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DIVISION OF LEGISLATION
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CIRCULAR NO. 008 /MINFI/DGI/LRI/L of 02 MAR 2026

Specifying the modalities of application of the tax provisions of Law No. 2025/013 of December 17, 2025 on the Finance Law of the Republic of Cameroon for the financial year 2026

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The Director General of Taxes

A

- **The Head of the Inspectorate of the Tax Services;**
- **Ladies and Gentlemen Directors and equivalent;**
- **Heads of Regional Tax Centers;**
- **Ladies and Gentlemen Deputy Directors and equivalent;**
- **Ladies and Gentlemen Heads of Departments and equivalent.**

This circular specifies the terms and conditions for the application of the new tax provisions resulting from Law No. 2025/012 of 17 December 2025 on the Finance Law of the Republic of Cameroon for the financial year 2026.

These provisions are in line with the priorities set by the Head of State in the circular on the preparation of the budget for the 2026 financial year. They are also the result of the consolidation and transposition, within the General Tax Code, of the provisions of Law No. 2024/020 of 23 December 2024 on local taxation.

They aim to improve the business climate, support local production and import-substitution, broaden the tax base, secure state revenues, strengthen tax compliance, and intensify the fight against tax fraud and evasion.

In total, the amendments to the tax legislation in force made by the 2026 Finance Act relate to the provisions relating to:

- Corporate income tax and personal income tax;
- incentives;
- Value Added Tax and Excise Duties;
- specific taxes;
- tax procedures;
- local taxation.

1 PROVISIONS RELATING TO CORPORATE INCOME TAX (CIT) AND PERSONAL INCOME TAX (PIT)

1.1 SECTION 5 BIS (2-3). Clarification of the concept of a full business cycle

1.1.1 General information and reminder of the previous situation

1. The corporate income tax system in Cameroon is based, in the first place, on a criterion of territorial connection by residence, assessed with regard to the registered office, the place of effective management, the existence of a permanent establishment or the presence of a dependent representative.

2. The Finance Law for the 2015 financial year supplemented this mechanism with a criterion of attachment, based on the carrying out in Cameroon of operations constituting a complete commercial cycle, in order to understand the results of companies whose headquarters or effective management is located outside Cameroon when they carry out, without permanent establishment or lasting material presence, a chain of economic operations generating profits.

3. Until the entry into force of the 2026 Finance Act, the definition of this concept was based exclusively on a doctrinal basis. Circular No. 004/MINFI/DGI/LRI/L of 28 January 2015 attempted to define its contours by specifying that " *the complete commercial cycle is materialised by the presence of a series of commercial, industrial or artisanal operations directed towards a specific purpose and which together form a coherent whole* ".

4. However, changes in practices (fragmentation of value chains, increased use of service providers and intermediaries, growth in digital activities) have revealed uncertainties about the delineation of the cycle and its articulation with the other criteria of territoriality.

1.1.2 Contributions of the 2026 Finance Law: legal consecration and extension

5. The Finance Act for the 2026 financial year consolidates the concept by defining it in law.

6. Pursuant to paragraph (2) of Section 5 bis of the General Tax Code, the results of companies that do not meet the residency conditions are taxable in Cameroon when they carry out, directly or through third parties, an activity constituting a complete business cycle. The 2026 Finance Law defines the complete trade cycle as a coherent set of economic operations carried out on the national territory, forming an autonomous process of purchasing or producing goods or services, followed by their resale, likely to generate a taxable profit.

7. Full Business Cycle Qualification is not subject to the duration of the intervention or to the existence of fixed installations. It applies as soon as the sequence of operations located in Cameroon reveals an autonomous process of value creation.

8. Paragraph (3) of Section 5 bis of the General Tax Code extends the application of the full business cycle criterion to operations carried out abroad by a company established in Cameroon, when these are not detachable, by their purpose or their mode of execution, from operations carried out on the national territory. This extension aims to ensure the attachment to Cameroon of the results corresponding to an economic activity whose centre of gravity remains national.

1.1.3 Assessment guidelines: autonomous process and inseparability

9. For the application of the criterion of the complete commercial cycle, the services will characterize the autonomous process in the light of objective elements establishing a coherent

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sequence of operations located in Cameroon (prospecting, order taking, performance of service, delivery, collection), including when all or part of these operations are carried out by third parties.

10. In application of these criteria, and specifically with regard to sales operations, the entire commercial cycle is characterized by the carrying out of transactions involving the purchase of goods followed by their resale in the territory. Taxation is due as soon as the goods are delivered to Cameroon, materializing the completion of the cycle, even if the foreign company does not have permanent storage premises (direct delivery to the final customer or via a non-exclusive distributor).

11. For the purposes of paragraph (3), the non-severable (inseparable) nature of transactions carried out abroad is assessed in the light of a set of indicia, in particular:

- the direct extension of operations carried out in Cameroon or which conditions their execution;
- the absence of economic autonomy specific to the foreigner, when the entity or operation concerned does not have, outside Cameroon, a distinct organization, means, decision-making power or operational capacity, all essential functions remaining located in Cameroon;
- the uniqueness of treasury, management or staff with the Cameroonian entity;
- participation in a single chain of operations whose centre of gravity is located in Cameroon.

Illustration

Hypothesis

The company CAMENERGIE S.A., established in Cameroon, is engaged in the supply of solar equipment exclusively for the Cameroonian market.

- contracts are negotiated and concluded in Cameroon;
- prices are set in Cameroon;
- the instalments are cashed into accounts opened in Cameroon;
- commercial follow-up and after-sales service are provided from Cameroon.

In order to organize its supplies, the company has set up a foreign affiliate, CAMENERGIE Trading Ltd, in charge of:

- Purchase equipment from Asian suppliers.
- issuing purchase invoices;
- to organize the shipment of goods to Cameroon.

The foreign entity does not have its own customer base, does not assume separate commercial risks, and acts in accordance with the instructions of the Cameroonian company.

Analysis

In accordance with Section 5 bis (3) of the General Tax Code resulting from the 2026 Finance Law, operations carried out abroad by a company established in Cameroon are attached to the national base when they are not separable from operations carried out in the territory.

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In this case:

- strategic and commercial functions are carried out in Cameroon;
- customers are located in Cameroon;
- the foreign entity does not have its own economic autonomy;
- operations carried out abroad constitute an integrated stage of a unique economic process centred on Cameroon.

Solution

Purchasing and logistics operations carried out abroad are considered to be inseparable from the activity carried out in Cameroon.

The corresponding results are linked to the tax base in Cameroon, notwithstanding the formal location of certain operations outside the territory.

1.1.4 Miscellaneous provisions

12. Full Business Cycle Qualification must be based on objective elements. The services may be based on the following documents: contracts, purchase orders, invoices, proof of collection, logistics and customs documents, subcontracting agreements, commercial correspondence, etc.

13. When a resident company claims that a transaction carried out abroad is severable, it must produce any evidence capable of establishing the autonomy of the foreign operation (separate accounts, location elements, etc.).

14. In the event of insufficient evidence, the services are justified in linking the transactions in question to the results of the resident company, which are part of a complete commercial cycle carried out in Cameroon.

1.1.5 Entry into force

15. Clarification of the concept of a full trade cycle, this measure applies to the determination of the taxable result for the financial year ended 31 December 2025, for which the statistical and tax returns (DSF) are due from 1 January 2026.

1.2 <u>SECTIONS 5A (1), 5B, 7A, 17C, 21(1-F) AND 23A</u>.- Liability to corporate income tax for non-resident companies in the digital sector with a significant economic presence in Cameroon

16. The Finance Act for the 2026 financial year introduces, for digital activities carried out without a physical presence on the national territory, a criterion for corporate tax liability based on significant economic presence. This criterion complements the traditional territoriality criteria referred to in Section 5 bis of the General Tax Code.

17. Consequently, among the activities deemed to be operated in Cameroon within the meaning of Section 5 bis (1) of the General Tax Code, there are now those carried out by non-resident companies that can justify a significant economic presence on Cameroonian territory.

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1.2.1 Scope of application (Section 5 ter of the General Tax Code)

i. The companies concerned

18. The provisions of Section 5 ter of the General Tax Code apply to non-resident companies that provide digital services to customers or users located in Cameroon, or that derive revenue from a dematerialized interaction with the Cameroonian market, without necessarily having a permanent physical establishment there.

ii. Criteria for liability: nexus rule (Section 5 ter (1) of the French Tax Code)

19. A non-resident company is deemed to have a significant economic presence in Cameroon when it maintains a dematerialized connection with the national territory, characterized by the crossing, in respect of a tax year, of one of the following thresholds:

a. the total amount of gross remuneration invoiced or paid in return for the provision of digital services to customers or users located in Cameroon exceeds 50,000,000 CFA francs per year.

It should be noted that the assessment of the threshold referred to in Section 5 ter (1-a) takes into account all invoicing or payments made by or on behalf of Cameroonian residents, including those made through third parties.

Illustration

A resident customer pays the subscription fee for a digital service (Netflix package) through a payment aggregator *(Mobile Money, Fintech, etc.)*. This payment is taken into account for the assessment of the threshold for corporate income tax, as long as it remunerates a service provided to a customer or user located in Cameroon;

b. the number of users, customers or account holders located in Cameroon exceeds 1,000.

The location of the customer or user in Cameroon is determined by technical (IP addresses, geolocation, country code, SIM, etc.) or commercial (billing address, Cameroonian bank information) indicators establishing the effective use of the service on Cameroonian territory.

20. As the above connection criteria are alternative, the crossing of one of the thresholds is sufficient to characterize the significant economic presence and, consequently, the liability to corporate income tax in Cameroon in respect of the digital income concerned.

Illustration

A non-resident company with a digital service activity, achieves in the year N a turnover excluding taxes invoiced to customers located in Cameroon for 58,000,000 FCFA. It therefore crosses the threshold provided for in Section 5 ter (1-a) and is deemed to have a significant economic presence.

Similarly, a company with 1,300 account holders located in Cameroon crosses the threshold provided for in Section 5 ter (1-b), and becomes taxable even if the total amount of its turnover in Cameroon is less than 50,000,000 CFA francs.

iii. The digital services concerned (Section 5b (2))

21. The concept of digital services includes, but is not limited to:

- the provision of on-demand digital content (streaming, downloading, online games, subscriptions, etc.);
- online advertising services, monetization of customer or user data, and other similar services;
- intermediation services for the benefit of electronic marketplaces (commission fees);
- cloud computing, data hosting and software as a service services;
- any other provision of services rendered or facilitated through an electronic network or a digital application.

1.2.2 Methods for determining the tax base and assessing the tax

22. The legislator establishes a dual mechanism for determining the tax based, on the one hand, on a flat-rate regime in principle and, on the other hand, on an actual regime exercised on an optional basis under strictly regulated conditions.

a. Principle regime: flat-rate taxation (Section 17 quarter (1 and 2))

23. Under the principle regime, corporate tax is assessed at a rate of three per cent (3%) to the total amount of gross income excluding taxes earned on Cameroonian territory by the non-resident company.

24. The tax thus calculated constitutes the minimum collection and is discharging and definitive in Cameroon in respect of the income concerned.

Illustration (Flat-rate regime in principle)

A foreign streaming company has a turnover of 50,000,000 CFA francs excluding taxes from customers located in Cameroon.

