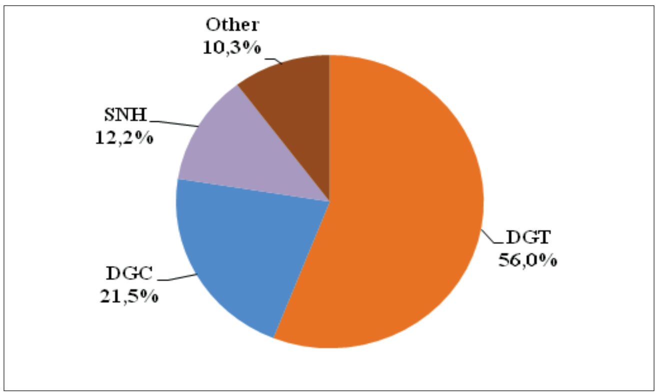
1) Main Sources of contribution to the state budget in 2015

In 2015, State budgetary revenue (excluding gifts and loans) stood at FCFA 3 146.3 billion, with the DGT contributing FCFA 1 760.8 billion, representing 56.0% of total State resources. The table below details the different sources of contribution to the State budget.

Table 1: State revenue collection per administration in 2015
Unit: FCFA thousand million

	Amount	Contribution
DGI	1 760.8	56.0%
DGD	678.0	21.5%
SNH	384.6	12.2%
Other	322.9	10.3%
Total revenue	3 146.3	100.0%

Source: Treasury accounts



The DGT gererated **56% of the State resources**

In 2015

FCFA 1 760.8 billion collected by the DGT

2) Trends in the main sources of State revenue between 2014 and 2015

	Amount		Trends 2014/2015
	2015	2014	
DGT	1 760.8	1 548.8	+13.7%
DGD	678.0	700.1	-3.2%
SNH	384.6	517.0	-25.6%
Other	322.9	152.1	+112.3%(2)
Total	3 146.3	2 919.0	+7.8%

Source: Treasury accounts

Box 1.1. State budget revenue sources

The budget of the Republic of Cameroon is chiefly constituted of:

- domestic taxes;

- customs revenue;

- oil revenue;

- other revenue.

Domestic revenue from taxes and duties include revenue derived from compulsory deductions made in terms of direct taxes (company tax) and personal income tax (IRPP)) or indirect taxes (Value Added Tax, Special Tax on Petroleum Products, Excise Duty, ...), Oil Company Tax. DGT is responsible for their collection and they represent 56.0% of the State budget in 2015.

Customs revenue comprises customs duty derived from the enforcement of the Common External Tariff (TEC), VAT on imports, excise duty and other withholding taxes at entry. DGD is responsable for their collection and they represent 21.5% of the State budget in 2015.

Oil revenue is mainly composed of royalties paid by SNH into the Public Treasury and they represent 12.2 % of the state budget in 2015.

Other revenue is made up of non-tax resources like revenue from services and retirement contributions, including pipeline transit fees and revenue from privatisation. They are collected by the DGB and represent 10.3% of the State budget in 2015.

The notion of budgetary revenue excludes deductions whose proceeds are assigned to entities other that the State like Local Authorities (CTD) and Public Administrative Establishments (EPA).

However, beyond the collection of resources for the State budget, the DGT also mobilises revenue for CTD and EPA. For CTD, such revenue termed assigned, comprises Additional Council Surtax (CAC) on the main State taxes, a share of registration fees, windscreen license, property tax, ... for EPA, it is made up of the Audio-visual tax (RAV) and NEF and HLF contributions. During the year 2015, assigned revenue collected by the DGT stood at **FCFA 170.3 billion.**

In all, at the close of the 2015 fiscal year, total resources mobilised by the DGT (for the State and other public entities) stood at **FCFA 1 931.1 billion**.

1 931.1 billion collected by the DGT in 2015

1 760.8 billion for the State

170.3 billion for other public entities

[2] The fees paid by mobile telephone operators during the renewal of their licences are accountable for this exceptional trend.

B. Detailed analysis of **resources collected by the DGT in 2015**

1) Budgetary resources

Budgetary resources collected by the DGT include non-oil tax (a) and tax on oil companies (b).

a) Non-oil tax revenue

The 2015 Finance Law (LF) set a non-oil tax revenue collection target of **FCFA 1 403.8 billion** for the DGT (see Box 1.2. below). At the close of the fiscal year, results show a mobilisation of **FCFA 1 588.9 billion** (Settlement Bill), representing an excess of **FCFA 185.1 billion** in absolute terms and **+13.2%** in relative terms. As compared to the year 2014 during which its revenue stood at **FCFA 1 387.1 billion,** revenue rose by **FCFA 201.8 billion,** representing an increase of **+14.5%** in relative terms.

Box 1.2. Procedures for setting objectives for the DGT

Non-oil tax revenue constitutes the core of resources mobilised by the DGT. They form the basis by which the performance of the tax administration is judged. The level of non-oil tax resources reflects the capacity of the tax administration to bridge the tax gap, which is the difference between the total revenue to be collected as set by the laws and regulations in force and the revenue effectively mobilised by the operational structures at the close of the fiscal year. Similarly, it allows for measurement of the capacity of a tax administration to reach the objectives set by the Finance Law.

Each year, the Finance Law assigns the Directorate General of Taxation a non-oil tax revenue mobilisation target.

Assignment of such target depends on the following elements:

- mobilisation of non-oil tax revenue for the year n-1;
- real GDP non-oil growth rate for the reference period;
- non-oil GDP deflator for the reference period;
- nominal non-oil GDP growth rate (combined effect of the real GDP growth rate and of the GDP deflator);
- new tax measures contained in the Finance Law, expected to boost resources;
- extra revenue generated by the tax and administration improvement measures.

i. Monthly distribution of non-oil tax revenue mobilised by the DGT in 2015

. Monthly non-oil tax revenue mobilised by the DGT in 2015

The monthly average of non-oil tax revenue mobilised stood at FCFA 132.4 billion in 2015, peaking at FCFA 248.6 billion in March[2].

[3] March is singular in the monthly revenue mobilisation cycle of the DGT. From a legal perspective, it is the month for payment of the outstanding balance of the non-oil campany tax. The results of this month are thus always widely above average. In a lesser extent, the same applies to December, the month for adjustment par excellence of revenue collected but not computed during a given fiscal year.

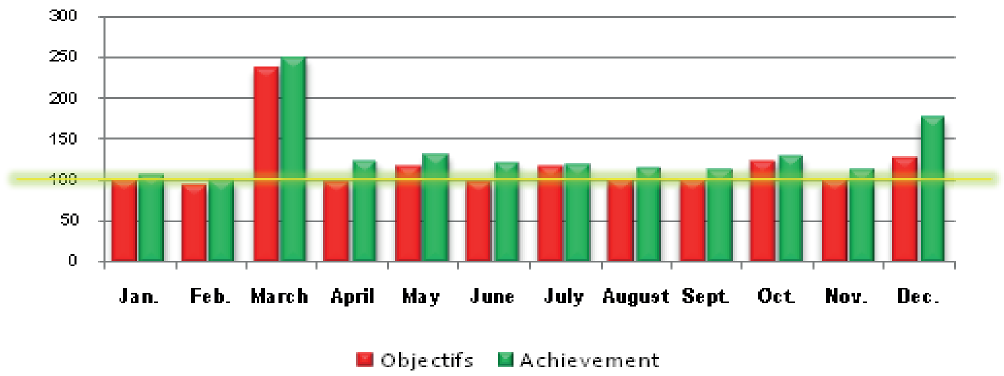
2015

248.6

billion collected by the DGT in march 2015

Table2: Collection of non-oil tax revenue in 2015 (in FCFA thousand million)
Unit: FCFA thousand million

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Total 2015
Objectifs (FL)	98.8	93.6	236.8	97.5	115.3	97.8	115.8	99.5	99.9	123.2	99.6	125.9	1 403.8
Achievement	106.6	100.1	248.6	122.7	130.8	120.8	118.6	114.4	111.5	128.2	111.0	175.6	1 588.9
Achievement rate	107.9%	106.9%	105.0%	125.8%	113.4%	123.5%	102.4%	115.0%	111.6%	104.1%	111.4%	139.5%	113.2%
Contribution	6.7%	6.3%	15.6%	7.7%	8.2%	7.6%	7.5%	7.2%	7.0%	8.1%	7.0%	11.0%	100.0%



Source: MINFI/DGI &Treasury accounts

• Trends in monthly collection of taxes for 2014 and 2015

Table 3: Comparison of the monthly tax collection between 2014 and 2015
Unit: FCFA thousand million

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Total 2015
Achievement 2014	100.1	86.3	228.2	104.0	115.1	101.1	119.0	93.8	100.0	97.6	96.3	145.7	1 387.1
Achievement 2015	106.6	100.1	248.6	122.7	130.8	120.8	118.6	114.4	111.5	128.2	111.0	175.6	1 588.9
2014/2015 trend	+6.5%	+16.0%	+8.9%	+18.0%	+13.6%	+19.6%	-0.3%	+22.0%	+11.5%	+31.4%	+15.3%	+20.5%	+14.5%

ii. Distribution of the DGT non-oil tax revenue per operational structure in 2015

• Non-oil tax revenue mobilised by operational structures in 2015

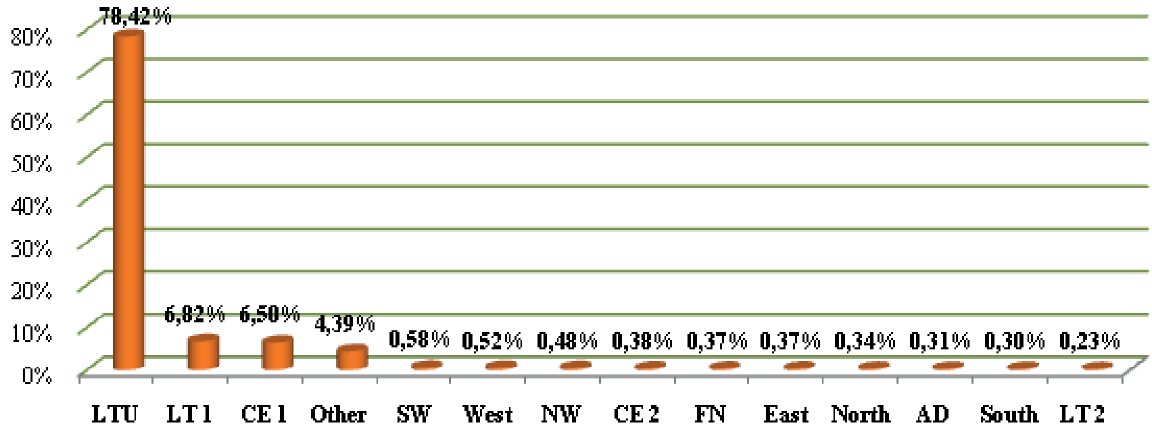
Table 4: Contributions of operational structures
Unit: FCFA million

Structures	2015	
	Achievement	Contribution
Large Taxpayers Unit (LTU)	1 245 996.9	78.42%
RTC Adamawa	4 993.3	0.31%
RTC Centre 1	103 271.1	6.50%
RTC Centre 2	6 095.5	0.38%
RTC East	5 842.9	0.37%
RTC Far North	5 849.4	0.37%
RTC Littoral 1	108 311.4	6.82%
RTC Littoral 2	3 595.1	0.23%
RTC North	5 347.4	0.34%
RTC North-West	7 600.4	0.48%
RTC West	8 340.9	0.52%
RTC South	4 711.2	0.30%
RTC South-West	9 173.6	0.58%
Others	69 770.9	4.39%
Total DGT	1 588 900.0	**100.00%**

In 2015

78.4%

of DGT collection comes from the LTU



The contribution of each operational structure varies depending on its potential (see Box 1.3. below).