- Tax rate: 3%
- Taxable base: 50,000,000 CFA francs (gross income)
- Liquidation of corporate tax (principal): 50,000,000 CFA francs × 3% = 1,500,000 CFA francs
- Additional communal centimes (CAC): 1,500,000 CFA francs × 10% = 150,000 CFA francs
- **Total due: 1,650,000 CFA francs**

b. The option for actual taxation (Section 17c (3 and 4))

25. By way of derogation from the flat-rate regime, the companies concerned may opt for the determination of their profit in accordance with the rules of ordinary law.

26. For companies that have exercised this option, the corporate tax is liquidated by the application of the ordinary law rate of thirty percent (30%). This rate applies to a taxable profit

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set at a flat rate of ten percent (10%) of the gross amount of pre-tax income generated in Cameroon, in accordance with Section 7 bis of the General Tax Code.

27. In addition to this main tax, there are the Centimes Additionnels Communaux (CAC) paid at the rate of 10% of the CIT due.

Illustration (Optional Real Regime)

For a streaming platform with a turnover excluding taxes of 18,000,000 CFA francs :
- Tax rate: 30%
- Taxable base (10% of gross turnover): 18,000,000 × 10% = 1,800,000 CFA francs
- Liquidation of corporate tax: 1,800,000 × 30% = 540,000 CFA francs
- Calculation of the CAC: 540,000 × 10% = 54,000 CFA francs
- **Total to be paid: 594,000 CFA francs**

28. The validity of the option for actual taxation is subject to cumulative compliance with the following three conditions:

- **prior notification**: in accordance with the provisions of Section 17 quarter (4) of the French Tax Code, the option for actual taxation is exercised before the beginning of the tax year.

  By way of derogation, in respect of the first year of application of the measure, the option shall be deemed to have been duly exercised when the written notification is made by 15 March 2026 at the latest.

- **temporary irrevocability:** the option binds the taxpayer for an incompressible period of five (5) fiscal years;

- **Preparation of transfer pricing documentation :** The company must include complete documentation with its annual return to demonstrate that its results meet the arm's length principle.

29. Similarly, it is recalled that the option for the actual regime cannot have the effect of eroding the tax base below a minimum threshold. To that end, the amount of tax payable under the actual regime may not, in any case, be less than that resulting from the application of the rate of 3% of turnover excluding tax, which constitutes the minimum amount of collection that is inviolable.

1.2.3 Reporting and payment obligations (Sections 21 (1-f) and 23 bis)

30. The obligation to assess, declare and pay the tax falls on the non-resident taxable company in respect of its significant economic presence. As such, the latter is required to submit, by electronic means, a monthly declaration tracing the turnover achieved on Cameroonian territory for the digital services concerned.

31. Corporate income tax payable by non-resident companies in the digital sector is paid in accordance with the following procedures, depending on the applicable tax regime.

A. Payment of a monthly deposit (Section 21 of the General Tax Code)

32. Non-resident companies covered by Section 5 ter of the General Tax Code are required to pay a monthly advance payment calculated at the rate of 3%, based on the pre-tax turnover achieved in Cameroon for digital services.

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B. Payment of the balance of the tax: distinction according to the tax system

33. The tax treatment at the end of the financial year differs depending on the method of determining the base chosen by the non-resident company:

- **For companies subject to the flat-rate regime** : the monthly instalments paid at the rate of 3% constitute the minimum collection of corporate income tax. As such, they do not give rise to liquidation or payment of a balance;

- **For companies that have opted for the real tax regime** : corporate income tax is assessed on the basis of the tax result determined in accordance with the rules of ordinary law. The balance of the tax is paid after deduction of the monthly instalments paid, under the conditions set out in Section 23 bis of the General Tax Code.

34. Companies that have exercised the option for the actual regime are also required to submit their Statistical and Fiscal Declaration (DSF) electronically, in accordance with the rules of ordinary law.

1.2.4 Practical implementation procedures

35. The services are required to carry out an inventory of operators in the digital sector likely to cross the thresholds for liability, on the basis of available information, in particular that held by resident companies (contracts, invoices, proof of payment), the use of payment flows and, where applicable, the use of sectoral sources (MINPOSTEL, ANTIC, ART). When an operator is identified, it is invited to register and fulfil its reporting and payment obligations.

36. With this in mind, the file of non-resident digital companies, subject to VAT, as well as the existing registration and monitoring databases of the tax authorities, constitute the starting reference for the identification of the digital operators concerned. The services ensure that the file is regularly updated and consolidated, systematically integrating information from controls, declarations and third-party declarants.

37. The Division in charge of international tax relations is instructed to conduct the necessary due diligence for the registration of digital companies not yet known to the tax services, in particular by exploiting international administrative cooperation mechanisms, monitoring non-resident operators and, if necessary, engaging in useful exchanges with partner administrations and the platforms concerned, in accordance with the applicable cooperation agreements and instruments.

38. The Division in charge of investigations and the Unit in charge of monitoring ICTs at the Directorate of Large Enterprises are also instructed to work in close collaboration with the Telecommunications Regulatory Agency (ART), the National Agency for Information and Communication Technologies (ANTIC), as well as with mobile phone companies, for the purpose of collection, cross-checking and securing relevant information relating to operators and digital services, in strict compliance with the texts in force, for the purposes of identifying taxpayers, broadening the base and monitoring compliance with tax obligations.

1.2.5 Miscellaneous provisions

39. It is recalled that taxpayers resident in Cameroon remain required to withhold at source the special income tax (TSR) provided for in Sections 225 et seq. of the General Tax Code, when making payments to non-resident companies.

40. The special income tax thus retained remains chargeable under the conditions of ordinary law, regardless of the tax regime applicable to non-resident companies with a significant economic presence.

41. When the non-resident company is subject to corporate income tax in Cameroon pursuant to the provisions of Sections 5 ter, 7 bis and 17 quarter of the General Tax Code, the special income tax withheld at source constitutes a tax credit that can be set off against the corporate income tax due for the same financial year.

42. These provisions apply to transactions carried out as of 1 January 2026 and to the result for the financial year ended 31 December 2026 to be filed in 2027.

1.3 SECTION 7 (1-A-2) - Adjustment of the deductibility regime for rental charges relating to movable property

43. Under the previous legislation, the tax treatment of rents of movable property paid by a company to certain partners was part of an anti-abuse logic aimed at preventing indirect transfers of profits by increasing charges. In its application, this mechanism may have led to the rejection of those charges, even when the lease was economically justified and concluded under normal conditions.

44. With a view to rationalising this regime, the legislator replaces the previous logic of systematic exclusion (for partners with more than 10%), with a logic of capped deductibility in situations of effective control of the company.

1.3.1 The case of partners holding less than 25% of the capital

45. Where the lessor (shareholder) holds, directly or indirectly, less than 25% of the share capital, the rents paid in respect of the rental of movable property are fully deductible as long as they meet the general conditions for deductibility, namely:

- be exposed in the interest of the farm;
- be effective and justified by a regular invoice;
- There is no exaggeration over market prices.

1.3.2 Cases of partners holding at least 25% of the capital

46. The mechanism for capping the deductibility of rental charges applies when a partner holds, directly or through intermediaries (spouse, ascendants, descendants), at least 25% of the company's shares or shares.

47. For the assessment of the 25% threshold, account is taken of the direct and indirect holding of the capital. In particular, the following constitute indirect ownership:

- holding through intermediary entities (companies, groups, holding companies, trusts or similar structures);
- holding through intermediaries acting on behalf of the shareholder or under his control (proxies, nominees, etc.);
- the cumulative ownership by the partner with his spouse, ascendants and descendants.

Illustration:

- direct ownership: a partner A holds 26% of the capital of the lessor company. The lease granted by A to the company falls within the scope of the cap;

- indirect ownership via an intermediary entity: partner A owns 60% of company H, which holds 40% of the capital of the lessor company. A's indirect ownership in the lessor company is 24% (60% × 40%). The cap does not apply (subject to any other direct or family ownership);

- cumulative indirect ownership: if, in example b), A also owns 2% directly, the total ownership (24% + 2% = 26%) reaches the threshold; then the cap applies;

- Holding via intermediaries: A owns 15% and his spouse 12%; the detention assessed according to the family interposition rule is 27%; The cap applies.

1.3.3 Material scope of the cap

48. The cap applies to rental charges other than those relating to buildings. The rental of movable property, in particular tangible property (industrial equipment, construction machinery, vehicles, computer equipment, etc.) and, where applicable, the rental of intangible movable property, when it is granted by the partner to the company, is therefore mainly concerned.

49. On the other hand, the rental of buildings (offices, warehouses, land, shops, etc.) granted by a partner remains governed by the general principle set out in the first paragraph of Section 7-A-2. As such, they are fully deductible, provided that there is no exaggeration in relation to the prices charged on the market.

1.3.4 The capping mechanism

50. When the above-mentioned conditions are met, the deductibility of rents (excluding buildings) is allowed within the limit of a ceiling set at 2.5% of the tax profit before deduction of the expenses in question.

51. The "tax profit before deduction of the costs in question" means the interim tax result, calculated after all other non-accounting adjustments, including the reintegration of the rents in question.

52. The portion of the rent exceeding the set ceiling must be reintegrated into the tax result and give rise to a reminder of corporate income tax (IS) and income tax on movable capital (IRCM), without prejudice to the penalties and interest for late payment provided for by tax legislation.

53. It is understood that, even with a ceiling, the deduction of rental charges remains subject to compliance with the usual conditions of deductibility, as recalled above, in particular the interest for the company, the reality and effectiveness of the charge, its link with the operation, as well as the absence of exaggeration with regard to market prices.

Illustration

Mr. X is a 40% shareholder of the company "BTP-Cameroun". He rents a construction machine (movable) to the company for an annual rent of 10,000,000 CFA francs. The tax profit of the company, before the deduction of this specific rent, amounts to 100,000,000 CFA francs.

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- **Calculation of the deductibility limit**

The deduction limit is set at 2.5% of the intermediate tax profit.

Ceiling = 100,000,000 x 2.5% = **2,500,000 CFA** francs.

- **Determination of the deductible amount and reinstatement**

Deductible amount: 2,500,000 CFA francs.

Amount to be reinstated (rent paid minus Ceiling): 10,000,000 - 2,500,000 = 7,500,000 CFA francs.

The company will have to reintegrate 7,500,000 CFA francs into its tax result. This amount must be submitted to the CIT and the IRCM.

1.3.5 Operational Directives to Services

54. To ensure the strict application of these provisions and to prevent any risk of litigation, the are required to observe the following due diligences, in a logical order of verification:

a. Prior to any review of the amount of the rental charge, the services must ensure that the interest for the company and the material reality of the rental is real. The rental charge is only deductible if it corresponds to to the actual provision of an asset necessary for the operation. The services will systematically reject all rents In the following cases, regardless of the ceiling:

- the leased property is not identified or does not physically exist in the company;
- the property is of no use for the company's activity;
- The property remains at the exclusive disposal of the partner (e.g. personal passenger vehicle invoiced to the company).

b. The departments must also reconstitute the percentage of actual ownership of the capital at the closing date of the tax year, systematically identifying indirect holdings and those of the family group (cumulation of shares) in order to assess whether the 25% threshold has been crossed.

c. The services will make sure to distinguish:

- Real estate rentals, which remain deductible under the rules of ordinary law.
- movable rentals, subject to the capping system.

55. Finally, it should be noted that compliance with the 2.5% ceiling does not exempt them from the need for a of the normal value. If the rent paid to the shareholder is manifestly higher than the prices charged for similar equipment, the tax authorities are justified in rejecting the exaggerated fraction on the basis of the abnormal act of management, even before the application of the ceiling.

1.3.6 Entry into force

56. These provisions apply to the determination of the taxable result for the financial year ended 31 December 2025.

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1.4 SECTIONS 7 C AND 7 E- Receivables regime and provisions of microfinance institutions

57. Under the previous system, the deductibility of losses on receivables was subject, as a matter of principle, to the justification of the exhaustion of all the means of amicable or forced recovery. By way of an additional payment, an automatic deduction was allowed for debts of small amounts (less than five hundred thousand (500,000) CFA francs) fully provisioned for five (05) years.

58. The Finance Act for the 2026 financial year adjusts this regime to take into account the specificities of the microfinance sector. It proceeds:

- on the one hand, the increase, for microfinance institutions, of the automatic deduction threshold from five hundred thousand (500,000) CFA francs to one million (1,000,000) CFA francs;

- on the other hand, the extension to microfinance institutions of the mechanism for staggering the deduction of provisions for receivables and impaired liabilities, thus aligning their tax treatment with those of credit institutions, in particular banks.

59. It is specified that credit institutions remain subject to their specific threshold of three million (3,000,000) CFA francs, while other taxpayers (i.e. other than banks and credit institutions) remain subject to the common law threshold of five hundred thousand (500,000) CFA francs.

1.4.1 Implementing rules

✓ **Section 7 C: Treatment of losses on receivables**

60. With the entry into force of the 2026 finance law, the losses on receivables of the MFIs are automatically allowed for deduction, without it being necessary to justify the exhaustion of recovery procedures, when the following two (02) cumulative conditions are met:

- condition of amount: the debt is for an amount less than CFA francs 1,000,000;

- Duration condition: The receivable has been provisioned for a minimum period of five (05) years.

61. The terms of application of this measure remain those specified by Circular No. 12/MINFI/DGI/LRI/L of July 13, 2022, giving instructions on the modalities of application of the tax provisions of Law No. 2021/026 of December 16, 2021 on the Finance Law of the Republic of Cameroon for the financial year 2022, in all its provisions not contrary to this circular.

✓ **Section 7 E: Treatment of provisions (spreading mechanism)**

62. The Finance Law for the 2026 financial year was limited to extending the benefit of the provision averaging mechanism to microfinance institutions, without modifying the substantive rules. Consequently, the terms and conditions for the application of the spreading of provisions remain those specified by Circular No. 004/MINFI/DGI/LRI/L of February 24, 2016, on instructions relating to the modalities of application of the tax provisions of Law No. 2015/019 of December 21, 2015 on the Finance Law of the Republic of Cameroon for the financial year 2016, and by Circular No. 006/MINFI/DGI/LRI/L of February 21, 2020, Laying down instructions relating to the modalities of application of the tax provisions of Law No. 2019/023 of December 24, 2019 on the Finance Law of the Republic of Cameroon for the financial year 2020, in all their provisions not contrary to this Finance Law and this circular.

1.4.2 Entry into force

63. These provisions apply to the determination of the results for the year ended 31 December 2025.

1.5 SECTION 7-1-D- Alignment of the tax depreciation period of leased assets with the duration of the financing contract

64. Depreciation constitutes, for corporation tax purposes, a deductible expense provided that it is actually accounted for and calculated on the basis of the probable useful life as shown by the standards accepted for each type of operation, provided that the rates applied may not exceed those fixed by the regulations.

65. Until 31 December 2025, the assets made available under a leasing contract remained subject, for the determination of tax depreciation, to the rules of ordinary law based on the probable period of use, without taking into account the actual duration of the financing contract. This situation could generate a discrepancy between the economic reality of the financing operation and the rate of tax depreciation allowed.

66. The Finance Act for the 2026 financial year corrects this discrepancy by providing that, for assets subject to a leasing contract, the tax depreciation period is aligned with the duration of the financing contract.

1.5.1 Scope

67. The measure concerns assets subject to a leasing contract, understood as assets made available under a financing contract in return for the payment of rents, with an option to purchase at the end of the contract.

68. It applies regardless of the type of asset financed (materials, equipment, vehicles, installations, etc.), as long as the asset is covered by a contract qualified as leasing.

69. It should be noted that assets under operating lease contracts remain excluded from this regime and follow the rules of common law on depreciation, i.e. according to the duration of use as set by the CGI.

70. It is specified that the measure applies to both the lessee and the lessor.

1.5.2 Implementing rules

71. By way of derogation from the rule of depreciation according to the useful life, for assets subject to a leasing contract, the tax depreciation period is now equal to the duration of the financing contract as it results from the contractual stipulations.

72. It follows that the taxpayer determines the annual tax depreciation by spreading the depreciable base over the duration of the leasing contract, regardless of the probable period of use of the asset, which may be longer or shorter.

Illustration:

- Investment: 100,000,000 CFA franc industrial machine.
- Economic life (usage standard): 10 years (linear rate 10%).
- Financing method: 4-year lease.

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1.5.3 Miscellaneous provisions

Section	Old regime (depreciation over useful life)	New regime (alignment with the contract)	Differential (tax impact)
Payback period	10 years	4 years	6-year acceleration
Annual endowment	10,000,000 FCFA	25,000,000 FCFA	+ 15,000,000 FCFA of deductible expenses / year
Annual corporate tax savings (Base 33%)	3,300,000 FCFA	8,250,000 FCFA	+ 4,950,000 FCFA in tax savings / year
Accumulated over 4 years	40,000,000 FCFA	100,000,000 FCFA	+ 60,000,000 FCFA accelerated deduction

✓ **End-of-contract processing:**

73. If the purchase option is exercised: the property is recorded on the balance sheet for its residual value. If the asset has been fully depreciated over the duration of the contract, no additional allocation is allowed.

74. In the event that the option is not exercised: the depreciation applied remains vested, subject to the reintegration of the net book value (NAV) for tax purposes when the property is removed.

✓ **Safeguard clause (abuse of rights):**

75. The tax authorities reserve the right to question, on the basis of the abnormal act of management, the depreciation periods resulting from contracts whose duration is manifestly artificial or unrelated to the economic reality of the financing.

76. This vigilance will be exercised in particular with regard to real estate that is the subject of leasing contracts for excessively short periods, concealing a desire to evade tax by unduly increasing deductible expenses.

1.5.4 Entry into force

77. These provisions apply to depreciation and amortization recognised in respect of financial years ending on or after 31 December 2025.

1.6 SECTION 18 QUARTER (4).- Strengthening the monitoring of companies approved for derogation regimes

78. The rewriting of Section 18 quarter of the General Tax Code is based on a twofold imperative: to provide legal certainty for the procedures for establishing the corporate tax base and to strengthen the traceability of the tax advantages granted under incentive schemes.

79. In particular, the reform strengthens the system for controlling tax expenditure by introducing an obligation to compartmentalize the accounts for companies approved for derogatory or special regimes in order to ensure that activities under ordinary law are watertight and activities or operations benefiting from a preferential regime. particularly in the context of extension or diversification projects. It should be noted that only projects or operations expressly covered by the approval benefit from the incentives attached to it.

1.6.1 Scope

80. The new provisions relating to the monitoring of approved companies apply to companies benefiting from a special or special tax regime, in particular:

- the investment incentive regime provided for by the Law of 18 April 2023 and Ordinance No. 2025/002 of 18 July 2025 establishing investment incentives in the Republic of Cameroon;
- the regime applicable to economically affected areas;
- the regime of public-private partnerships;
- the regimes provided for in the sectoral codes and other specific texts.

81. In practice, they apply to non-new approved companies, as well as to companies initially approved as new companies that subsequently develop activities or operations not covered by the approval, since a distinction must be made between the scope benefiting from the advantages and the operations covered by ordinary law.

1.6.2 Implementing rules

82. When they are not new, old companies approved under a derogatory regime are required, for the entire period of validation of their approval:

- the keeping of separate accounts clearly tracing the transactions relating to the approved investment project;
- the filing of a Statistical and Fiscal Declaration specific to the said project, allowing the corresponding results to be isolated.

83. Companies ensure that the mixed costs (head office expenses, general management, shared services) are broken down justifiably between the different areas of activity. Any distribution key chosen for this purpose must be objective, traceable and documented.

84. In the absence of analytical accounting allowing a direct and probative allocation, the breakdown of common expenses is determined according to a rational key, in particular in proportion to turnover or personnel costs, except in cases where another key would be more appropriate in view of the nature of the expenses.

<u>Illustration</u> (breakdown of common expenses)

A company has a turnover of 800 million CFA francs for the historical activity (taxable) and 200 million CFA francs for the extension project (preferential regime). The head office costs amount to 100 million CFA francs.

The breakdown is made in proportion to the turnover (80% taxable). As a result, 80 million CFA francs are attributable to the taxable result and 20 million CFA francs are attached to the perimeter benefiting from the preferential regime.

1.6.3 Miscellaneous

85. For the application of these provisions, the services will systematically ensure that:

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- verify the effective production of the summary declaration of the tax expenditure by the companies concerned and, where appropriate, to apply the penalties provided for by the legislation in force. To this end, the IT Division is invited to block the issuance of the tax compliance certificate when this obligation is not respected;

- ensure, for old approved companies, the effectiveness of the keeping of separate accounts and the filing of the specific Statistical and Fiscal Declaration, as well as the traceability of the entries and related supporting documents ;

- control the keys for the distribution of common expenses in order to prevent any undue transfer of expenses or income between the taxable area and the area benefiting from the preferential regime.

86. The structure responsible for derogatory or special tax regimes will ensure that the list of companies approved under the various regimes is kept up to date and made available regularly to the Information Technology Division for configuration, and to the operational services for follow-up, specifying for each of them the nature of the regime, the period of validity of the approval, the scope of the benefits granted and, where applicable, the identification of the investment project concerned.

87. These provisions apply to declarations made in respect of the financial year ended 31 December 2025.

1.7 SECTION 18 QUARTER (1-2).- Consecration of sectoral accounting standards

88. As of January 1, 2026, the sectoral accounting frameworks applicable to certain categories of taxpayers are taken into account for the establishment of the DSF, in order to secure the determination of the taxable result and to prevent accounting rejections based solely on non-compliance with the OHADA accounting system, when the sectoral regulations impose a specific reference system.

89. The declaration of results remains, in principle, presented in accordance with the OHADA accounting system. However, for sectors governed by specific regulations, the law now expressly recognizes the tax validity of financial statements prepared in accordance with the accounting standards provided for in the applicable specific texts.

90. It is understood that the application of the specific standards does not exclude the application of the OHADA accounting system, which remains the common base.

91. The following are thus automatically admitted:

- the Inter-African Conference of Insurance Markets (CIMA) reference framework for insurance companies;

- the Central African Banking Commission (COBAC) reference framework for credit and microfinance institutions.

92. It follows that the tax authorities cannot reject the accounts of a company on the sole ground of its non-compliance with the OHADA chart of accounts, as long as the company is legally required to apply a recognized sectoral reference framework and meets the obligations to produce the required documents.

93. The services will ensure that the financial statements are prepared in accordance with the applicable standard (OHADA, CIMA or COBAC) and that the mandatory documents are produced in the required forms and on time. The Information Technology Services Division will ensure that the DSF formats posted online take into account the new standards.

94. These provisions apply to declarations made in respect of the financial year ended 31 December 2025.

1.8 SECTION 21.- Extension of the scope of withholding tax to the digital and telephony sector

95. Until 31 December 2025, the withholding tax system was limited to the purchase of tangible goods and proved to be unsuited to the complex structure of the telephony and digital sectors, characterised by strong intermediation and significant intangible flows.