Box 1.3. Potential of the DGT operational structures

The Large Taxpayers Unit (LTU), with **388** taxpayers in 2015, represents the topmost structure, in terms of revenue mobilised by the DGT, representing close to **78.4%** as against **76.0%** in 2014. The LTU has national competence and groups the largest e**nterprises on the national territory**, defined as those generating a turnover (CA) above **FCFA 3.0 billion**. Conversely, most enterprises authorised to conduct withholding at source (VAT, IR) fall under the LTU, which increases its tax revenue mobilisation potential within the DGT operational structures.

The Regional Taxation Centres for Littoral 1 (Wouri administrative jurisdiction)[4] and Centre 1 (Mfoundi administrative jurisdiction) represent the second and third highest DGT revenue mobilisation structures respectively thanks to their Medium Size Taxpayer Offices (MTO)*. MTOs group taxpayers with annual CA revolving between **FCFA 50.0 million** and **FCFA 3.0 billion.** As of 2015, the Regional Taxation Centre for Littoral 1 (RTCL1) has three (03) MTOs and that for Centre 1 (RTCC1) two (02) MTOs**. In revenue collection, the RTCC1 that host Yaoundé relies on a substantial network of public establishments and State service providers. On the contrary, the tax resources of the RTCL1 rely more on an economic activity carried by the private sector.

In the course of the year 2015, two (02) new MTOs were created in Limbe and Bafoussam respectively. With this reform, the South-West and West RTC respectively became the fourth and fifth operational structures given their volume of revenue mobilised.

The eight (08) other Regional Centres have a potential that varies depending on their level of economic activity.

Other actors that contribute in the mobilisation of resources for the DGT, include public accountants in terms of withholding at sourceof taxes levied on the salaries of State employees (**FCFA 30.7 billion** in 2015), VAT withheld at source on public contracts and tax relating to external financing (**FCFA 38.3 billion** in 2015) as well as revenue from fiscal revenue enhancement programmes*** (**FCFA 0.8 billion**). All these actors are grouped under the column "Others".

*** In 2014, the CRIL1 and CRIC1 were the only regional centres to host MTO.**

**** Up to 2013, each of these regional centres had one (01) MTO only.**

***** These are mostly Livestock and Fishery Revenue (PSREP) and Mining, Water and Energy (PSRMEE) enhancement Programmes, with the other Programmes rather playing more of a coordination than a taxation role.**

[4] The output of RTCL1 lagged behind that of the RTCC1 over a long period.

iii. Evolution in the DGT non-oil tax revenue per operational structure between 2014 and 2015

As compared to the year 2014, the output of all the DGT operational structures increased in 2015 as illustrated in the following table:

Table 5: Evolution in the output of operational structures as compared to 2014
Unit: FCFA million

Structures	Achievement		Variation 2015/2014
	2015	2014	
Large Taxpayers Unit (LTU)	1 245 996.9	1 054 576.3	**+18.2%**
RTC Adamawa	4 993.3	3 697.7	**+35.0%**
RTC Centre 1	103 271.1	83 510.4	**+23.7%**
RTC Centre 2	6 095.5	4 437.1	**+37.4%**
RTC East	5 842.9	3 799.2	**+53.8%**
RTC Far North	5 849.4	5 212.6	**+12.2%**
RTC Littoral 1	108 311.4	91 631.7	**+18.2%**
RTC Littoral 2	3 595.1	2 982.5	**+20.5%**
RTC North	5 347.4	4 761.6	**+12.3%**
RTC North-West	7 600.4	6 758.5	**+12.5%**
RTC West	8 340.9	6 458.7	**+29.1%**
RTC South	4 711.2	3 517.0	**+34.0%**
RTC South-West	9 173.6	7 347.8	**+24.8%**
Others	69 770.9	108 388.9	
Total DGI	1 588 900.0	1 387 080.0	**+14.5%**

Source : MINFI/DGI & TABORD

The onset of the RTCL1 dominance over the RTCC1 observed in 2014 was consolidated in 2015, with the former overtaking the latter with **FCFA 8.0 billion** resources collected. This trend reflected an improvement in tax administration at the RTCL1 even while the trend remained on an upward slope at the RTCC1.

In 2015
The East Region had the highest progress rate in tax collection due to the change in the modalities for collecting mining taxes

iv. Distribution of the DGT non-oil tax revenue per fiscal function in 2015

90.2%
of taxes are spontaneously paid by taxpayer in 2015

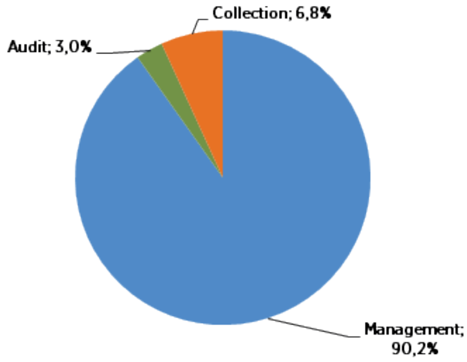
• The DGT non-oil tax revenue per fiscal function in 2015

Three fiscal functions contribute in the mobilisation of resources within the DGT, namely "**management**", "**audit**" and"**collection**" (see Box 1.4.).

Table 6 : DGT Output per fiscal function

Function	Achievement 2015	Contributions
Management	1 433.4	90.2%
Audit	47.4	3.0%
Collection	108.1	6.8%
Total	1 588.9	100.0%

Source : DGI



• Evolution in the DGT non-oil revenue per fiscal function between 2014 and 2015

The table below shows the evolution in revenue per fiscal function between 2014 and 2015:

Table 7 : Evolution in revenue per fiscal function between 2014 and 2015

Fonctions	Achievement		Evolution 2015/2014
	2015	2014	
Management	1 433.4	1 231.0	+16.4%
Audit	47.4	44.6	+6.3%
Collection	108.1	111.5	-3.0%
Total	1 588.9	1 387.1	+14.5%

Source: DGT

3.0%
of the revenue collected by DGT is from tax audits

The table reveals that the output of all fiscal functions, «Management» and «Audit» increased year-over-year. The decrease in the output of the collection function by **-3%** as compared to 2014 can be mainly justified by the decline in budgetary coverage[5] of close to **FCFA 13.5 billion** between 2014 and 2015.

[5] This mainly concerns taking into account tax revenue from debt swapping between the State and certain public enterprises as well as the defrayment of VAT on external financing by the State.

Box 1.4. Fiscal functions within the DGT

The management function enables the collection of taxes and duties **filed and paid** spontaneously by taxpayers, notably taxes and duties levied on monthly and annual returns. Revenue generated from this is much more considerable, given that the Cameroonian tax system is based on self-assessment*. In 2015, **the management function** contributed **90.2%**of the total revenue collected by the DGT as against **88.8%** in 2014, representing an output of **FCFA 1 433.4 billion**, in absolute terms. In detail, the tax administration collected **FCFA 1 183.9 billion** in terms of spontaneous payments; **FCFA 144.5 billion** as tax balances paid annually; **FCFA 51.5 billion** as VAT and income tax (IR) in the voucher commitment zone (ZBE), and **FCFA 30.7 billion** as tax on the wages and salaries of State personnel (I/TS).

The audit function, for its part, enabled the collection of extra revenue generated from tax adjustments, arising from below-the-par declarations by taxpayers. In 2015, **FCFA 47.4 billion** was collected from tax audits.

As for the collection function, it concerns an aspect of the tax administration's activity that contributes to the collection of accrued taxes generally derived from returns not accompanied by means of payment or arrears resulting from tax disputes filed by taxpayers, at the conclusion of which the tax is considered due by the competent structures. The collection function contributed in 2015 to revenue worth **FCFA 118.1 billion**, representing **6.8%** of total revenue.

*** The taxpayer personally files his turnover and the corresponding taxes. The tax administration simply exercises a posteriori audit on the said returns to ascertain their sincerity.**

v. Distribution of non-oil tax revenue per tax type in 2015

• **DGT non-oil tax revenue per tax type in 2015**

The performance of the main taxes (see Box 1.5. below) and their contribution to the DGT total output is presented in the following tables:

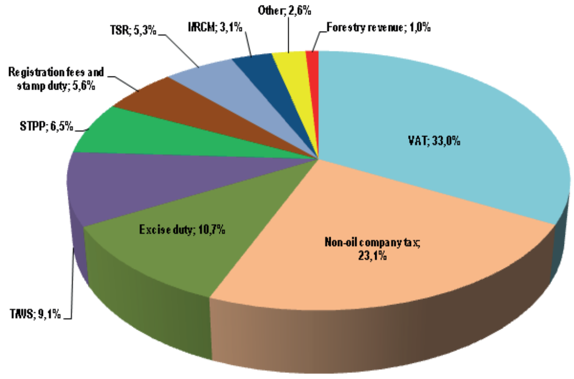


Table 8 : DGT output per tax type

Taxes and duties	Achiev.	Contrib.
Value Added Tax (VAT)	523.7	33.0%
Non-oil company tax	367.1	23.1%
Excise duty	170.2	10.7%
T/Wages and salaries (T/WS)	144.8	9.1%
Special tax on petroleum products (STPP)	103.8	6.5%
Registration fees and stamp duty	89.7	5.6%
Special income tax (TSR)	84.4	5.3%
T/Revenue from movable capital (IRCM)	48.8	3.1%
Forestry revenue	15.5	1.0%
Others	40.9	2.6%
Total	**1 588.9**	**100.0%**

Source: MINFI/DGI & Treasury Accounts

In 2015

33 %

of the revenue of the DGT comes from VAT

• Evolution in the DGT non-oil tax revenue per tax type between 2014 and 2015

The table below shows the evolution in non-oil tax revenue per tax type between 2014 and 2015.

+60%

rate of progression recorded by excise duty

• Evolution in the DGT non-oil tax revenue per tax type between 2014 and 2015

Unit: FCFA billion

Taxes and wages	Achievement		Evolution rate
	2014	2013	
T/Wages and salaries	144.8	141.2	+2.5%
T/Revenue from movable capital (IRCM)	48.8	44.5	+9.7%
Special income tax (TSR)	84.4	97.6	-13.5%
Non-oil Company Tax	367.1	298.0	+23.2%
Value Added Tax (VAT)	523.7	457.9	+14.4%
Excise duty	170.2	106.4	+60.0%
Special tax on petroleum products (STPP)	103.8	118.5	-12.4%[6]
Forestry revenue	15.5	14.0	+10.7%
Registration fees and stamp duty	89.7	76.9	+16.6%
Others	40.9	32.2	+27.0%
Total	**1 588.9**	**1 387.1**	**+14.5%**

Source : MINFI/DGI &Treasury Accounts

Box 1.5. Main taxes and duties of the Cameroonian tax system in 2015

Like any other modern tax system, that of Cameroon relies on a compulsory collection structure based on revenue, consumption as well as capital.

Income tax constitutes:

(1) personal income tax (IRPP) levied on wages and salaries (based on a progressive scale ranging from 10% to 35%), revenue from movable capital (15%), industrial, handicrafts, commercial, agricultural profits and landed property revenue (30%);

(2) company tax (IS) levied on the profits of companies operating in Cameroon at 30%*;

(3) Special income tax at 15% applicable to revenue paid abroad for services rendered to Cameroonian entities.

Taxes and duties on consumption mainly comprise:

(1) Value Added Tax (VAT) at 17.5%;

(2) Excise duty on beverages, tobacco and certain luxury products (jewellery, luxury cars, etc.) at 25%. Specific excise duty based on the quantities is also applicable to alcoholic drinks and cigarettes since 2015;

(3) Special tax on petroleum products (TSPP) at CFA 80 F per litre for petrol and CFA 60 F per litre of diesel.