96. The Finance Law for the 2026 financial year extends the scope of the withholding tax to purchases of goods and services made by distributors and partners of telephony, digital and similar services companies. The objective is to secure the tax owed by these intermediaries by apprehending it at source, while taking into account the specificity of their business model.

1.8.1 Scope

97. The following are now subject to the collection of withholding tax:

- mobile phone companies;
- Internet service providers and digital operators;
- operators of similar services (Fintech, Mobile Money, etc.).

1.8.2 Procedures for application and determination of the basis of assessment

A. Distinction according to the nature of the flows

98. For the purposes of the application of the withholding tax, a distinction must be made between two categories of transactions according to their economic nature and the method of remuneration of the distributor.

99. Concerning the first category, relating to the acquisition of tangible goods with transfer of ownership, in particular terminals, accessories, invoiced physical SIM cards and miscellaneous equipment, the taxable amount is constituted by the gross amount of the purchase invoice excluding taxes.

100. As regards the second category, relating to transactions for the supply of communication credit *(airtime)* or electronic money *(e-money),* the taxable amount is constituted by the gross amount of the commissions allocated to the distributor.

B. Provisional liquidation (N-1 anteriority rule)

101. With regard specifically to transactions remunerated on commission, and in order to take account of the variability of remuneration rates during the year, telephone and digital companies settle the withholding tax on a provisional basis.

102. The theoretical commission for month M is determined by applying a reference commission rate to the volume of supply/activation transactions for the month.

103. For financial year N, telephony, digital and similar operators apply, as a reference rate, the commission rates in force for financial year N-1, unless there is a formalised contractual amendment brought to the attention of the services. Any adjustments are made during the year-end adjustment operations.

Illustration

In March, a telephone credit distributor carries out operations giving rise to a theoretical commission of 12,000,000 CFA francs (calculated on the basis of N-1 commissions).

- If the distributor is subject to the IGS: March withholding tax = 12,000,000 × 5% = 600,000 CFA francs, to be paid by 15 April at the latest by the telephone company.

- If it is real: March withholding tax = 12,000,000 × 2% = 240,000 CFA francs, to be paid by April 15 at the latest by the telephone company.

C. Mandatory annual adjustment

104. The required adjustment shall be made when the FSD for the financial year in question is filed, in accordance with the following procedures:

- the operator calculates the final amount of the commissions actually earned by the distributor for the year N;

- it compares the theoretical tax due on these actual commissions with the cumulative withholding tax paid during the year (on the basis of N-1).

105. The remainder is deducted from the balance of the end-of-year commissions or from the first payments of the year N+1. The excess is a tax credit for the distributor, chargeable against future withholding taxes.

Illustration

- Situation N-1: a distributor received an average commission of 5%;

- Fiscal year N (provisional): for a deposit of 100 million, the operator calculates a theoretical commission of 5 million and deducts the withholding tax on this basis;

- Year-end N (Actual): the distributor's actual performance entitles it to a 6% commission (i.e. 6 million);

- Regularisation: the operator must deduct the additional withholding tax on the difference in the base of 1 million.

1.8.3 Miscellaneous provisions

106. Collection companies (operators) are required to:

- establish, keep up to date and attach, for each distributor, the detailed statement of commissions paid and taxes withheld, as an appendix to the tax returns relating to the repayment or deduction of withholding taxes, in accordance with the provisions of Section 22 of the General Tax Code;

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- justify the N-1 commission rates used provisionally for the calculation of the withholding tax;

- present the annual regularisation statement during tax audits.

107. Finally, it is specified that the Finance Act for the 2026 financial year replaces the notion of "taxpayer card" with that of "belonging to the file of active taxpayers". For the determination of the withholding tax rate, whether reduced or increased, proof of membership in the file is now established by consulting the national file of active taxpayers held by the General Directorate of Taxes online.

1.8.4 Entry into force

108. These provisions apply to transactions carried out from 1 January 2026.

1.9 SECTION 21A .- Payment of the monthly CIT advance payment of telephone companies on the basis of receipts

109. In accordance with the provisions of Section 21 of the General Tax Code, the calculation of the monthly advance payment of corporate income tax (IS) for telephone companies was traditionally based on the turnover achieved, regardless of receipts staff.

110. As of 1 January 2026, Section 21 bis (new) of the General Tax Code provides that the monthly CIT instalments of companies in the telephony sector are to be settled on the basis of the receipts actually made during the month in question, thus aligning the basis for calculating the CIT advance payment with that of VAT.

1.9.1 Implementing rules

A. Rule of principle: basis of the advance payment on receipts

111. By way of derogation from Section 21 of the General Tax Code, the monthly CIT advance due by telephone companies is settled and paid on the basis of receipts carried out during the month in question.

112. Understood as receipts realised, all sums actually received by the company during the month, regardless of the collection channel (direct payments, repayments by aggregators, mobile money, partners/third-party collectors, platforms, etc.), as long as they remunerate a taxable transaction falling within the scope of the activities concerned, regardless of the amount of the actual consumption of the service purchased.

Illustration

The telephone company HAYDAK Telecoms collects, in February 2026, an amount of three (3) billion CFA francs for its sales of communication credits. Only a share of 2.3 billion CFA francs is actually consumed by its subscribers.

- Basis of the February CIT instalment: 3 billion CFA francs.

- NB: as the due date of the advance payment is fixed at the time of collection, the performance of the service has no impact on the basis for calculating the advance payment.

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B. Determination of the basis

113. The monthly base is made up of receipts gross for the month, before deduction contractual compensation or regularisation.

114. Companies must keep a breakdown of their receipts by offer categories and channels (prepaid, postpaid, data, digital services, wholesale, etc.), in order to allow control of a posteriori concordance.

115. Receipts are justified by bank statements, aggregator reconciliation statements, electronic money transaction reports, cash journals and collection situations.

C. Relationship with ordinary law and neutrality of the regime

116. It should be noted that this new regime does not modify either the rules for determining the annual result or the end-of-year reporting obligations. It adjusts the terms and conditions for collecting the monthly advance payment to align the tax burden with the cash flows of companies, without reducing the tax due for the financial year. Year-end adjustments continue to be made in accordance with ordinary law, on the basis of the accounting result (acquired receivables).

117. For example, for an annual turnover of 24 billion CFA francs, the advance payments will follow the curve of real flows. If the cumulative instalments are less than the final tax, the company pays a balance. The management services will ensure the concordance between the collections declared (corporate income tax and VAT)) and financial flows through banks, e-money or payment aggregators.

118. Any reduction or omission in collection will give rise to corrections and reminders, including through the pre-filled declaration procedure provided for in Section L 2 bis of the French Tax Code.

1.9.2 Entry into force

119. These provisions apply to advance payments due in respect of transactions carried out from 1 January 2026 (declared and paid from February 2026).

1.10 SECTION 42.- Strengthening of the taxation of capital gains sale of shares, bonds and shareholdings of companies under Cameroonian law

120. The Finance Act for the 2026 financial year completes the wording of Section 42 of the General Tax Code, with a view to consolidating the taxation, in respect of income from movable capital, of capital gains net income realized on the sale of shares, bonds and other shares in the capital of companies under Cameroonian law.

121. Three categories of operations are covered by the renovated scheme:

- **direct and indirect disposals within the scope of consolidation, carried out in Cameroon or abroad:** The new provision confirms taxation regardless of the place where the transaction is carried out, as long as the transfer relates, directly or indirectly, to securities of companies under Cameroonian law and is carried out between affiliated companies;
- **Indirect disposals beyond the scope of consolidation:** while the previous wording and administrative doctrine primarily targeted intra-group transactions carried out between

foreign companies in the same scope of consolidation, the 2026 Finance Act now expressly extends the taxation:

- transactions or series of transactions, including through intermediary entities, that have the effect of directly or indirectly transferring ownership or control a company holding assets located in Cameroon;

- restructuring operations (mergers, divisions, partial contributions of assets or similar operations) when they entail a change of ownership or control assets held in Cameroon.

- **Transfers of rights relating to natural resources:** Transfers of shares in companies under Cameroonian law including rights relating to natural resources are expressly targeted.

122. The place of signature of the deeds, the location of the parties, the currency of settlement or the bank domiciliation do not prevent taxation in Cameroon when the transaction falls within the categories referred to in Section 42 of the CGI.

1.10.1 Implementing rules

A. Definition of indirect transfers (specifically referred to)

123. An indirect transfer is any transaction or series of transactions carried out through intermediary entities, having as its direct or indirect effect the transfer of ownership or control of a company holding, directly or indirectly, assets located in Cameroon.

Illustration

A foreign company A sells securities to a foreign company B (both belonging to the same scope of consolidation) an intermediary holding company that holds a stake in a company incorporated under Cameroonian law. The capital gain realized abroad is taxable in Cameroon as long as it corresponds to an indirect transfer of shares in a Cameroonian company.

124. The administration will assess the existence of an indirect transfer of ownership or control with regard to a set of indicators, in particular:

- change in the shareholding of the "head of the chain" company or holding company;

- substitution of the beneficial owner of the Cameroonian entity;

- change of decision-making power over assets located in Cameroon (voting rights, shareholders' agreements, control clauses)).

125. Capital gains on indirect disposals resulting from restructuring operations, in particular mergers, divisions, partial contributions of assets or any similar operation, are also liable to the IRCM when they entail a change in ownership or control assets held in Cameroon.

126. The decisive criterion being the change of ownership or control, a purely internal restructuring that does not produce such a change does not, by itself, fall within the scope of Section 42 of the General Tax Code.

Illustration of a restructuring involving third-party entities

Following a merger by way of absorption between two foreign companies, company A (absorbing) and company B (absorbed), the latter transfers all of its assets to company A. This assets include equity securities held either in the capital of a company C located in Cameroon or in a company D located abroad, which itself holds shares in a Cameroonian entity.

Although Company B is dissolved as a result of the merger, Company C or Company D is now under the control of a new investor, Company A. To the extent that one or other of these entities holds, directly or indirectly, assets in Cameroon, such a change of control entails taxation of the capital gain corresponding to the indirect transfer of those assets.

B. Determination of the basis of assessment

127. The procedures for determining the basis of the capital gain remain unchanged, namely those provided for by Circular No. 020/MINFI/DGI/LRI/L of May 8, 2024, specifying the terms of application of the tax provisions of Law No. 2023/019 of December 19, 2023 on the Finance Law of the Republic of Cameroon for the financial year 2024.

1.10.2 Reporting obligations, taking evidence and due diligence

A. Production of information and supporting documents

128. For the purposes of Section 42 of the General Tax Code, the taxpayers concerned, as well as, where applicable, the entity governed by Cameroonian law whose securities or assets are concerned, are required to communicate to the services, on request or within the framework of the reporting obligation provided for in Section L 86 of the MTP, the information and documents enabling the assessment of:

- the reality of the transfer (direct or indirect);
- the chain of ownership and the existence of interposed entities;
- change of ownership or control ;
- the valuation method and the determination of the capital gain.

129. The expected documents include: deeds of sale, shareholders' agreements, merger/demerger/contribution agreements, "before/after" organizational charts, financial statements, valuation reports, pricing documents and any evidence relating to the beneficial owner and control.

B. Diligence of the services and securing collection

130. The departments will identify the transactions falling within the scope of Section 42 of the General Tax Code by means of a set of indicators: changes in shareholding at the level of holding companies, cross-border reorganisation operations, restructuring involving a change of control, transfers of "head of chain" entities, transfer of rights to natural resources.