Wealth taxation: it includes registration duty on conveyances (at proportional, progressive, degressive rates and fixed fees as the case maybe).

The different taxes and duties have a variable contribution to total output of the DGT. Taxes on consumption (VAT, excise duty, TSPP), because of their contribution to output, constitute the most important in the Cameroonian tax system. They are followed by company tax (IS) and personal income tax (IRPP) respectively, thanks mostly to the tax on wages and salaries (I/TS).

For the 2015 fiscal year, VAT, company tax, I/TS, TSPP and excise duty contributed **82.4%** to the total output of the DGT.

*** The company tax rate dropped by 5 points in the 2015 Finance Law.**

****STPP rates were reduced in 2014.**

[6] The drop in STPP collection between 2014 and 2015 results from the reduction in the tariffs brought about by the June 2014 Presidential Ordinance: 120 to 80 francs for petrol and 65 to 60 francs for diesel.

In 2015

Excise duty became the third most productive tax in our fiscal sytem

In 2015, domestic VAT remained the most productive tax. While the proceeds of this tax increased sharply in absolute terms, its contribution to total revenue remained stable at **33.0%** between 2014 and 2015. The non-oil company tax yield rose from **21.5%** to **23.1%.** Excise duty that became the third most productive tax, ahead of the STPP, evolving from **7.7%** in 2014 to **10.7%** in 2015.

Vi. Level of the non-oil tax revenue in 2015 as compared to the past fiscal years

The **FCFA 1 588.9 billion** non-oil tax revenue collected in 2015 consolidated the reversal of the tax revenue mobilisation curve as concerns the achievement of the objective set by the Finance Law as well as improvement of the tax-GDP ratioss.

Table 9: Evolution in non-oil tax revenue in Cameroon from 2000 to 2015
Unit: billion FCFA

	2000/ 2001	2001/ 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Objectives	539.0	635.0	707.0	810.0	734.0	722.0	799.0	867.0	961.0	908.0	1 002,0	1 076,0	1 214.0	1 240.0	1 403.8
Achievement	607.1	666.7	646.4	653.1	752.4	748.1	809.7	853.0	827.0	855.7	988,0	1 053.0	1 230.4	1 387.1	1 588,9
Achievement rate	**112.6%**	**105.0%**	**91.4%**	**80.6%**	**102.5%**	**103.6%**	**101.3%**	**98.4%**	**86.1%**	**94.2%**	**98.6%**	**97.9%**	**101.4%**	**111.9%**	**113.2%**

Source: MINFI/DGI & Treasury Accounts

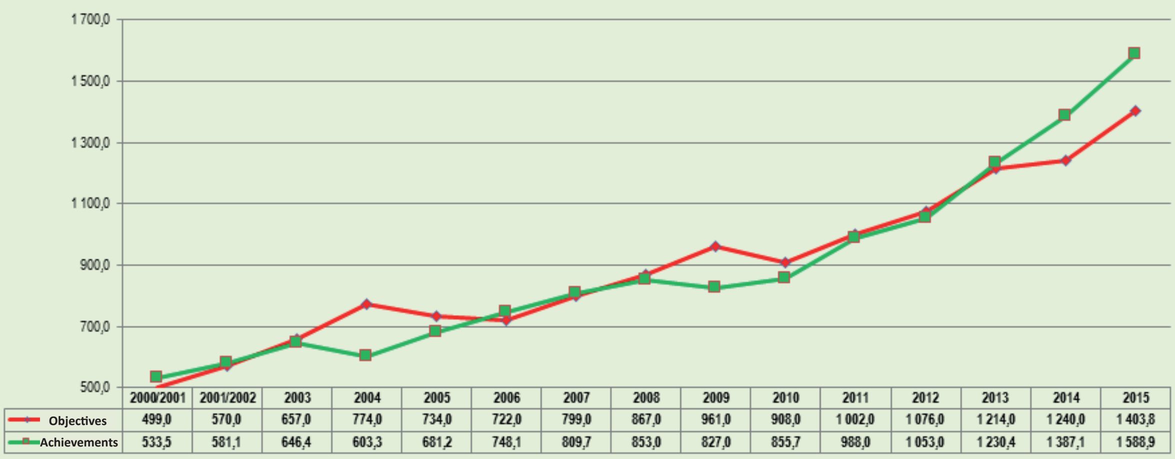
The close of the 2013 fiscal year marked a positive turn araound in the collection of non-oil tax revenue amounting to **FCFA 1 230.4 billion** of non-oil tax revenue in absolute terms, representing an achievement rate of **101.4%.** This trend was consolidated in 2014 and 2015 with **FCFA 1 387.1 billion** and **FCFA 1 588.9 billion** resources mobilised, for **111.9%** and **113.2%** achievement rates respectively.

In the past four (04) fiscal years, the level of revenue mobilised increased by more than **50%.**

50%

increase of collection between 2012 and 2015

The evolution curve of the output of taxes at the DGI from 2000 to 2015



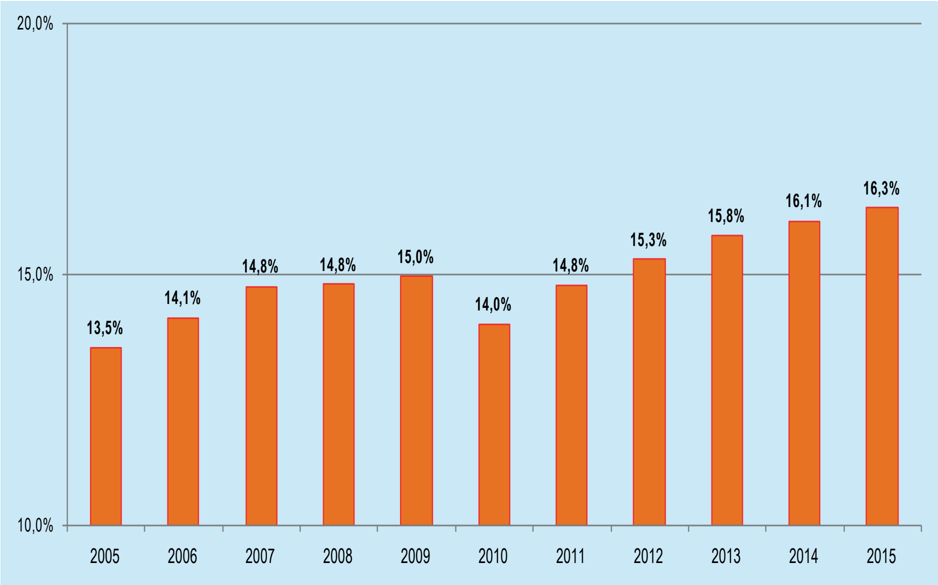
vii. Evolution in tax - GDP ratios

Unit: billion FCFA

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VARIABLES RETAINED TO DETERMINE THE TAX-GDP ratio											
Current GDP [1]	8 749	9 387	9 792	10 444	11 040	11 700	12 546	13 515	14 608	15 846	16 901
Revenue from taxes and duties (incl.oil company tax) [2]	752	848	955	977	1 016	940	1 085	1 214	1 400	1 550	1 761
Customs revenue [3]	349	376	400	442	467	504	545	596	597	700	678
Budgetary revenue [4]=[2]+[3]	1 101	1 224	1 355	1 419	1 483	1 444	1 630	1 810	1 997	2 250	2 439
Social contributions (public +private) [5]	84	84	90	100	109	136	144	144	160	150	154
Total tax revenue + social contributions [6]=[5]+[4]	1 185	1 308	1 445	1 519	1 592	1 580	1 774	1 954	2 157	2 400	2 593
Total tax revenue (incl. social contributions and assigned revenue)	1 185	1 328	1 446	1 546	1 652	1 640	1 855	2 068	2 304	2 547	2 760
TAX - GDP Ratio DETERMINED BASED ON THE VARIABLES ABOVE											
Tax - GDP Ratio based on budgetary revenue (DGT)	8.6%	9.0%	9.8%	9.4%	9.2%	8.0%	8.6%	9.0%	9.6%	9.8%	10.4%
Tax - GDP Ratio based on budgetary revenue (DGC)	4.0%	4.0%	4.1%	4.2%	4.2%	4.3%	4.3%	4.4%	4.1%	4.4%	4.0%
Tax - GDP Ratio based on total budgetary revenue (DGT+DGC)	12.6%	13.0%	13.8%	13.6%	13.4%	12.3%	13.0%	13.4%	13.7%	14.2%	14.4%
Tax - GDP Ratio based on total revenue(Incl. social contributions and assigned revenue)	13,5%	14.1%	14.8%	14.8%	15.0%	14.0%	14.8%	15.3%	15,8%	16.1%	16.3%

Source: TABORD, National Institute of Statistics, Balance of Treasury Accounts, DGT.

Evolution of tax - GDP ratio between 2005 and 2015



In 2015

the Tax - GDPs ratio is

16.3 %

Box 1.6. The notion of tax - GDP ratio

The fiscal burder defines the relative importance of compulsory deductions in the economy. It is a macroeconomic quantity whose rate is defined in relation to the GDP (Gross Domestic Product) and reflects efforts at State revenue collection to meet its expenses.

The method used in calculating the tax - GDP ratio is that of the OECD. The method involves two criteria that characterise compulsory deductions, namely: the outfit benefitting from the deduction and the absence of direct consideration for economic agents.

• the beneficiary outfit must be a public administration that comprises a central administration and bodies whose operations are under its effective control, local authorities, social security institutions and autonomous public entities;

• the absence of direct consideration in that, the services rendered by the administrations to economic agents are not proportional to the compulsory deductions.

This rate is averagely* **34.4%** in member countries of the Organisation for Economic Cooperation and Development (OECD) in 2015.

The tax - GDP ratio is also low in developing countries and reflects the difficulties faced by the tax administrations of these countries in the optimal collection of resources from compulsory deductions. This is often attributed to the domination of the informal sector as well as that of sectors that heavily contribute in building the GDP (agriculture), but are not taxed. The same applies to major developemental projects that propel economic growth and which are, for the most part, exempted from taxes.

It is generally admitted that the share of compulsory deductions in national wealth must at least attain 25% to be significant and impulse genuine development.

*** These rates however include a significant share of social contributions as compared to developing countries.**

b) Oil tax revenue

Taxes collected from the oil sector, especially the company tax occupies a prominent position besides the other non-oil taxes collected by the DGT.

i. Revenue generated from the tax on oil companies in 2015

In 2015, the DGT collected **FCFA 171.9 billion,** in terms of the tax on oil companies compared to an initial objective of **FCFA 201.3 billion**, representing an achievement rate of **85.4%.**

The spiralling fall in oil prices that settled at **US 52, 4 Dollars** in average in 2015 had a negative impact on the performance of enterprises of the upstream oil sector and consequently on their payment of company tax.

Box 1.7. Tax on oil companies

1. Definition

The tax on oil companies is one of the taxes and duties that must be paid by upstream oil companies*in Cameroon.

Basically dependent on market forces (prices and quantities produced), the tax on oil companies is calculated based on the international rule of posted price. It is governed by two different instruments in Cameroon, according to the tax regime:

a) For the "Mining Conventions" regime:

• Law No.64-LF-3 of 6 April 1964 relating to the mineral substances regime in the Federal Republic of Cameroon (Article 37);

• Law No.78/14 of 29 December 1978 to supplement Law No.64-LF-3 relating to the mineral substances regime in the Federal Republic of Cameroon on hydrocarbons (Article 34).

b) For the "Oil Contracts" regime:

• Law No.99/013 of 22 December 1999 relating to the Petroleum Code (Article 96).

2. Rates

• For the "Mining Conventions" regime, the rate varies from 38.5% to 57.5%.

• For the "Oil Contracts" regime, the rate ranges from 38.5% to 40.0%.

3. Procedures for payment

a) For the "Mining Conventions" regime:

Payment is made yearly N+1 in three (03) instalments known as "one-third instalment" after each quarter of the calendar year: April, July and October.

b) For the "Oil Contracts" regime:

Actual payment of the company tax is done, not later than the 15th after the end of each calendar quarter (April, July and October) based on the taxable theoretical profit generated within each quarter of the calendar year. Adjustment can then be done during payment of the fourth instalment (in January).

*** Enterprise whose corporate objective is the exploration and production of crude petrol.**

ii. Evolution in the output of tax on oil companies between 2014 and 2015

Despite the skyrocketing fall in oil prices in 2015, tax on oil companies revenue still recorded an increase as compared to 2014, up from **FCFA 161.7 million** to **FCFA 171.9 billion,** representing an increase of **FCFA 10.2 billion** in absolute terms and **6.3%** in relative terms. This apparently paradoxical situation, can be explained by the increase recorded in oil production in 2015[7] and the appreciation of the US dollar.

iii. Evolution in oil company tax revenue since 2003

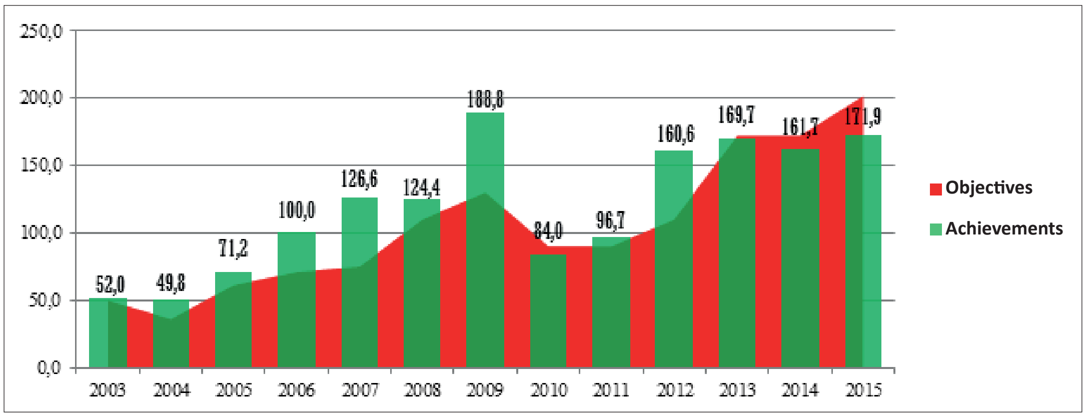
The table below shows the trend of revenue generated from the tax

Table 10: Evolution in oil Company Tax since 2003
(FCFA thousand million)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Objectives	50.0	36.0	61.3	71.0	75.0	110.0	130.0	90.0	90.0	110.0	172.0	172.0	**201.3**
Achiev.	52.0	49.8	71.2	100.0	126.6	124.4	188.8	84.0	96.7	160.6	169.7	161.7	**171.9**
Achiev. Rate	**104.0%**	**138.3%**	**116.2%**	**140.8%**	**168.8%**	**113.1%**	**145.2%**	**93.3%**	**107.4%**	**146.0%**	**98.7%**	**94.0%**	**85.4%**

Source : MINFI/DGI & DAE

Figure 1: Evolution in oil revenue collection



[7] Oil production reached 34 million barrels in 2015 as against 27 million in 2014, representing a 7 million barrel increase in absolute terms and 26% in value added.

2) Assigned revenue mobilised by the DGT in 2015

The DGT mobilised **FCFA 170.3 billion** as assigned revenue for CTDs (see Box 1.8.) and EPAs (see Box 1.9.).

a) Revenue assigned to CTD in 2015

i. Revenue mobilised by the DGT for CTD in 2015

Table 11: Collection of revenue assigned to local authorities in 2015
Unit: FCFA thousand million

	Achievement	Contribution
- Property tax(TPF)	1 743.1	1.45%
- Business License	4 195.9	3.49%
- Liquor License	832.3	0.69%
- Global Tax (IL)	1 213.8	1.01%
- Local development tax (TDL)	3 440.8	2.86%
- Additional Council Tax (CAC)	90 468.1	75.28%
- Windscreen license	7 387.7	6.15%
- Real estate transfer fees	3 080.0	2.56%
- Leases	2 364.1	1.97%
- Annual forestry royalties (RFA)	5 424.2	4.51%
- Tax on games and entertainment	22.8	0.02%
Total CTD revenue	**120 172.8**	**100.0%**

Source : DGI

In 2015
CAC represent more than **75%** of the revenue of CTD

Box 1.8. Revenue assigned to CTD

The Cameroonian tax system distinguishes assigned tax revenue from taxes levied by local authorities. This distinction is done at the level of the government structure responsible for the mobilisation of the tax revenues concerned. Assigned tax revenue includes revenue collected by State tax revenue services and paid over to local authorities.

Prior to the implementation of Law No.2009/019 of 15 December 2009 relating to local taxes, revenue assigned to CTD comprised business license, liquor license, global tax and additional council tax. The first three deductions are council taxes levied and collected by the tax administration for CTD exclusively, while additional council tax constitute (10%) share added to certain State taxes (personal income tax, company tax and value added tax). This share is levied and collected simultaneously and subjected to the same procedures as those applicable to the State budgetary share and transferred to CTD.

The law on local taxes has broadened the scope of tax revenue assigned to CTD. Since 2010, apart from the four deductions cited above, the following tax revenue is earmarked for CTD: property tax, tax on games and entertainment, duties on real estate transfers, windscreen license, annual forestry royalties, stamp duty on publicity, local development tax and fees on leases. To this list, should be added stamp duty on vehicle registration documents, airport tax, axle tax and certain royalties on the development of natural resources, which are earmarked for Regions (local authorities termed "Regions" are still not effective).

Some of these revenues are wholly assigned to CTD (business license, liquor license, graduated tax, additional council tax, property tax, local development tax...), while others are partially assigned (40% of annual forestry royalties are assigned to councils).

A level of distribution exists between CTD that benefit from assigned revenue. Such distribution includes a deduction at source (percentage of the revenue earmarked directly for the local council, the jurisdiction or taxpayer jurisdiction) and a centralisation system within an institution: the Special Council Support Fund (FEICOM), in view of distribution to all councils. Such distribution is proportional to the population of each council.

ii. Evolution in revenue assigned to CTD between 2014 and 2015

Table 12: Evolution in revenue assigned to CTD between 2014 and 2015
Unit: FCFA thousand million

	achievement		Variation (2014-2015)
	2015	2014	
- Property Tax (TPF)	1 743.1	1 692.4	+3.0%
- Business License	4 195.9	3 354.9	+25.1%
- Liquor License	832.3	566.4	+46.9%
- Global tax (IL)	1 213.8	1 006.1	+20.6%
- Local development tax (TDL)	3 440.8	2 961.9	+16.2%
- Additional council surtax (CAC)	90 468.1	81 620.2	+10.8%
- Windscreen license	7 387.7	7 522.6	-1.8%
- Real estate transfer charges	3 080.0	3 249.7	-5.2%
- Leases	2 364.1	2 725.4	-13.3%
- Annual forestry royalties (RFA)	5 424.2	4 782.9	+13.4%
- Tax on games and entertainment	22.8	38.9	-41.4%
Total CDT revenue	**120 172.8**	**109 521.40**	**+9.7%**

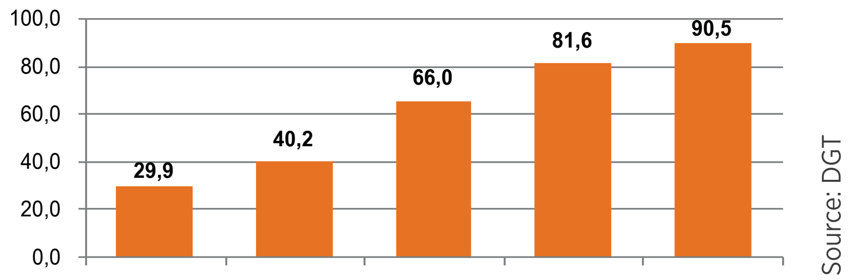
Source: DGT

The improvement in revenue collected for CTD continued in 2015, rising from **FCFA 109.5 million** in 2014 to **FCFA 120.2 billion** in 2015, representing an evolution of **FCFA 10.7 billion** in absolute terms and **+9.7%** in relative terms. This growth was propelled by the additional council tax (CAC), which increased by **10.8%,** up from **FCFA 81.6 billion** in 2014 to **FCFA 90.5 billion** in 2015. The other levies that also contributed to this evolution are: business license **(+25.1%)**, liquor license (**+46.9%**), and tax on local development (TDL) (**+16.2%**). The windscreen license (stamp duty) witnessed a sharp drop in 2015 (**-1.8%**) just like leases (**-13.3%**) and real estate transfer fees (**-5.2%**).

In 2015

FCFA
120 billion
collected by the DGT
for Local authorities

Figure 1: Trends in the additional council tax collection since 2011.
Unit: billion FCFA



b) Revenue assigned to public administrative establishments (EPA)

i. Revenue mobilised by the DGT for EPA in 2015

Revenue assigned to EPA evolved by **+13.4%** from **FCFA 44.2 billion** in 2014 to **50.1 billion** in 2015 as illustrated in the table below:

Table 13: Revenue assigned to EPA for the 2014 and 2015 fiscal years
Unit: FCFA thousand million

	achievement		Variation (2014-2015)
	2015	2014	
- CRTV	17 194.7	14 817.4	+16.0%
- CFC	24 624.3	21 525.2	+14.4%
- FNE	8 008.3	7 597.5	+5.4%
- CCIMA	275.9	250.6	+10.1%
TOTAL	**50 130,9**	**44 193,3**	**+13.4%**

Source: DGT

In 2015

FCFA 50 billion

collected by the DGT for public entities

Box 1.9. Revenue assigned to EPA

Revenue collected by the DGT for EPA is assigned to them to cover their specific expenses defined by the laws and regulations in force.

Assignment of revenue to EPA is part of government policies designed to encourage and accompany the development of certain activities of proven general or socio-economic interest. Such is the case of the:

- audio-visual tax (RAV),for the development of audio-visual activities;

- contribution to the housing loan fund (CCF),to offer financial support in the execution of housing development projects;

- contribution to the National Employment Fund (NEF),which promotes employment in Cameroon.

The deduction rate for **contribution to the housing loan fund (CCF)** is fixed at 1% for wage earners and 1.5% for employers. That for the **National Employment Fund (NEF)** is 1%.

Deduction is based on the gross amount retained in calculating the IRPP as concerns wage earners, and a sum of the salary, amount allowances and emoluments (including benefits in kind paid or granted to their personnel for their real amount) regarding employers.

As for the **audio-visual tax (RAV),** the flat annual amount payable by individuals and corporate bodies is equal to the principal amount of the business licence .

03

REFORMS IN THE 2015 FISCAL YEAR

All through the 2015 fiscal year, apart from the consolidation of tax administration reforms (A) important new measures affecting tax policy were also introduced (B).

A. Reforms in **tax administration**

Administrative reforms in the year 2015 aim to optimise tax output (1) as well as improve the quality of service rendered to users (2).

1) Optimisation of tax output through administrative reforms

a) Continuous implementation of organisational reforms

Reorganisation of operational services for a more effective comprehension of tax risks continued in 2015.It affected the LTU and the MTO.

i) The Large Taxprayers Unit (LTU)

Thanks to the adjustment of the taxpayer's index that evolved from 569 in 2013 to **408** in 2014, and then to **388** in 2015, the LTU was able to concentrate more on the heaviest taxpayers and thereby improve its monitoring methods. In this regard, during the 2015 fiscal year, it was able to:

- profoundly analyse company tax balances paid by enterprises for the 2014 fiscal year;

- put in place a new real time acounting mechanism for revenue collected;

- streamline tax control through a better selection of enterprises considered as the most likely to markdown revenue;

- ensure an effective monitoring of the impact of the new measures introduced by the 2015 Finance Law (company tax, advance payments, excise duty) such as to enhance a harmonious implementation.