131. In terms of recovery, it is recalled that the solidarity mechanisms provided for by the MTP may also be mobilised, if necessary, to prevent the risks of uncollectability when the seller or buyer is non-resident and out of operational scope.

1.10.3 Entry into force

132. These provisions apply to transactions carried out in respect of financial years ending on or after 31 December 2025.

1.11 SECTION 58.- Taxation of income earned by private drivers affiliated to digital transport platforms (VTC)

133. Section 58 of the French Tax Code, amended by the 2026 Finance Act, specifies the terms and conditions for determining the taxable income of individuals carrying out an activity of transporting people through digital platforms.

1.11.1 Scope

A. Persons and income concerned

134. The scheme applies to income received by natural persons who are tax residents in Cameroon and who carry out, on an individual basis, independently or on an occasional basis, a passenger transport activity through a digital networking platform operating on the national territory.

135. In particular, the following are targeted:

- private drivers who do not have the status of trader within the meaning of the OHADA Uniform Act relating to general commercial law;

- occasional drivers who carry out this activity on an ad hoc basis, as long as they generate taxable income through a platform.

B. Excluded persons and income

136. The specific tax regime defined in Section 58 of the French Tax Code does not apply:

- to the company operating the digital platform, which remains subject to taxes and duties under ordinary law on its own income;

- natural or legal persons who own fleets of vehicles, qualified as "partners", who make these vehicles available to drivers under a rental or employment contract. These partners carry out a commercial activity and remain, as such, subject to tax on their income (Industrial and Commercial Profits or IS), in accordance with the rules of ordinary law.

137. The income and commissions received by the operators of the platforms and by the partners remain taxable according to the regimes applicable to them (IS, VAT, IGS, etc.), in accordance with the legislation in force.

1.11.2 Procedures for assessing the tax

A. Applicable rate

138. The income in question is subject to a withholding tax at the rate of 5%. However, this income remains subject to the annual declaration obligation provided for in Section 74 of the French Tax Code.

B. Taxable base

139. The taxable income is determined on a flat-rate basis up to 20% of the gross amount of the journey (rate displayed on the application), representing the net share due to the driver after deduction of his operating expenses.

Illustration :

- For a ride charged 10,000 FCFA:
  - Taxable income = 20% × 10,000 = 2,000 CFA francs;
  - Tax due = 5% × 2,000 = 100 CFA francs.

1.11.3 Procedures for declaration and repayment

140. The operator of the digital platform is designated as the legal person liable for withholding, declaring and remitting the tax.

141. As such, the platform is required to:

- withholding at source, on each transaction, the amount of tax due according to the formula: PIT = (Gross amount of the race× 20%) × 5%;

- pay the amounts deducted from the account of the Tax Collector no later than the 15th of the month following that of the deduction.

IV. Miscellaneous provisions

142. The Legislation Division, in conjunction with the Communication Unit, will organize, in collaboration with the platforms concerned, a national information and awareness-raising campaign for drivers, aimed at explaining the applicable tax rules, the calculation and declaration methods, as well as the rights and obligations arising from them.

143. These provisions are immediately applicable and take effect from 1 January 2026.

1.12 SECTION 65A.- Increase in the rate of the allowance on exceptional income

144. Section 65 bis of the General Tax Code, as amended by the Finance Act for the 2026 financial year, increases the rate of the flat-rate allowance applicable to exceptional income from 25% to 35% for the calculation of personal income tax. This increase is intended to mitigate the impact of escalation tax on sums that are not received periodically, in particular end-of-career allowances, retirement bonuses.

145. For the purposes of this measure, the qualification of "exceptional income" remains governed by the criteria of nature (income not likely to be collected annually) or amount (sum exceeding the average taxable income of the previous three years).

146. For any other clarification relating to the eligibility conditions, the methods for determining the three-year average and the technical due diligence of liquidation, the managing services are invited to comply with the developments and instructions already explained in Circular No. 020/MINFI/DGI/LRI/L of 8 May 2024 specifying the terms and conditions of application of the tax provisions of the 2024 Finance Law.

1.13 SECTION 87.- Withholding tax on property income

147. The previous regime of deduction on property income maintained a double inequity, relating both to the rate and to the scope of the exemptions:

- a high rate (15%) which often created structural tax credits for professional landlords and encouraged the concealment of leases;

- Exemptions that are too broad, systematically exempting rents from withholding paid to companies under the specialised management units (DGE/CIME), thus depriving the State of immediate tax collection.

148. The Finance Act for the 2026 financial year reorganises this scheme around two orientations:

- Harmonization of the rate: the rate of withholding tax on rents is reduced from 15% to 10%, in order to align it with the level of taxation applicable to non-professional landlords subject to a discharge regime;

- Refocusing of exemptions: the reform puts an end to a scope of exemption that is considered too broad and a source of unequal treatment, by now limiting exemptions to situations expressly provided for by law.

1.13.1 Scope

149. The deduction is based on the gross amount of the rents (excluding deduction of charges), as shown in the lease, the receipts and any supporting documents.

150. Withholding tax is exclusively made by the following persons or entities, when they pay rents :

- public administrations and establishments;
- legal persons;
- sole proprietorships subject to the real property regime;
- taxpayers subject to the General Synthetic Tax regime (IGS);
- non-profit organizations (NPOs) duly authorized to deduct at source.

151. The following are exempt from withholding tax:

- Rents paid to entities expressly authorised by the Minister in charge of finance to withhold taxes and duties at source.

- Rents paid by taxpayers subject to the IGS to landlords subject to the real regime.

  This rule aims to avoid an overlapping of constraints for small operators and to take account of the fact that the lessor, subject to the actual situation, is bound by more structured accounting and reporting obligations allowing for control direct.

Illustration

A taxpayer subject to the IGS rents a warehouse from a real estate company subject to the real estate regime. No withholding tax is made by the IGS tenant: the rent is paid gross.

The actual landlord remains required to declare and pay his taxes according to his regime.

1.13.2 Miscellaneous provisions

152. The services will ensure, during on-the-spot or documentary checks, that:

- verify that the debtors required to withhold the tax (administrations, public establishments, legal entities, sole proprietorships of the real and IGS, NPOs concerned) apply the 10% rate on rents gross amounts, except in the case of exemption provided for by law;

- ensure the existence of a ministerial authorisation when the exemption is based on the status of entity authorised to withhold at source;

- control, in the event of exemption from withholding tax on rents paid to a landlord subject to the real property regime, the reality of the landlord's tax regime (attachment to the real property regime);

- reconcile the deductions made and paid to the rents actually paid (leases, receipts, transfer statements, rental charges), in order to prevent any basic reduction or unpaid deduction.

1.13.3 Entry into force

153. These provisions apply to rents paid in respect of periods beginning January 1, 2026.

1.14 SECTIONS 93 TER AND 93 QUARTER. Reconfiguration of the attachment criteria tax regimes.

154. The provisions of Sections 93 ter and 93 quarter of the General Tax Code, as revised by the Finance Law for the 2026 financial year, overhaul the procedures for determining tax regimes. This reform is part of a twofold objective of bringing the national tax system into line with the legislation on local taxation and rationalizing the tax base through a more detailed segmentation of economic activities.

155. The adjustments thus made introduce a distinction in the thresholds for liability to the IGS and update certain criteria for automatic attachment to the real regime.

1.14.1 Segmentation of the thresholds of the Synthetic General Tax (IGS)

156. Under the legislation prior to the 2026 Finance Law, liability to the IGS was based on a single quantitative criterion (achievement of an annual turnover excluding tax of less than 50 million CFA francs), without distinction relating to the nature of the activity carried out. This uniformity did not allow for the reflection of the disparities in cost structures between trading activities and the provision of intellectual services.

157. The reform breaks with this principle by establishing a duality of thresholds, based on the economic nature of the activity:

- the maintenance of the threshold of 50 million CFA francs for commercial and industrial activities: taxpayers whose activity is related to industry, trade, crafts or the agro-pastoral sector remain subject to the IGS as long as their annual turnover before tax is less than 50 million CFA francs;

- the establishment of a reduced threshold of 30 million for liberal professions: from now on, taxpayers exercising a liberal profession or a non-commercial activity are subject to the IGS when their turnover is less than 30 million CFA francs.

158. As a result, liberal professionals with an annual turnover equal to or greater than 30 million CFA francs are subject to the real regime.

1.14.2 Attachment to the real regime without regard to turnover

159. At the same time as the modification of the thresholds, the reform updates the criteria for automatic attachment to the real property regime.

160. Thus, the reference to the law of 18 April 2013 is now replaced by that of Ordinance No. 2025/002 of 18 July 2025 setting the incentives for investment in the Republic of Cameroon. As a result, pursuant to Section 93 quarter of the French Tax Code, any new taxpayer who can prove that he has been approved under the said Ordinance is subject to the real regime as soon as the approval agreement is signed.

Summary table of the attachment criteria tax systems

CLASS OF TAXPAYER	DECISIVE CRITERION	TAX REGIME
1. GENERAL ACTIVITIES		
Traders, industrialists, craftsmen, farmers, breeders	Turnover less than 50 million FCFA	IGS
Traders, industrialists, craftsmen, farmers, breeders	Turnover equal to or greater than 50 million FCFA	Real Regime
2. LIBERAL PROFESSIONS		
Lawyers, Doctors, Tax Advisors, Experts, etc.	Turnover less than 30 million FCFA	IGS
	Turnover equal to or greater than 30 million FCFA	Real Regime
3. PUBLIC OFFICERS		
Holders of notarial offices (Notaries)	Regardless of Turnover	Real Regime
4. STRATEGIC SECTORS		
Oil, Mining & Gas Sectors EMFs, Insurance Companies Mobile telephony	Regardless of Turnover	Real Regime
5. INCENTIVE SCHEMES		
Companies approved by the 2025 Ordinance	Regardless of Turnover	Real Regime
New taxpayers subject to derogation from the DGI (Investment or Order over 100M)		Real Regime

1.14.3 Miscellaneous and transitional provisions

161. For the application of these provisions, the services in charge of registration will ensure in particular that:

- retain as legal reference thresholds 50 million CFA francs and 30 million CFA francs depending on the nature of the activity;
- to secure the qualifications of the liberal professions, in order to ensure a compliant classification.

162. These provisions shall apply from 1 January 2026.

1.15 SECTIONS 95, 95A, 96 and L 105c.- Reform of the procedure for the cessation of activity and radiation security

163. The amendments to Sections 95, 95 bis and 96 of the General Tax Code are intended to clarify and strengthen the obligations incumbent on taxpayers in the event of a permanent or temporary cessation of activity, the transfer of a business or the death of the operator.

164. The previous system, which was essentially declarative a posteriori, did not allow for effective management of the company's tax "end of life". The reform removes procedural

uncertainties by instituting a rigorous formalism articulated around two distinct chronological obligations:

- an obligation to provide prior information (anticipation);
- a definitive "tax" liquidation obligation (closure).

1.15.1 Determination of the termination date (d-date) and calculation of time limits

165. For the purposes of applying the time limits provided for in Section 95 of the French Tax Code, the date of cessation (date J) means the date on which the activity effectively ceases to be carried out, regardless of the date of signature of an act, an internal decision or an administrative formality.

166. The D-date is assessed in the light of a set of concordant indices, in particular:

- the effective closure of the establishment or the actual cessation of services to the public;
- the date of effective transfer of the business or management to the transferee, in the event of a transfer;
- the date of dormancy materialized by the effective cessation of operations (temporary cessation);
- consistency with the traceability elements available (periodic declarations, invoicing, receipts, stocks, current contracts).