At the close of the 2015 fiscal year, the LTU's output increased further, evolving from **FCFA 1 054.6 billion** in 2014, with **408** taxpayers to **FCFA 1 246.0 billion** in 2015, with a taxpayer index of **388**, as described in the table below:

+191,4 %
The LTU attained its highest rate in the evolution of its collection

Table 14: Evolution in revenue mobilisation at the LTU since its creation

	2004*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
N° of tax-prayers	461	486	480	464	500	505	520	526	546	569	408	**388**
Achievement	234.6	527.6	576.7	612.2	641.2	625.3	640.6	766.1	825.1	972.6	1 054.6	**1 246.0**
Trend (in billion)			+49.1	+35.5	+29.0	-15.9	+15.3	+125.5**	+59.0	+147.5	+82.0	**+191.4**
Evolution (in CFA thousand million F)			+49,1	+35,5	+29,0	-15,9	+15,3	+125,5**	+59,0	+147,5	+82,0	**+142,6**

2004*: Achievement from July to December (year of creation);
2011**: Year of restoration of withholding at source of VAT and AIT for private enterprises.

ii) Medium Size Taxpayer Office (MTO)

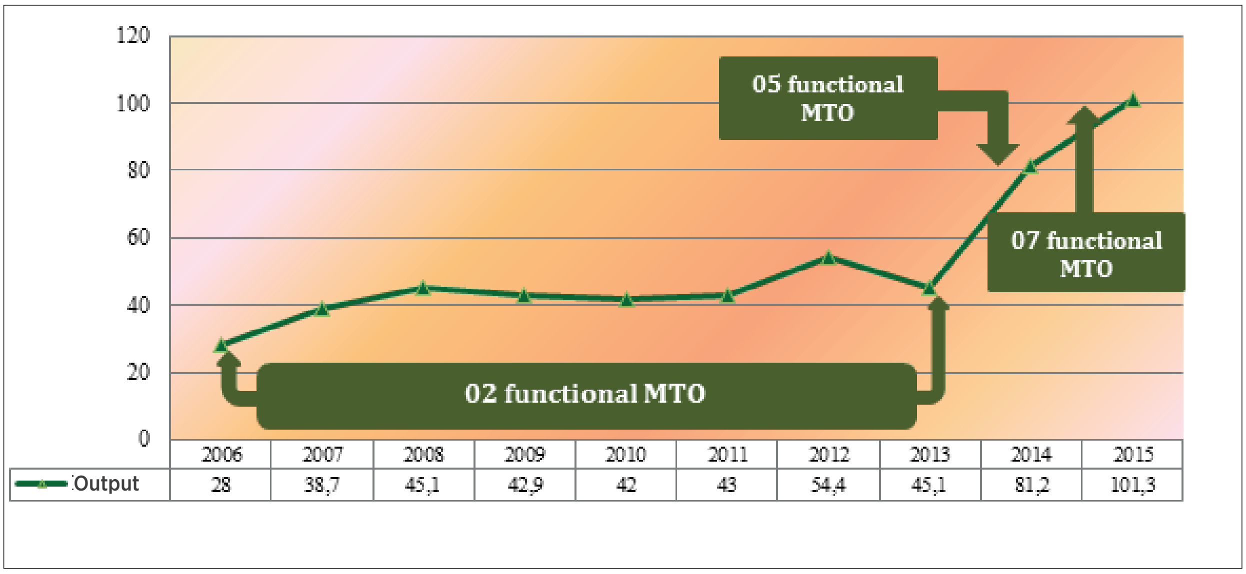
Reform of the institution of the MTO continued in 2015 with the creation and inauguration of two (02) new MTOs, namely those of Bafoussam and Limbe.

At the close of fiscal year 2015, the number of MTOs on the national territory evolved from five (05) to seven (07) and the number of taxpayers managed by these offices now stand at 11 000.

The MTO reform helped to enhance and raise the output of these structures from FCFA 45.1 billion in 2013 to FCFA 101.3 billion in 2015, representing an increase of FCFA 67.0 billion. The table and graph below illustrate this upturn :

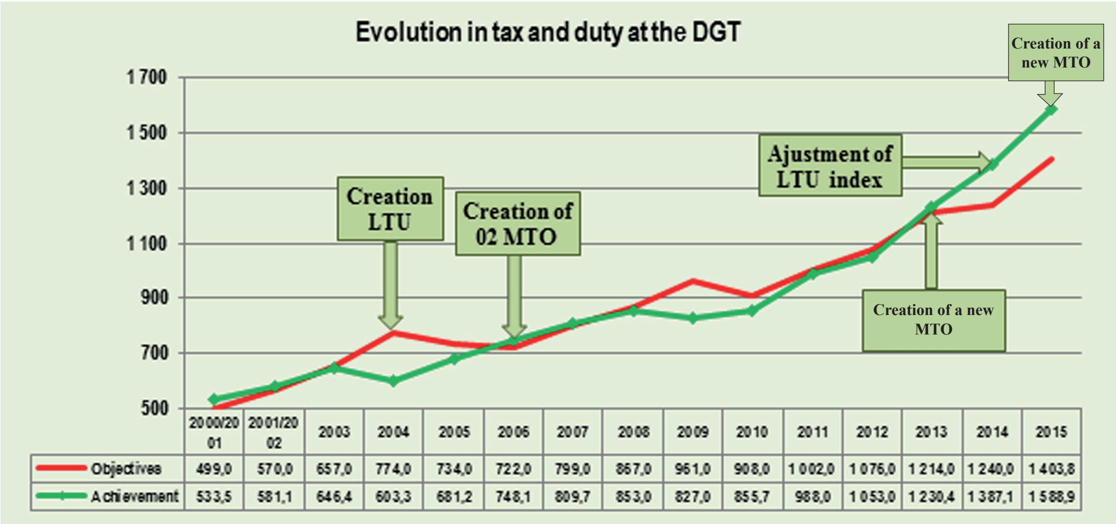
Table 15: Evolution in revenue mobilisation by MTO since 2006
Unit: FCFA thousand million

MTO	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of existing MTOs	02	02	02	02	02	02	02	02	05	**07**
Output (in billion)	28.0	38.7	45.1	42.9	42.0	43.0	54.4	45.1	81.2	**101.3**
Evolution (in billion)		+10.6	+6.4	-2.2	-0.9	+1.0	+11.3	-9.3	+36.1	**+20.2**



iii) Impact of organisational reforms on output at the DGT

As shown by the graph below, improvement of output is greatly correlated to the organisation reforms.



	2000/2001	2001/2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Objectives	499,0	570,0	657,0	774,0	734,0	722,0	799,0	867,0	961,0	908,0	1 002,0	1 076,0	1 214,0	1 240,0	1 403,8
Achievement	533,5	581,1	646,4	603,3	681,2	748,1	809,7	853,0	827,0	855,7	988,0	1 053,0	1 230,4	1 387,1	1 588,9

Major organisational reforms in services like the creation of the LTU in 2004, the creation of new MTO in 2014 and 2015, the streamlining of the LTU index in 2014 impacted significantly and positively on the DGT output.

b) Continuation of reforms to broaden the tax base and enhance revenue

i. Streamlining the national taxpayers' index

The reform introduced during fiscal year 2014 led to the creation of a service charged with monitoring the index and its publication by all operational services. Besides it revealed the central role of this tax base control and broadening mechanism.

Box 2.1. Reform of the national taxpayers' index: **a tax base broadening example.**

The DGT, for the first time, posted the national taxpayers' index for professionals that fall under the actual earnings and simplified regimes on the DGT website, at the address www.impots.cm, on the 1st of December 2014. This action had as objectives to improve knowledge and mastery of the taxpayers' index of each taxation centre on the national territory.

The electronic index provides information on the status of every taxpayer by indicating their corresponding taxation centre, their name or corporate name, their Tax Identification Number (TIN), their main activity, their tax regime and address.

This is a useful information tool on the tax status of Cameroonian taxpayers. The tax administration, users and anybody interested may consult the said index to judge the compliance of any taxpayer with which it often deals.

This approach compels enterprises tempted by informal activities to regularise their situation for, an absence in the DGT automatically excludes taxpayers from official economic and administrative circuits.

For instance, financial administrations like the Directorate Generals for Customs, the Budget and Treasury can access and consult these indexes to ensure that any taxpayer who requests for their service is registered and active in its corresponding Taxation Centre.

Any taxpayer registered in the index of a Taxation Centre shall be visible on the DGT website as long as their situation at the centre is in order. The national taxpayer index is accessible to the general public, and can be downloaded and updated regularly.

105 556
Taxpayers present on the national index as of 31 st December 2015

13 463
Taxpayers of the actual system as of 31st December 2015

45 122
Taxpayers subjected to the business licence

ii. Continuation of the Single Taxpayer Identification reform (TIN)

In 2015, refurbishment work on the data centre was completed; equipment ordered, received and installed. Biometric registration is expected to begin in 2016.

Box 2.2. TIN reform

Weaknesses observed in the current system (double identity, use of an existing TIN by others) led the authorithies to implement the reform of this important tax administration tool.

The objective of the project is to overhaul the taxpayer identifiction system by making it more secure with the use of biometric technology. Besides its impact on the filing and payment obligations of taxpayers, the reform is geared towards the improvement in the collection of information for the fight against fraud.

iii. The pursuit of the process for acquiring an integrated management system for taxes and duties

Preliminary studies for the acquisition of an integrated tax management system were started in 2014 with the intent of putting into place, at the end of the said period, technical and functional specifications. In this regard, consultations relevant to the production of this document were conducted, just like a benchmarking at the level of the Mauritius Revenue Authority.
Pending the advent of this modern information system, the DGT opted for an update of the existing software, “MESURE”.

Box 2.3. The integrated tax management system

The acquisition of an integrated tax management system falls within the framework of the constant pursuit of the modernisation of the tax administration. Its main goal is to strengthen the Cameroonian tax system via the improvement of its efficiency. The new system is geared at integrating the pockets of information handled by the tax administration and facilitating their exchange with organisations and systems within the periphery of the DGT.

Awaited results include an increase in collection, a reduction in the cost of administration for the state and cost of compliance for taxpayers as well as transparency in the collection of public resources via the limmitation of the human factor.

52%

of the large taxpayers e-filed their taxes as of 31st December 2015.

2) Improvement of service quality through tax administration reforms

a) Simplification and modernisation of procedures for filing tax returns

i. Consolidation of the e-filing of taxes and duties at the LTU

Key among measures recommended by the Cameroon Business Forum (CBF), e-filing has considerably reduced the time taken by enterprises under the LTU to fulfil their compliance obligations by sparing them long and costly trips. 201 taxpayers, of the LTU regularly used this tool as of 31st December 2015.

Box 2.4. E-Filing

E-Filing is a simplified procedure that enables the taxpayer to file his tax returns without using the paper format and without going to the taxation services.

It has as objective to facilitate the fulfillment of compliance obligations and also cut down on its cost.

E-filing equally contributes to improve productivity in the tax administration, by enabling agents to refocus on more productive tasks (risk analysis, surveillance of declarative risks, management dialogue, etc.), following the suppression of manual tasks that have become unnecessary (receipt of physical returns, keying in and filing).

This process was put in place in 2014 for taxpayers of the Large Taxpayers Unit, in order to reduce the numerous trips (an average of 12 per annum) undertaken by these enterprises to fulfill their compliance obligations.

Its implementation involved two phases, a pilot phase restricted to a sample of 50 enterprises, followed by a second phase during which the reform spread to all large enterprises.

As concerns technical work to put in place the infrastructure, a specialized software (FISCALIS) was conceived, as well as a secure data network for transmitting data from the enterprises to the tax administration. After functional capability tests and the training of users, this tool was launched in July 2015.

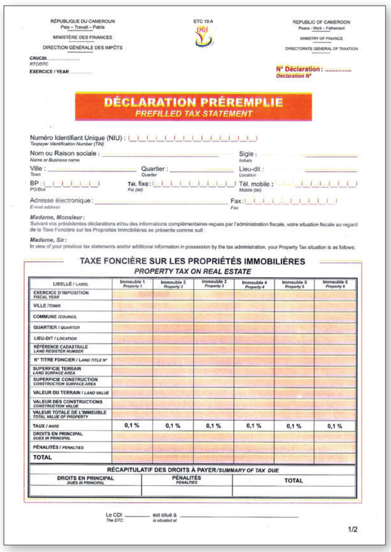
With the success of the reform at the LTU after the correction of bugs, its extension to MTO's was engaged. Hence, the contract procedure for the selection of firm to extend e-filing to MTO's was launched on December 31st 2015.

ii. Introduction of prefilled tax return (PTR)

The reform of prefilled tax return introduced in 2014, was put into practice in 2015 by experimenting it on the property tax in Yaoundé and Douala. The property tax is payable by persons who own built or unbuilt estates. The low level of returns filed by taxpayers in this category, whose proceeds are wholly meant for local authorities, has always preoccupied authorities. To reverse this trend, the tax administration opted for the application of the pre-filled tax return of property tax as of 2015.

The Prefiled Tax Return distribution operations were undertaken by joint teams comprising tax and council agents, under the supervision of the MINFI/MINATD Committee set up by Decision No.00000020/MINFI/MINATD of 22 January 2015. The implementation of a collaborative platform with the electricity distribution company in a bid to broaden the tax base as well as extend the PTR to other regions constitute the next phase to be executed in 2016.

Before the 2014 property tax reform, Yaounde and Douala could only boast of **22 000** known property owners



RÉPUBLIQUE DU CAMEROUN
Paix – Travail – Patrie
MINISTÈRE DES FINANCES
DIRECTION GÉNÉRALE DES IMPÔTS

ETC 10 A

REPUBLIC OF CAMEROON
Peace - Work – Fatherland
MINISTRY OF FINANCE
DIRECTORATE GENERAL OF TAXATION

CRI/CDI ....
RTC/DTC
EXERCICE / YEAR ....

N° Déclaration : ....
Declaration N°

DÉCLARATION PRÉREMPLIE
PREFILLED TAX STATEMENT

Numéro Identifiant Unique (NIU) :
Taxpayer Identification Number (TIN)
Nom ou Raison sociale : Sigle :
Name or Business name Initials
Ville : Quartier : Lieu-dit :
Town Quarter Location
BP : Tél. fixe : Tél. mobile :
PO/Box Fix (tel) Mobile (tel)
Adresse électronique : Fax :
E-mail address Fax

Madame, Monsieur :
Suivant vos précédentes déclarations et/ou des informations complémentaires reçues par l'administration fiscale, votre situation fiscale au regard de la Taxe Foncière sur les Propriétés Immobilières se présente comme suit :

Madame, Sir :
In view of your previous tax statements and/or additional information in possession by the tax administration, your Property Tax situation is as follows:

TAXE FONCIÈRE SUR LES PROPRIÉTÉS IMMOBILIÈRES
PROPERTY TAX ON REAL ESTATE

LIBELLÉ / LABEL	Immeuble 1 Property 1	Immeuble 2 Property 2	Immeuble 3 Property 3	Immeuble 4 Property 4	Immeuble 5 Property 5	Immeuble 6 Property 6
EXERCICE D'IMPOSITION FISCAL YEAR						
VILLE / TOWN						
COMMUNE / COUNCIL						
QUARTIER / QUARTER						
LIEU-DIT / LOCATION						
RÉFÉRENCE CADASTRALE LAND REGISTER NUMBER						
N° TITRE FONCIER / LAND TITLE N°						
SUPERFICIE TERRAIN LAND SURFACE AREA						
SUPERFICIE CONSTRUCTION CONSTRUCTION SURFACE AREA						
VALEUR DU TERRAIN / LAND VALUE						
VALEUR DES CONSTRUCTIONS CONSTRUCTION VALUE						
VALEUR TOTALE DE L'IMMEUBLE TOTAL VALUE OF PROPERTY						
TAUX / RATE	0,1 %	0,1 %	0,1 %	0,1 %	0,1 %	0,1 %
DROITS EN PRINCIPAL DUES IN PRINCIPAL						
PÉNALITÉS / PENALTIES						
TOTAL						

RÉCAPITULATIF DES DROITS À PAYER/*SUMMARY OF TAX DUE*

DROITS EN PRINCIPAL DUES IN PRINCIPAL	PÉNALITÉS PENALTIES	TOTAL

Le CDI ______ est situé à ______
The DTC is situated at

1/2

120 000 PTR distributed to property owners in Douala and Yaounde as of 31st December 2015

b) Simplification and modernisation of payment procedures

i. Introduction of Mobile Payment

The introduction of modern means for paying taxes and duties was intensified in 2015. After broadening payment through bank transfer for taxes and duties payable by large and medium size enterprises, as from 2015, the DGT experimented with payment through the mobile phone referred to as Mobile Tax. Officially launched by the Minister of Finance on 05 December 2014 in the presence of his colleagues and the main mobile telephone operators, this mode of payment concerned Property Tax, in 2015.

Box 2.5. Mobile Tax

While large and medium size enterprises already benefitted from payment facilities for their taxes and duties through bank transfer, as of 2015, the tax administration conceived a solution for payment of taxes and duties adapted to the constraints of micro and small taxpayers, with no easy access to bank accounts dubbed " Mobile Tax".

The "Mobile Tax" is a service for paying taxes through the mobile phone. It was put in place in partnership with the mobile telephone operators thanks to the 2014 Finance Law, which authorises electronic tax payment.

To be accessible, this solution, initially associated to the pre-filled property tax return, simply requires that the taxpayer opens a special account at the level of their mobile phone operator. It is up to the taxpayer to use this account to settle their tax debt, without any need to go to a taxation centre.
Thanks to this specificity, the "Mobile Tax"is expected to heavily contribute in reducing the cost of tax compliance in Cameroon, considered as all expenses and constraints that the taxpayer must bear to meet their tax obligations. Thus, the tax administration hopes to improve compliance, thanks to innovative methods for the filing of returns and payment of taxes and duties adapted to the new environment marked by the domination of ICT.

As of 31st December 2015
4.1 billion FCFA
was collected and remitted by airline companies as airport stamp duty

iii. A new mode of payment for the airport stamp duty

As of 2015, collection of the airport stamp duty is done by air transport companies. This reform has contributed in eliminating bottlenecks and inconveniences caused by the former mode of payment to travellers and air transport companies alike.

Box 2.6. A new mode of collecting the airport stamp duty

Prior to the Finance Law for 2015, the airport stamp duty was paid by passengers before boarding at the collection services found in the different airports of Cameroon.

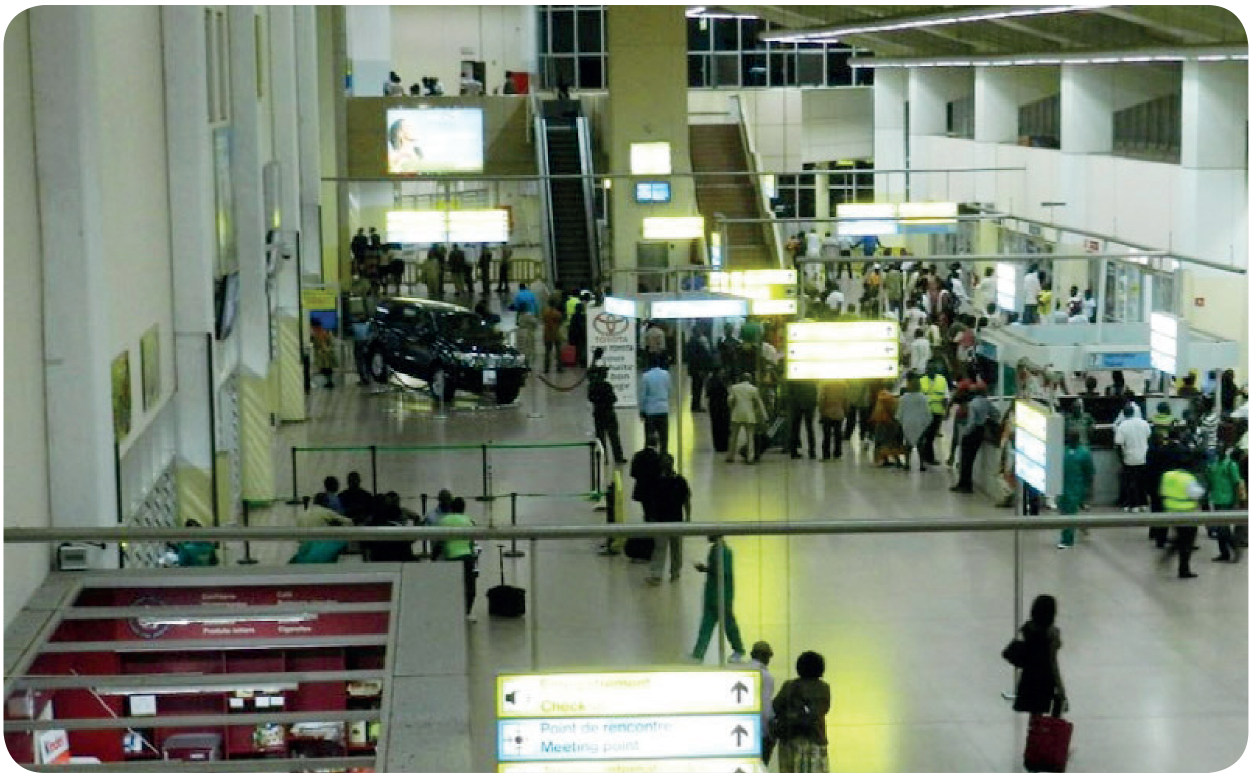
This mode of collection proved a source of bottlenecks or even inconvenience for travellers and airline companies, since it subjected the latter to long queues in front of counters set aside for this payment and wastage of precious time.

To simplify the mechanism of this tax and improve business environment, the Finance Law for 2015 approved air transport companies as legally liable to the airport stamp duty, by empowering the latter with the responsibility of its collection.

Thus, as from 1 March 2015, date of effective implementation of the reform, the airport stamp duty is collected by air transport companies once an air ticket is purchased by a passenger and paid over to the corresponding Tax Collector, not later than the 15th of the following month. Since what generates this duty is boarding, even tickets freely issued by such companies must be liable to the duty.

However, the flight crew, staff and passengers on direct transit in Cameroon are exempted.

The rate for the airport stamp duty is fixed at FCFA ten thousand (10 000) for international flights and at FCFA one thousand (1000) for national flights, as in the past.



B. Tax policy reforms

Fiscal year 2015 witnessed the resumption of tax policy reforms. They touch on the taxation of income and consumption.

1) Reforms affecting the income tax

a) The income of corporate bodies

In 2015, reform of the tax on corporate bodies took Cameroon closer to international standards with regards to the company tax rate. In reducing the rate from 35% to 30% the authorities are bent on implementing a tax system with a broad base and modarate rates.