167. The time limits established by Section 95 structure the procedure for termination and the intervention of the services. They are appreciated from the D-date thus defined.

1.15.2 The new two-stage termination procedure (Section 95)

A. Step 1 : *declaration of cessation (D-3 months)*

168. Any cessation of activity, whether definitive or temporary, must be preceded by the filing of a declaration signed at least three (3) months before the D-date.

169. This declaration is made electronically. It specifies, at the very least:

- the planned D-date;
- the nature of the event (permanent cessation, temporary termination);
- the taxpayer's identification (NIU, address, activity);
- where applicable, the identity and address of the intended transferee.

170. This formality allows the services to prepare the necessary due diligence, in particular with a view to the control and securing the collection of latent taxes.

171. When the cessation is the result of a case of force majeure (accident, fire, disaster, etc.), the taxpayer is required to declare the cessation within a maximum period of 30 days from the occurrence of the event.

B. Step 2 : *Closing declaration (D+3 months)*

172. Within three (3) months of the D-date, the taxpayer is required to submit a closing declaration liquidating all taxable income up to that date.

173. This declaration shall include, in particular:

- the liquidation of the taxable results of the intercalary period (from the end of the last taxable financial year to the date D);
- Elements useful for control consistency (inventory statements, fixed assets sold or transferred, receivables and payables, contracts in progress, reversal of provisions, capital gains, etc.);
- where applicable, the surname(s), first name(s) or company name and address of the transferee, in order to ensure the continuity of the tax follow-up.

C. Special case: death of the operator

174. In the event of the death of the farmer, the annual income declaration is signed by the beneficiaries within **six (6) months** of the date of death.

1.15.3 Control, legal effects and payment obligations (Sections 95a and 96)

A. Opening of the audit on termination (Section 95a)

175. The signing of the declaration of cessation systematically leads to the initiation of an audit of the taxpayer's tax situation by the Tax Administration, in order to verify the accuracy of the bases declared and to ensure that the taxes due are fully discharged before the suspension or cessation of tax obligations.

176. To this end, the Division in charge of tax control assigns, without delay, an audit programming number, which constitutes the formal authorisation to initiate control operations. The tax office to which the taxpayer is attached shall be immediately notified of this number, at the diligence of the said division, in order to ensure the effective start of the audit.

177. It should be noted that the implementation of this control does not suspend the procedure for cessation of activity when it occurs in the context of a sale to a new transferee who formally undertakes to take over all of the seller's tax debts.

B. Payment of Fees

178. In accordance with Section 96 of the French Tax Code, the declaration of cessation must be accompanied by the payment of the corresponding duties assessed on the declaration of closure.

179. The deadlines provided for in Section 95 of the French Tax Code do not affect the application of the other tax obligations, procedures and penalties provided for by the regulations. In the event of failure to declare, delay or incomplete declaration, the services apply the measures of reminder, formal notice, reconstitution of bases and penalties provided for in the Manual of Tax Procedures.

Summary table of deadlines (operational calendar)

Step	Nature of the act	Legal deadline
Phase 1	Declaration (prior information)	At least 3 months before the D-date
Phase 2	Effective termination	D-Date
Phase 3	Closing Statement (Settlement of Revenues and Results)	No later than 3 months after the D-date
Phase 4	Tax audit	Opened following the declaration of cessation
Special cases	Death: declaration of income by the beneficiaries	No later than 6 months after death
	Force majeure	No later than 1 month from the occurrence of the event

1.15.4 The sanctions regime

180. In order to give this reform its full scope, Section L 105 quarter of the General Tax Code establishes a graduated coercive mechanism, the implementation of which is subject to the following rules.

A. Characterization of breaches and calculation of time limits

181. Failure to submit the prior declaration within the three-month period preceding the termination, as well as the failure to file the closure declaration within three months of the termination constitute breaches punishable by sanctions.

B. Proportion of financial penalties

182. The legislator has established a scale of penalties proportionate to the ability of companies to pay:

- in the case of taxpayers under the Directorate of Large Enterprises (DGE), failure to comply is punishable by a fine of 10,000,000 CFA francs;
- for taxpayers under the Tax Centers for Medium-Sized Enterprises (CIME), centers in charge of NPOs and liberal professions, the fine is set at 5,000,000 CFA francs;
- Finally, for taxpayers under the IGS regime, the fine is 1,000,000 CFA francs.

183. The cumulation of penalties for failure to make a prior declaration and failure to declare a closure remains legally possible.

C. Solidarity of leaders

184. Section L 105 quarter of the General Tax Code introduces a major provision on forced recovery. It enshrines responsibility Solidarity with the leaders de jure or de facto, allowing the tax authorities to pursue the recovery of taxes and penalties on their personal assets when the cessation of activity has been organised without prior discharge of the tax liabilities.

185. The collection services are invited to rigorously apply this provision as soon as the materiality of the declarative breaches is established or when taxes have been established.

186. In the event of the departure of the directors from Cameroonian territory, the services are required to implement the recovery assistance clause provided for in Section L 94 septies of the Manual of Tax Procedures.

1.15.5 Miscellaneous and transient provisions

187. The declarations provided for in Sections 95, 95 bis and 96 of the General Tax Code, detailed above, are submitted electronically.

188. The electronic submission of cessation and closure declarations entails automatic updating of the taxpayer's situation in tax management applications, in particular with regard to:

- the taxpayer's business status;
- the scheduling of the control following the cessation;
- monitoring the collection of assessed taxes.

189. The Inspectorate of the Tax Services, the Information Technology Division and the services in charge of control shall take the necessary measures to ensure the effectiveness of these measures.

190. These provisions shall apply to cessation of activity occurring as of 1 January 2026.

191. As a transitional measure, and pending the full implementation of the dedicated electronic modules, the tax authorities may admit, on an exceptional basis, the receipt of paper returns, subject to their entry into the tax management applications by the competent services.

2 PROVISIONS RELATING TO INCENTIVES AND PUBLIC PROCUREMENT

2.1 SECTIONS 105 and 105 BIS – Strengthening of tax incentives for youth employment and the financing of social integration structures

192. The amendments made to Sections 105 and 105 bis of the General Tax Code are intended to strengthen the tax tool to support the national policy of promoting the employment of young graduates, by broadening the forms of eligible integration and introducing tax credit mechanisms.

193. To this end, Section 105 of the French Tax Code extends to work-study contracts the system of exemption from tax and employer contributions on salaries paid to young graduates who were previously limited to recruitment in the context of a first job or a practical pre-employment internship.

194. For the purposes of these provisions, work-study programmes are defined as contractual arrangements combining periods of theoretical training and periods of practical activity in a company, with a view to promoting the gradual acquisition of professional skills and the long-term integration of the young beneficiary into the labour market.

195. It is recalled that the benefit of the exemptions and tax credit attached to this regime is limited to three (03) years, regardless of the duration of the work-study contract or the number of renewals made.

196. It also establishes a tax credit for companies 20% for the costs incurred for training, supervision and professional integration.

197. In addition, Section 105 bis of the French Tax Code establishes a tax credit on the income of natural persons in respect of donations made to approved structures for the training, supervision or integration of young people.

2.1.1 Implementing rules

A. "Business" tax credit

198. Companies benefit from a tax credit equal to 20% of the costs actually incurred in respect of the training, supervision and professional integration of eligible young people recruited for their first job, for a pre-employment practical internship or for a work-study contract.

199. Expenses giving entitlement to the tax credit means expenses that are directly related to the purpose of the Act and that are properly justified, including:

- training costs (internal or external) related to the position and the integration process;
- supervision expenses (tutoring, formalized supervision, support systems);
- integration costs (tools, modules, devices dedicated to professional integration), subject to their justification and attachment.

200. The company must be able to produce, at any requisition, supporting documents, in particular:

- contracts (work, work-study) or internship admission documents;
- documents establishing the age, nationality and status of the graduate;
- the corresponding payroll statements and declarations;
- invoices, purchase orders, training agreements, attendance sheets, management reports, and any document attesting to the reality and actual burden of the expenses invoked.

201. The tax credit is deductible from the corporate tax, personal income tax or IGS due for the financial year, in accordance with the reporting procedures provided for in the forms and annexed statements.

Illustration :

- a company subject to the General Synthetic Tax (IGS), category 10;
- "theoretical" annual IGS: 2,000,000 FCFA;
- a company that is a member of a CGA entitling the holder to a 50% reduction in the IGS;
- recruitment of 02 eligible young graduates, monthly salary 150,000 FCFA each.

✓ Gross annual wage bill of both: 150,000 × 2 × 12 = **3,600,000 FCFA.**

➢ ***Exemption from tax and employer contributions on salaries (Section 105(1) and (3))***

- On the salaries paid to the two young people, the company is exempt from tax and employer charges, with the exception of social security contributions, which remain due.

- This exemption applies for three (03) years from the date of signature of the contracts / admission to internship / work-study contract.

➢ ***20% business tax credit (section 105(4))***

- Assumption of eligible costs (training/supervision/integration) actually borne and justified over the financial year:

  ✓ External training: 400,000 FCFA per young person × 2 = 800,000 FCFA

  ✓ Tutoring allowance / internal supervision (justified): 150,000 FCFA per young person × 2 = 300,000 FCFA

  ✓ Total eligible expenses = 800,000 + 300,000 = 1,100,000 FCFA

- Tax credit = 1,100,000 × 20% = 220,000 FCFA

NB: this tax credit is deducted from **the tax due for the financial year** (IGS for IGS taxpayers). It is not to be confused with the exemption on salaries.

➢ ***Imputation to the IGS, taking into account the CGA benefit***

- Theoretical annual IGS: 2,000,000 FCFA
- CGA discount (50%): 2,000,000 × 50% = 1,000,000 FCFA
- IGS after CGA reduction = 2,000,000 − 1,000,000 = 1,000,000 FCFA
- Deduction of the tax credit youth employment: 220,000 FCFA
- IGS net payable (within the limit of the tax due) = 1,000,000 − 220,000 = 780,000 FCFA

C. Tax credit for "natural persons"

202. Under the terms of Section 105 bis of the General Tax Code, a tax credit equal to 20% of the value of donations (in cash or in kind), up to an annual limit of 25 million CFA francs, is granted to natural persons who make donations to approved training, supervision or integration structures. The absence of approval or justification leads to the rejection of the tax credit.

203. It is deducted from the personal income tax due for the financial year, as part of the annual declaration made in accordance with the applicable provisions, in particular the annual declaration referred to in Section 74 bis of the General Tax Code. Any surplus not charged for a financial year is carried forward to the taxes due for the following four (04) financial years.

204. The natural person must keep and produce, at any request from the Administration, the following supporting documents:

✓ **Cash donations** :

- receipt or certificate issued by the beneficiary structure, mentioning the identity of the donor, the amount, the date and the reference of the approval;

- proof of payment (bank transfer, cheque, or any other means of proof);

It is specified that only payments leaving a supporting record are eligible for this benefit. Cash payments are only eligible for this scheme when they are made directly to the bank accounts of the beneficiary structures.

✓ **In-kind donations:**

- receipt or certificate describing the nature of the property, the quantity, the date and the reference of the approval;
- documents establishing the value retained (acquisition invoice, estimate, any evidence of valuation).

Illustration (tax credit "natural persons")

- Cash donation to an approved structure: 3,000,000 FCFA.
- Tax credit: 3,000,000 × 20% = 600,000 CFA francs.
- The taxpayer carries 3,000,000 CFA francs in the dedicated section of the annual declaration. The computer system calculates the corresponding credit and sets it off against the tax due, subject to control supporting documents which must be attached as an appendix to the annual declaration.

2.1.2 Miscellaneous provisions

205. The advantages provided for in Sections 105 and 105 bis of the General Tax Code are subject to a declarative system. They are not subject to any prior authorisation or formality from the tax authorities.

206. The beneficiary companies and taxpayers apply the benefits under their responsibility, it is up to them to ensure traceability, justification and compliance with legal conditions.

207. However, the beneficiary companies are required to inform their home centre in the manner provided for in the attached forms and statements, in order to allow the monitoring and use of the data for control purposes.

208. The centres to which they are attached remain authorised to carry out the usual checks (on the basis of documents and, where appropriate, on the spot), in order to verify the eligibility of the beneficiaries, the reality of the contracts and expenditure, the duration of application, and the consistency of the amounts exempted or charged.

209. The competent departments in terms of tax forms, the configuration of declarations and dematerialisation will ensure that the following are included for the implementation of the measure:

- sections for identifying young beneficiaries and forms of integration (contract, internship, work-study programme);
- the fields used to trace the three-year eligibility period;
- a standard annexed statement relating to the tax credit "enterprises" (eligible expenditure, calculation of the 20% rate, imputation) ;

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The General Director
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- A declarative system allowing the monitoring of the tax credit "natural persons" in the declaration with the reference of the approval of the beneficiary structures.

2.1.3 Entry into force

210. These provisions apply to contracts concluded and donations made as of 1 January 2026.

2.2 SECTION 111 (2).- Extension of the IRCM exemption to interest on securities of negotiable loans issued by CEMAC member states

211. The Finance Law for the 2026 financial year amends Section 111 of the General Tax Code in order to extend the exemption, previously limited to interest on Cameroon State bonds, to interest on securities of negotiable loans issued by all the member states of the Central African Economic and Monetary Community (CEMAC).

212. This development is intended to bring national legislation into line with the Community framework applicable to transferable securities, which enshrines a harmonised and non-discriminatory tax treatment of securities issued in the CEMAC area.

2.2.1 Scope

A. Titles concerned

213. This applies to securities of negotiable loans issued by CEMAC member states, in particular, according to their financial qualification and their issuance documentation: Assimilable Treasury Bonds (OATs), Treasury Bills, and more generally any negotiable sovereign securities issued by public offering in accordance with the rules of the regional market.

214. The exemption applies to interest (coupons and similar products) paid on these instruments, regardless of the place of payment, as long as the issuer is a CEMAC member state (Cameroon, Central African Republic, Congo, Gabon, Equatorial Guinea, Chad).

B. Persons and taxes concerned

215. The exemption benefits natural or legal persons receiving this interest, resident in Cameroon.

216. The interest concerned is exempt:

- Corporate Income Tax (CIT);
- the Tax on Income from Movable Capital (IRCM);
- and, from any other levy of the same nature, in particular withholding taxes of a similar nature relating specifically to these products.

2.2.2 Implementing rules

A. Scope of the exemption and declarative treatment

217. Exempt interest must be accounted for in accordance with the rules of the chart of accounts and then treated for tax purposes as exempt income:

- for legal entities (IS): entry as financial income in the accounts, then non-accounting neutralization (deduction) on the table for the transition from the accounting result to the tax result (Statistical and Tax Declaration).

- for natural persons (PIT): information in the annual income tax return, under the heading of exempt income, with no impact on the taxable base.

218. The exemption exempts the interest concerned from any withholding tax under the IRCM when it is paid by the financial institutions.

B. Supporting documents to be produced and documents to be kept

219. In order to apply the benefit of the exemption, taxpayers and, where applicable, paying institutions or account keepers are required to keep and present at any request of the Administration, a supporting file proving the following:

- Identification of securities : full designation, identification code (International Securities Identification Number (ISIN) or equivalent), issue reference and financial characteristics of the medium;

- the status of the issuer: attestation of the sovereign nature of the issuer (CEMAC member state or eligible local authority);

- the nature of the income received: proof that it is exclusively interest and mention of the period for which the income is paid;

- the materiality of the payment: production of statements from the central depository, coupon slips or payment certificates certifying the net amounts actually paid.

220. The absence of production of these parts during an inspection on the basis of documents or on the spot leads to the immediate questioning of the exemption unduly applied and the reminder of the taxes evaded.

<u>Illustration</u> (treatment of CEMAC interests)

A Cameroonian company subject to corporate tax holds Treasury bonds issued by the Gabonese State (Gabon OAT 6% 2024-2029). For the year, it receives interest of 10,000,000 CFA francs.

- *Accounting* : the 10,000,000 CFA francs are recorded as financial income (Account 77). The accounting result increased by 10 million;

- *Taxation* : when calculating the tax, the company deducts this 10 million from the tax return (under the heading "Exempt income"). The taxable base for corporate income tax is therefore zero for this operation.

- *Cash:* the bank pays the entire 10 million without operating a withholding tax (IRCM).

221. The services will thus ensure that:

- ensure that the titles invoked are actually issued by a public treasury of a CEMAC state (and not by a private company in the zone, which remains taxable);

- check the concordance between the amounts deducted from outside the accounts and the receipts for collection;

- verify that there is no undue withholding tax by the paying institutions.

2.2.3 Entry into force

222. These provisions apply to all interest paid as of 1 January 2026.

2.3 SECTIONS 116 QUARTER (4) and 116 SEXIES (4) – Securing withholding taxes on public spending

223. The system for levying taxes on public expenditure has revealed operational limitations, particularly when using derogatory procedures where the lack of details on the nature of the services made it difficult to determine the applicable taxation. In addition, the manual management of the withholding tax certificate did not allow for optimal monitoring of flows within the State's accounting information system.

224. In order to remedy this, the amendments introduced to Sections 116 quarter and 116 sexies of the General Tax Code aim to provide a better framework for these procedures. They establish:

- on the one hand, a flat-rate withholding mechanism at the rate of 5.5% in the absence of a precise specification of the expenditure;

- on the other hand, the generalization of the withholding tax certificate (ARS) generated by the computer system as mandatory proof of any payment.

225. Where, in the context of the derogation procedures, the statement of expenditure or the invoices do not make it possible to establish with certainty the exact nature of the service, the public accountant is required to make a global flat-rate deduction.

226. As a reminder, the derogatory procedures for the execution of public expenditure refer, pursuant to the provisions of Section 116 quarter of the General Tax Code, to expenditure carried out in accordance with the procedures for imprest funds, cash advances, release of funds, works carried out by direct contractors, works carried out through the intermediary of State mission bodies, as well as special purpose accounts.

227. This withholding tax is paid at the rate of 5.5%, including the Additional Municipal Cents (CAC), calculated on the gross amount of the sums paid.

228. It is specified that this mechanism constitutes a safeguard measure. It does not replace the ordinary law rates (VAT to 19.25%, AIR to 5.5% or 2.2%) than when the above-mentioned documentation is insufficient to qualify the expenditure for tax purposes and determine the applicable rate regime.

229. When the nature of the service is subsequently established with precision, an adjustment must be made by the ticket agent, when performing its reporting obligations, according to the applicable rates, under the conditions provided for by the tax legislation in force.

B. The obligation to generate the Certificate of Withholding Tax (ARS) online (Section 116 sexies)

230. The documentary package justifying the execution of any public expenditure must, on pain of inadmissibility, include a Certificate of Withholding Tax (ARS). This certificate is generated by the public accountant, exclusively through the IT application of the Tax Administration.

231. The requirement of the withholding tax certificate applies to all operations undertaken from the budget of the State, DTCs and public establishments.

232. The ARS thus generated is the only documentary evidence admitted to justify the collection of the corresponding taxes and duties. As a result, the use of manual certificates is now formally prohibited and constitutes a reason for rejecting the accounting package.

2.3.1 Miscellaneous provisions

A. Obligations of authorising officers and financial controllers

233. Authorising officers are reminded of the obligation to ensure, from the commitment phase of the expenditure, that the evidence necessary to determine the exact fiscal nature of the expenditure is gathered. The absence of such details in the commitment file entitles the holder to the systematic application of the 5.5% flat-rate safeguard deduction.

234. It is their responsibility, in collaboration with the financial services, to ensure that the Withholding Tax Certificate (ARS) is actually generated via the Tax Administration's IT application and attached to the documentary and accounting package. This document is a *sine qua non condition* for the admissibility of this documentation.

B. Obligations of public accountants

235. The accounting officers who sign the expenditure carried out in exceptional procedures are required, under their own responsibility, to personal and financial, of:

- withholding tax at the specific rates of ordinary law (VAT, AIR, IS, TSR) when the documentation allows for a precise tax classification;
- automatically apply the flat-rate deduction of 5.5% if it is impossible to qualify the expenditure.

C. Obligations of imprest fund managers

236. In their capacity as agents, the managers and ticket agents are imperatively required to keep all the supporting documents (memoranda and invoices). These documents are essential to justify the tax qualification of the expenses and to allow the corresponding withholding certificates to be issued via the computer application.

D. Post-clearance audit

237. Control services will check the presence of the electronic withholding tax certificate, its concordance with the supporting documents and the effective repayment of funds to the Public Treasury.

238. Control missions joint DGI/DGTCFM will be organised to ensure the regularity of withholding tax operations and the conformity of the certificates produced.

2.3.2 Miscellaneous provisions

239. These provisions apply to all expenses incurred or paid as of January 1, 2026. Additional clarifications will be provided as necessary.

2.4 SECTIONS 118 and 119 – Professionalisation of Approved Management Centres and adaptation to the new framework of the synthetic general tax

240. The amendments made to Sections 118 and 119 of the General Tax Code have three main objectives: to adapt the regime of Approved Management Centres (CGA)) to the current tax regimes, in particular the Synthetic General Tax (IGS); strengthen the quality of the assistance provided to members through an increased requirement for professionalization; and to rationalise the system by abolishing transitional measures that have become irrelevant.

2.4.1 Membership fee framework CGAs for taxpayers under the GHI regime

241. Prior to the entry into force of the Finance Law for the 2026 financial year, only taxpayers subject to the Real and Simplified regimes had a tariff framework expressly defined for their membership CGAs. This situation created uncertainty as to the eligibility of taxpayers under the new IGS regime.

242. The new wording of Section 118 of the General Tax Code remedies this shortcoming by setting a specific tariff framework for taxpayers subject to the IGS, thus confirming their access to the General Tax Code and their full and complete recognition within the system.

243. From now on, the annual dues paid by members are freely determined by the sponsors of the CGAs in compliance with the following mandatory tariff bands:

- ***for taxpayers subject to the General Synthetic Tax*** : an annual contribution of between fifty thousand (50,000) and one hundred and fifty thousand (150,000) CFA francs;
- ***for taxpayers subject to the real regime*** : an annual contribution of between fifty thousand (50,000) and two hundred and fifty thousand (250,000) CFA francs.

2.4.2 Strengthening the professionalization of CGAs

244. In order to guarantee the quality of the service provided to members, each CGA must justify, on a permanent basis, the effective presence of a professional team constituted, at least and at the rate of one complete pair for every two thousand (2,000) members:

- at least one (01) CEMAC approved tax advisor, registered on the Roll of the National Order of Tax Advisors of Cameroon or another CEMAC member country;

- at least one (01) Chartered Accountant registered on the Roll of the National Order of Chartered Accountants of Cameroon or another CEMAC member country.

245. This requirement applies regardless of the tax regime in which the Centre's members are placed.

246. Compliance with the ratio set out above is assessed according to the number of active members actually monitored by the CGA during the financial year in question. Active members are defined as taxpayers who have actually benefited from the services offered by the CGA during the tax period under review.