Box 2.7. Decrease in the Company Tax rate

Given that it determines the net productivity of investments, the tax rate on profits in the country has always constituted an incentive indicator for foreign investors. Based on this fact, modern tax systems favour moderate tax rates as a counterpart of the broad tax base.

Yet, the 35% Company Tax rate (excluding the Additional Council tax) applicable in Cameroon before the Finance Law of 2015 has been long considered by observers as an obstacle to the attraction of private investment and to competitiveness in Cameroon considering the average rate applicable in most countries. For instance, countries with similar levels of development similar to ours like Gabon, the Republic of Congo, Côte d'Ivoire and Senegal practice a 25% Company Tax rate.

In a bid to improve the attractiveness of our country, the 2015 Finance Law reduced the Company Tax rate by five (05) points, from 35% to 30%. This reduction enabled enterprises to make extra profits by the end of the fiscal year.

In2015
the 5 points reduction brought a **30 billion** reduction in the burden of good corporate citizens

i. Revision of advanced payment rates

The 1 to 2% revision of the advance payment rate which constitutes the minimum company tax was decided upon by the 2015 Finance Law. This reform complements the reduction in the company tax rate. This reform sorts out the difficulties raised by companies with unexplained tax losses or practicing agressive transfer pricing. With this approach, the auhorities are giving priority to the protection of the national tax base given the limited means to monitor multi-nationals.

Box 2.8. Increase in the advance payment rate of company tax

With regard to its impact on State budget, the drop in the company tax rate was followed by measures to broaden the tax base that consisted, among others, in raising the contribution of enterprises that greatly tend to transfer profits abroad or cooking their books to evade payment of accrued Company Tax at the close of the fiscal year.

It is in this light that advanced payment rates and the minimum amount collected was revised to 2%. The measure actually targeted a majority of large enterprises (more than 70%) that systematically record losses in their annual returns. Their contribution is thus limited only to advanced payments made within the fiscal year.

To stamp out this source of tax evasion and re-establish equity with enterprises that pay accrued taxes at the close of the fiscal year, the legislator raised the monthly advanced payment and the minimum amount collected for enterprises under the actual earnings regime from 1 to 2% (excluding activities on administered margins and SMEs affiliated to AMCs).

The increase in the rate of advance payment and the minimum tax raised **69 extra billion**

The combination of the drop in the company tax rate as well as the increase in the advance payment/minimum tax rate led to a net profit of **39 billion** to the State

b) Personal income tax

i. Institution of a dual taxation approach for the personal income tax

The 2015 Finance Law reviewed the personal income tax system in order to simplify and modernise it. This is a combination of a progressive scale for the taxation of wages and salaries and a proportional rate for the other categories of income.

Box 2.9. Dual taxation approach for personal income tax

Before 2004, the personal income taxation system in Cameroon was inspired by the French traditional system of scheduler tax and of the progressive surtax.
As from 2004, an initial reform was introduced in the form of a global personal income tax applicable to the sum of the different net category-specific incomes. Besides revenue from movable capital, a progressive scale was applicable to the other income categories.

The 2015 reform introduced the dual personal income taxation approach into our system, with the corresponding principles:
- progressive taxation solely on wages, salaries, pensions and life annuities with graduated withholding at source;
- taxation on business income at progressive rates (handicraft, industrial and commercial, agricultural and non-commercial profits);
- Property Tax at proportional rates;
- taxation on movable capital income (dividends, interests, capital gains) at proportional rates.

ii. The broadening of the tax base on non-commercial income

In 2015, the option to broaden the tax base led the legislator to subject bonuses, emoluments, allowances and per diem allocated alongside salaries as well as those paid to artists and sportsmen to a 16.5% withholding at source.

2) Reforms affecting taxation on consumption

a) Reform of specific excise duty

Among the new tax measures that contributed to improve the performances of the DGT within the fiscal year 2015 feature the reform of excise duty. This consisted in putting in place a specific withholding system based on the quantity of alcohol by complementing the traditional taxation system based on values (prices charged).

An evaluation of this reform conducted at the close of fiscal year 2015 revealed that the objective targeted was largely attained with an increase in excise duty close to FCFA 70.0 billion and an adjustment of breweries who, for the most part have downsized packaging and the content of alcoholic drinks.

In 2015, an additional **70 billion** was raised in 10 months by the reform

Box 2.10. Reform of specific excise duties

The excise duty is a tax levied on the consumption of certain products considered as luxury products (foie gras, caviar, salmon, jewellery, gemstones, luxury cars) and those deemed harmful to health (alcohol, soft drinks, tobacco). Besides contributing to cover public expenses, this tax helps to correct negative externalities relating to the consumption of these products and can be extended to other products by the legislator.

There are several excise duty collection systems:

• the ad valorem taxation system corresponding to the application of a rate proportional to the sales price;

• the specific taxation system that depends on the quantity sold, the range of product, the volume or even the degree of alcohol;

• the joint taxation system that combines the ad valorem system and the specific system.

Before the reform, Cameroon hitherto applied the ad valorem taxation system based on a proportional rate of 25%. With the reform endorsed by the 2015 Finance Law and its subsequent amendments, Cameroon evolved to a joint taxation system.

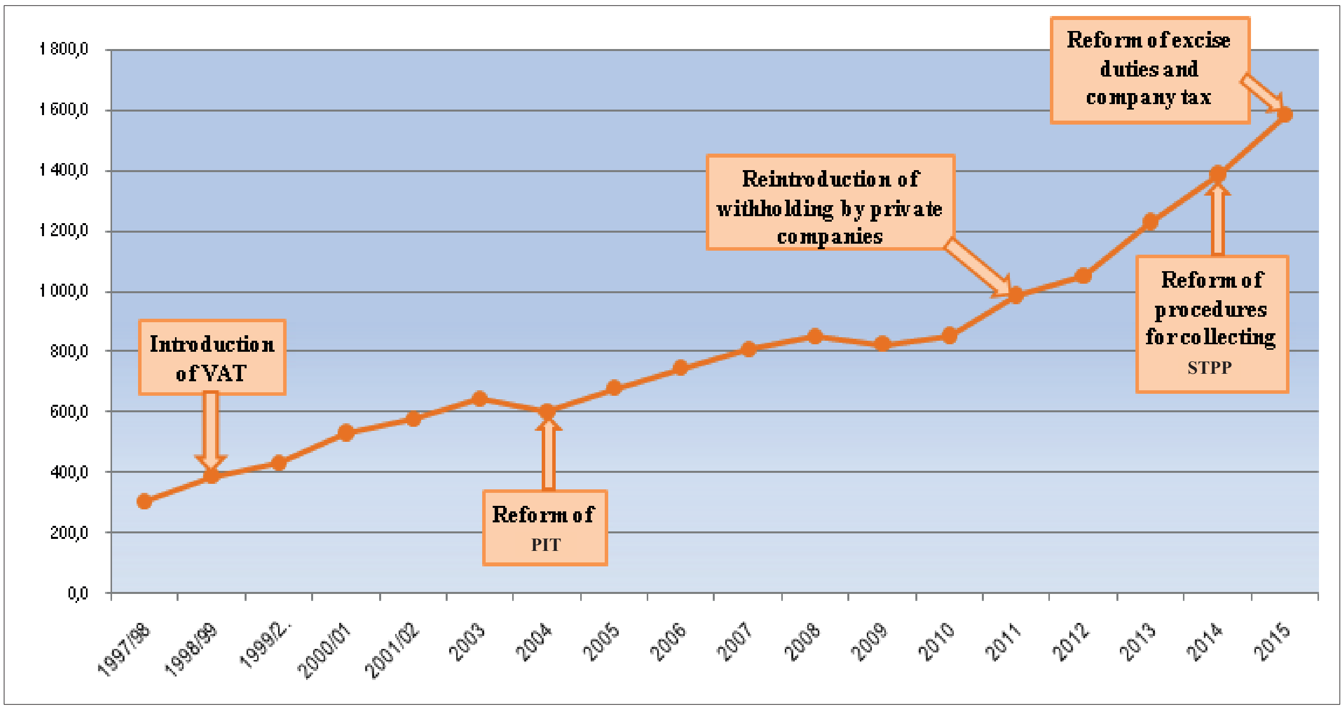
Thus, levying of excise duty on alcoholic drinks now combined the ad valorem taxation system and the specific taxation system that considers the quantity or volume. Actually, to the total ad valorem excise duty generating the application of the 25% rate still in force, is added specific excise duties whose rates vary depending on the nature of the product and its volume.

This reform stemming from a consensus between technical administrations, operators of the sector and civil society, hopes to offer the State supplementary margins for a more effective mobilisation of public resources to address public health issues posed by the consumption of these products (alcoholic drinks and tobacco) while preserving the purchasing power of consumers and the competitiveness of breweries at the same time.

3) Impact of tax policy reforms on revenue

Tax revenue collection increase is widely linked to tax policy reforms. As demonstrated by the curve below, the introduction of VAT (in 1998/1999), the reintroduction of the withholding at source by private companies (in 2011), the excise duty and company tax rate (in 2015) have all had a profound impact in the improvement of the tax collection curve.

Figure 2: Impact des principales réformes de politique fiscale sur le niveau de collecte des recettes à la DGI



04

OTHER HIGHLIGHTS

A. Construction of the **new DGT building**

The construction of a new building to host all the central services at the Directorate General of taxation began in 2014 with the acquisition of a designated site and the launch of corresponding architectural studies through restricted national invitation for tenders No.0203/AONR/MINMAP/CCPM-BEC/2014 of 03 November 2014. The project significantly evolved in 2015, notably through the:

- reception on 28 October 2015 of the architectural studies;

- publication on 16 October 2015 of an international invitation of tenders for the selection of service providers for the construction of the building;

- publication of a call for bids for the partial supervision;

- conclusion on 29 September 2015 with the technical control firm, VERITAS, of a technical control and risks normalisation contract in view of obtaining a ten-year warranty for the work.

In the light of the considerable progresss above, the schedule indicates the begining of construction work on the ground in 2016.

B. Relocation of coordination meetings

Coordination meetings continued to be relocated in 2015, with the holding in Bamenda (North-West) in May and in Ebolowa (South Region) in October respectively of two (02) of the twelve (12) monthly meetings of the tax administration


The national coordination meeting in the South Region

Box 3.1. Monthly coordination meetings of the DGT

Critical to DGT management, the national monthly coordination meetings bring together officials from central and devolved services to evaluate performances of the past month (quantitative output, implementation of the plan of actions, ...) and consider strategies or the way forward for the forthcoming period.

The traditional agenda includes the following items:

- Evaluation of the quantitative performance of the DGT for the month and period;
- Evaluation of implementation of the DGT action plan for the fiscal year and month;
- Evolution of the taxpayer index per operational structure;
- Evaluation of collection of accrued taxes (RAR);
- Evaluation of the processing of requests for endorsement and refund of VAT credits;
- Miscellaneous.

These different items are developed in exposés by the competent directors of the central administration or project managers as the case may be. Then follows discussions and exchanges, crowned by recommendations designed to raise the performance of the sector or the activity under review.

The relocated meetings are reflected by a particular density in that they benefit from contributions, right up to the highest circle, of administrative authorities of the host regions and are held following a protocol more rigid than that for meetings that hold at the DGT. Actually, apart from the technical meeting chaired by the Director General of Taxation, flanked by his main collaborators, several items generally feature, ranging from welcome by administrative authorities to visiting of the devolved services of the tax region concerned, through entertainment often spiced by sporting, cultural or touristic activities.

These meetings constitute an august event within the host administrative regions. They are opened by the Governor of the host region, which positions them as critical instruments to collaboration between the administrative authorities and tax authorities in the exalting mission of public revenue mobilisation.

C. Communication/**Information**

1) «Impôts Infos» reaches cruising speed

The « Impôts Infos » magasine which regulary reports on the activities of the DGT got to its third edition at the end of 2015.

2) Taxation on the airwaves

Through out 2015, a daily three minute micro-programme aimed at sensitising taxpayers on their compliance obligations was broadcast over CRTV radio.

A total of 24 of recorded and broadcasted.

C. New rolling stock for the DGT

The rolling stock of DGT was completely renovated in 2015. All officials with the rank of Sub-director received service vehicles.

Service vehicles were equally given out to operational services in charge of collection.

The rolling stock was completed by motor cycles for liaison between services and for centres with vast territories.

05

THE DGT AND ITS PARTNERS IN 2015

A. Partnership with **the private sector**

1) Cameroon Business Forum 2015

The DGT took part, in March2015, in the 6th edition of the Cameroon Business Forum (CBF) presided at by the Prime Minister, Head of Government.

On this occasion, emphasis was laid on the satisfactory implementation of recommendations to the tax administration relating to improving the tax environment of business notably with the effective introduction of e-filing at the LTU.

2) Dialogue with socio-professional groups

Several meetings organised in 2015 with socio-professional unions (GICAM, CAFCAM, GFBC, GPP, APPECAM, GEX, ...) allowed for the content of the new tax measures contained in the Finance Law for fiscal year 2015 to be better explained. Top among these explanatory meetings was the discussion-followed dinner organised at GICAM on 15 March 2015.

On the other hand, as from June 2015, the Internal MINFI-Employers' Union Sub-Committee held several working sessions and a good number of consultations in view of preparations for the 2016 Finance Law.

B. Partnership with international organisations

Throughout the year 2015, the Directorate General of Taxation received technical assistance from international partners.

1) The International Monetary Fund (IMF)

• IMF review mission on the tax situation of extractive industries

As part of this mission organised in December 2015, the IMF experts reviewed the situation of extractive industries in Cameroon in view of revising the Petroleum and Mining Codes, for the purpose of devising an optimal taxation for these specific sectors. The objective is to arrive at the sharing of mineral rent through the optimal taxation of this sector. At the conclusion of the said mission, the IMF recommended, among others, a simplification of the legislative instrument.

• IMF mission on means and ways of stepping up reforms at the DGT

This mission, organised in December 2015 on tax administration, allowed IMF experts to review many reforms designed to simplify procedures, broaden the tax base and enhance revenue under implementation at the DGT. In this regard, the assistance mission, made recommendations on the improvement of VAT and an improvement of ICT governance at the DGT.

• AFRITAC Centre missions on strengthening Taxation-Customs ties

The IMF Regional Technical Assistance Centre for Central Africa (AFRITAC Centre), on its part, continued to provide support to the DGI in 2015 on the fight against VAT fraud, by combining taxation and customs missions. A draft protocol agreement between the administrations was prepared, under the aegis of AFRITAC Centre for the purpose of organising procedures for reciprocal information sharing on VAT.

2) The DGFiP

At the request of Cameroon, the Directorate General of Public Finance (DGFiP) of France send experts to DGT to conduct several capacity building seminars for DGT officials. They were based on the following themes:

- «Tax Inspector Without Borders» Initiative;
- transfer pricing;
- repression of tax offences.

3) The GIZ

Within the fiscal year 2015, the GIZ assisted the Cameroon DGT in modernising the mechanism for the collection and use of tax-related information. It strove, in particular for:

- the development of the FUSION software to ensure collection, use and sharing of tax and customs information as part of combating VAT fraud;
- the participation DGT offficials in different seminars;
- the lauching of the tax expenditure study project.

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06

THE DGT ON **THE INTERNATIONAL SCENE IN 2015**

In 2015, the Cameroonian tax administration was active on the international scene through its review at the Global Forum, participation in the first publication on tax revenue in Africa, pursuit of actions to expand its network of international conventions and agreements as well as the organisation of international seminars.

A. The Global Forum: Cameroon declared compliant at the conclusion of its Phase I peer review

Cameroon emerged among African countries pioneering the process for combating international tax fraud and evasion. All actions and reforms taken by the DGT of Cameroon to adapt the legal environment of our country to international standards of tax transparency led to a successful peer review at the Global Forum on transparency and tax information sharing under phase I. At the end of this 1st phase, Cameroon was found to be compliant with international standards in the domain.

Box 5.1. Transparency and tax information sharing

Within the framework of adapting its legal arsenal to international standards on transparency and tax information-sharing, Cameroon adhered to the Global Forum on Transparency and Tax Information Sharing in 2012.

In conformity with the standard procedure advocated by the Global Forum, adhesion by any new member country allows for a double review by its peers. In this regard, Cameroon scored success in its phase 1 review by peers on 25 June 2015. As a reminder, phase 1 consists in the review of the legal and regulatory framework of the member State admitted for examination in view its conformity with international standards.

In terms of this 1st phase, the Global Forum evaluation team concluded that the reform implemented between 2012 and 2014 to conform our legal framework to standards of the Forum proved satisfactory. As a whole, the legal instruments existing in Cameroon were deemed compliant with international norms on transparency and tax information sharing. The Forum however exhorted our country to further intensify efforts at extending its network of tax treaties, in particular.

The successful review under phase I now granted Cameroon access to the second and final phase of its examination. Based on ten criteria, this final phase shall consist in evaluating the operational capability of the facility and mechanism put in place by our country to ensure effective information-sharing with other tax jurisdictions. In this regard, the availability of tax-oriented information, its accessiblity as well as the quality of the exhange mechanism in place shall be reviewed.

B. Cameroon takes part in the 1st OECD and ATAF Publications on tax revenue in Africa

1) 1st OECD publication on tax revenue in Africa

Cameroon participated, in 2015, in the first ever OECD publication on tax revenue in Africa on the 1990 to 2014 period

Box 5.2. Public revenue statistics in Africa

Statistics on public revenue in Africa is a joint publication of the OECD Centre for Tax Policies and Administrations, the OECD Development Centre, Tax Administration Forum on (ATAF), and the African Union Commission, with technical assistance from the African Development Bank, the World Customs Organisation and the “Centre de Rencontre et d’Etudes des dirigeants des Administrations Fiscales “. It furnished extensive data, of international standards, on the tax and non-tax revenue of eight African countries. The approach adopted was based on the tried and tested OECD public revenue method for preparing statistics, now a key source of reference for OECD member countries and beyond. Comparisons are also made with the average OECD economies and with those covered by Public Revenue Statistics in Latin America and in the Caribbean.

2) Publication of the first edition of the African Tax Outlook by ATAF

The firts publications on tax revenue statistics in Africa covers a period of 5 years 2010-2014.

It is the first document of its likes to be published by the African Tax Administrations Forum (ATAF) which attempts to compare the ways and means used by African Tax Administrations in collecting revenue.

The first edition was pioneered by fifteen (15) African countries including Cameroon.

C. Expansion of the network of international tax treaties

1) Multilateral treaties: ratification of the OECD multilateral treaty

The OECD multilateral treaty on mutual tax-related administrative assistance signed by Cameroon in Paris on 25 June, 2014 was ratified on 28 April, 2015.

Box 5.3. OECD treaty on mutual administrative assistance in tax matters

The treaty, jointly drafted by the Organisation for Economic Cooperation and Development (OECD) and the European Council (CdE) is a multilateral instrument that provides a legal framework for facilitating international cooperation through assistance in the administration and exchange of tax information.

The objectives targeted by the OECD multilateral treaty are as follows:

- facilitate international cooperation in the fight against international tax fraud and evasion through tax information sharing and assistance in tax revenue collection between countries;

- enable each party to fight against international tax fraud and better enforce its national tax legislation, while respecting the rights of taxpayers.

The adhesion of Cameroon to this treaty opens the way to several advantages, among which are:

- complete the conventional network of our country and enable it come up with an agreement compliant with standards with 90 more countries;

- significantly save resources by linking with several countries at the same time; rather than sign multiple bilateral treaties;

- step up our country's commitment to international norms on tax transparency;

- help to improve tax revenue through the inherent deterrent as well as direct effects related to assistance in debt recovery;

- strengthen taxpayer guarantees given that any information put out is bound by confidentiality.

The signature and ratification of this treaty by Cameroon contributed to the success of our country in its review by peers of the Global Forum on transparency and tax information sharing under phase I.

2) Bilateral treaties

• Draft treaties ratified

- The draft tax treaty between Cameroon and Morocco, signed in Yaoundé on 07 September, 2012, was ratified by Cameroon on 31 December, 2014;

- The OECD Multilateral treaty on mutual administrative assistance in tax matters, signed by Cameroon in Paris on 25 June, 2014, was ratified, on 28 April, 2015.

• Draft treaties signed

Draft treaties initialled

- The draft tax treaty between Cameroon and South Africa was signed in Yaoundé on 19 February, 2015.

•Other projects in the pipeline

- Cameroon and Seychelles initialled a draft tax treaty in Yaoundé on 19 April, 2013;

- Cameroon and the United Arab Emirates initialled a draft treaty at Abu Dhabi on 10 September, 2014.

Draft treaties under negotiation

- The third round of negotiations for a draft tax treaty between Cameroon and Egypt was held in Cairo from 03 to 07 June, 2013;

- Discussions were opened in Beijing with China from 01 to 05 July, 2013 during the first round of negotiations for a draft tax treaty on avoiding double taxation and preventing income tax evasion;

- Negotiations were started in Bucharest –Rumania from 21 to 25 April, 2014 on a draft tax treaty on avoiding double taxation and preventing income tax evasion;

- Cameroun and Turkey held two rounds of negotiations on a draft tax treaty in Yaoundé from 24 to 27 September, 2013 and from 10 to 11 July, 2014 in Ankara respectively;

- Cameroonian and Qatari experts continued discussions on a draft tax treaty in Doha-Qatar from 08 to 10 December, 2015.

D. International seminars in 2015

a) Seminars of the Global Forum on transparency and tax-related information sharing

Two seminars were organised by the Forum in Yaoundé in 2015. The first, having as main theme “the practice of tax-related information sharing”, held from 14 to 17 April, 2015. It drilled participants on the availability and access to information, the negotiation of treaties and the practice of sharing information.

The second seminar, organised from 22 to 24 July, 2015, centred on the theme, “exchanging information as an effective means of fighting against international tax fraud and evasion: the role of Audit Inspector”. The said seminar had as objectives to indicate to participants the link between internal quest for information and tax audit, on one hand, and international exchange of information, on the other. The modules developed dwelt on:

- foundation for information sharing;
- information-sharing infrastructure in participating countries;
- management and improvement of the quality of requests;
- results of information sharing;
- maximisation of a request for information;
- drafting a request for information.

b) Seminar for directors of “ Centre de Rencontres et d’Etudes des Dirigeants des Administrations Fiscales “

CREDAF, in collaboration with the Cameroon DGT, organised a seminar for directors on the theme “VAT audit: Taxation-Customs collaboration”. This seminar held from 12 to 14 October, 2015 in Yaoundé had as objectives to identify VAT budgetary challenges within a context of globalisation of exchanges, to highlight the participation of tax and customs administrations in VAT revenue collection, to point out fraud channels that make the best of the weaknesses of these organisations and to define an effective collaboration framework between the tax and customs administrations.

c) OECD seminar on the Inspectors without Borders Initiative (IISF)

Since 2015, the Cameroonian tax administration can obtain assistance from foreign experts in its tax audit of national enterprises. Such assistance falls under the IISF framework.

For the purpose of raising the awareness of all tax audit actors in Cameroon on the Inspectors without Borders Initiative and equip them to implement it, the OECD organised a seminar on the theme “practical procedures for a technical assistance mission” in Yaoundé from 01 to 02 December, 2015. The modules developed focused on the presentation of IISF, preliminaries and elements indispensable for an effective assistance in auditing.

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