247. To this end, the basic reference is the file of CGA members published online by the Tax Administration, which is authentic for the identification of taxpayers attached to a CGA. Active members are the taxpayers registered in the said file.

Illustration

- a CGA with one thousand eight hundred (1,800) active members during a financial year must prove the effective presence of at least one (01) Tax Advisor and one (01) Chartered Accountant ;

- a CGA with two thousand five hundred (2,500) active members crosses the first full tranche of two thousand; he must therefore justify the presence of at least two (02) Tax Advisors and two (02) Chartered Accountants to maintain a compliant framework;

- a CGA accommodating four thousand two hundred (4,200) active members with two full tranches plus a surplus; he must justify the presence of at least three (03) Tax Advisors and three (03) Chartered Accountants.

248. In the event that each tranche of two thousand members is exceeded, the Centre is required to proceed, without delay, to strengthen its professional resources to preserve the compliance of the management ratio.

249. To certify compliance with the professionalisation requirement, the CGAs must produce the following supporting documents at the request of the tax authorities:

- the up-to-date certificates of registration in the Registers of the respective professional orders of the tax advisors and chartered accountants collaborating with the structure;

- employment contracts, service contracts or collaboration agreements between these professionals and the CGA, specifying the hourly quota or the nature of the services;

- documentation establishing the total number of active participants monitored during the period, including membership records, liability lists or equivalent evidence.

250. Failure to comply with the professionalisation requirement shall result in either the suspension of the approval or the definitive withdrawal of the approval, depending on the seriousness and persistence of the breach, after formal formal notice has been notified in writing. This decision is taken by the Minister of Finance, at the diligence of the structure in charge of monitoring the derogatory regimes.

251. The services in charge of the management and monitoring of the derogatory regimes exercise control year-to-date annual survey covering all CGAs approved. This control specifically covers the following checks:

- the effective conformity of the contributions charged with the legal tariff bands defined above;
- the effectiveness and continuity of the professional supervision required with regard to the professionalisation ratio;
- the effective achievement of the threshold of one hundred (100) active members, a condition of eligibility for the tax advantages granted to the promoter of the CGA ;
- compliance with the rates of the contributions invoiced to members;
- the regular production and updating of supporting documents attesting to compliance with the professional requirements specified above.

2.4.3 Tax benefits for CGA members and their promoters

252. The Finance Law for the 2026 financial year enshrines the reduction of fifty percent (50%) of the IGS's contribution for the benefit of taxpayers who are members of the CGAs and subject to this regime.

253. In the case of withholding tax on purchases, the amount deducted as withholding tax from taxpayers subject to the IGS regime is recognised as deductible from the amount of IGS due.

254. The benefits granted to members are also extended to CGA sponsors which are themselves covered by the IGS regime.

255. However, the application of these benefits is strictly limited to the share of their income directly derived from the Centre's management activities, i.e. management fees, commissions, benefits and remuneration specifically linked to the operation of the CGA. The promoter's other income, which is not part of the CGA's activity, remains subject to the ordinary law regime.

256. The IT division will proceed, without delay, to the integration and configuration of the above elements in all the applications of the DGI.

2.4.4 Abolition of the transitional measure relating to the exemption from controls

257. As a result of the Finance Law for the 2026 financial year, the exemption from on-the-spot tax audits previously granted to taxpayers who have joined a CGA before 31 December 2016 is deleted. This transitional measure, the reasons for which have disappeared in view of the extreme length of time of the accessions concerned, no longer applies.

2.4.5 Entry into force and transitional measures

258. All of the provisions set out above take effect from 1 January 2026.

259. However, CGAs that have previously obtained an approval before this date are required to carry out, by 1 April 2026 at the latest, all the administrative and technical due diligence necessary in order to:

- to carry out a complete update of their membership files;

- adapt the technical and professional supervision of their structure in accordance with the enhanced professionalisation requirements set out in the clarifications provided in Sections 118 and 119 of the General Tax Code;

- inform their members of the new rules for calculating allowances and imputation withholding taxes.

260. At the end of the period set out in the above point, the administration will carry out the inspection the effective compliance of each CGA and will initiate, if necessary, sanctions in the event of non-compliance with the requirements.

2.5 SECTION 121. Strengthening of the tax regime for the promotion of economically stricken areas

261. The system for the promotion of economically affected areas has a dual objective: to support the revival of productive activity in territories facing security, logistical or economic shocks, and to promote new investments that create added value through the granting of targeted and duly supervised tax advantages.

262. The Finance Law for the 2026 financial year makes a twofold adjustment to the regime:

- on the one hand, by refocusing the eligibility criteria and maintaining exemptions with a higher tax impact (in particular import and financing exemptions), while favouring the VAT credit mechanism for local acquisitions and, where applicable, its reimbursement in a secure and controlled environment strengthened;

- on the other hand, it introduces the possibility of extending the installation phase in order to take account of the delays objectively suffered by certain projects due to substantial safety, logistical or economic constraints.

2.5.1 Refocusing the criteria for exigibility

263. The advantages provided for in Section 121 of the General Tax Code are now eligible for companies making new investments in an economically affected area, duly approved in accordance with the texts in force, with the formal exception of simple trading activities.

264. A simple trading activity, within the meaning of Section 121 of the French Tax Code, is any activity consisting essentially of:

- buying goods with a view to reselling them as is, without transformation or value creation;

- carry out a distribution, brokerage or intermediation activity relating to goods that are not subject to any value-added operation (production, processing, assembly, manufacturing, industrial packaging, processing).

2.5.2 The benefits available and the most applicable procedures

A. Benefits applicable during the installation phase (maximum duration: three years)

265. With the Finance Act for the 2026 financial year, companies approved under the economically stricken areas regime no longer benefit, during the installation phase, from VAT

exemption on local purchases of goods and services. This exemption is now limited to imports of these goods and services, carried out under the conditions provided for by the texts in force.

266. It is specified, however, that, during the same installation phase, the facilities granted under that scheme are extended to the exemption from VAT on interest on bank loans or similar loans, intended to finance investments made in an economically stricken area.

B. Exceptional extension of the installation phase (up to two years)

267. Approved companies whose installation phase is in progress may request an exceptional extension of this phase, up to a maximum of two (02) additional years, in the event of force majeure.

268. The extension is subject to the prior submission of a formal request to the Director General of Taxes, accompanied by a detailed investment plan establishing:

- the status of the project at the time of the application;
- the provisional schedule of the remaining investments, month by month or quarter by quarter;
- the precise identification of the expenditure or acquisitions envisaged during the extension period;
- The justification for the additional delay requires, in particular: proven and documented security constraints, persistent logistical disruptions, chronic unavailability of sites, delays in delivery beyond control of the company, substantial unforeseeable additional costs, or any event comparable to force majeure or substantial economic constraint within the meaning of contractual law.

269. Upon receipt of the complete file, the Director General of Taxes, after an examination of appropriateness and compliance, makes a reasoned proposal to the Minister in charge of Finance.

270. As part of the examination of the company's request, the competent services of the DGT may carry out on-site visits in order to assess the level of progress of the project, as well as the reality of the constraints put forward.

271. The exceptional extension, if granted, is materialized by an order of the Minister in charge of finance, which sets:

- the precise identity of the beneficiary company;
- the new expiration date of the installation phase;
- any special conditions attached to this extension;
- the effective date of the order.

2.5.3 VAT on local acquisitions: VAT credit and reimbursement

A. General principle

272. Acquisitions of goods and services made locally as part of the approved project are subject to the ordinary VAT regime: the tax regularly invoiced in respect of these acquisitions and paid is deductible according to the rules applicable in this area, and may generate a VAT credit deferrable, clearable or refundable.

B. Procedure for filing the application for reimbursement and the investigation circuit

273. For the purpose of refunding VAT credits resulting from local purchases made by companies approved under the economic disaster zone regime are classified as "medium risk". Their requests for reimbursement are therefore processed after a simple consistency check carried out by the services.

274. The managing services are invited to be diligent and expeditious in validating the loans exposed by companies approved for the economically stricken areas regime, so as not to penalise their cash flow.

275. The application for reimbursement is submitted to the tax office to which the companies are attached.

276. The examination of the application includes the validation of the credit by the managing tax office, then the reimbursement of the said credit by the competent structure in charge of tax refunds.

C. Composition of the reimbursement file (list of documents to be produced)

277. The request for reimbursement must, on pain of inadmissibility, include:

- a formal letter of request specifying: the period in question, the amount of the loan requested in all letters, the full identification of the taxpayer (name, UDI, trade register number, registered office address);
- The decision to approve the regime for economically affected areas, as well as any amending act, corrigendum or extension subsequently granted;
- a detailed statement of all local acquisitions giving entitlement to the credit, including: invoice references, identification of suppliers including their UIN, invoice numbers, tax-free bases, VAT amounts, invoice and payment dates;
- original invoices or supporting documents accepted, in accordance with the legal rules on invoicing and bearing all the mandatory information;
- proof of payment (bank statements, transfer orders, receipts, debit notices) allowing the disbursement to be formally linked to each invoice;
- a detailed statement of the allocation of goods and services to the project (delivery slips, acceptance reports, accounting fixed asset sheets, store entry vouchers, photographs, integration diagrams), justifying that the acquisitions were intended for the needs of the project;
- the precise bank details of the beneficiary of the refund (account identity, bank, IBAN);
- any additional document deemed useful by the administration.

278. The competent authorities are empowered to require any additional documents or information necessary for the examination of the file, in particular when the nature or extent of the expenditure calls for enhanced checks or clarifications of a technical nature.

279. It is specified that only payments made by bank or electronic means give rise to the right to a refund of VAT. The services are therefore obliged to systematically reject any invoice paid in cash.

2.5.4 Entry into force

280. These provisions shall apply as follows:

- on the abolition of the eligibility of the trading sector: to applications submitted on or after 1 January 2026;
- on the possibility of extending the installation phase: to applications submitted as of 1 January 2026, including when the approvals were signed before that date;
- on the substitution of the VAT exemption by the refund mechanism: to all purchases made from 1 January 2026, including for companies duly approved before this date.

286. In order to ensure compliance with the principle of neutrality of value added tax, the services are required to ensure that applications for the refund of VAT credits submitted by the undertakings concerned are processed diligently and as a matter of priority.

2.6 SECTIONS 124 QUARTER AND 124 QUINQUIES.- Tax Measures to Support Persons with Disabilities

281. Sections 124 quarter and 124 quinquies of the General Tax Code establish a set of tax support measures for the benefit of people with disabilities. These provisions reflect the requirements of national solidarity and inclusion into tax law.

282. The reform has two objectives:

- Reducing the tax cost to people with disabilities, in particular those covered by the General Synthetic Tax (IGS) regime;
- facilitate access to suitable equipment and devices through a VAT exemption.

2.6.1 Scope

A. Beneficiaries of the facilities provided for in Section 124 quarter of the General Tax Code

283. The advantages provided for in Section 124 quarter of the General Tax Code benefit persons who cumulatively meet the following conditions:

- have a permanent impairment of at least fifty percent (50%);
- have a deficiency duly noted by the services of the Ministry in charge of social affairs in accordance with the relevant standards;
- hold a valid disability card issued by the competent authorities.

284. The absence or expiry of the disability card entails the loss of the right to the facilities.

B. Goods concerned by the VAT exemption (Section 124 quinquies of the General Tax Code)

285. The VAT exemption applies to equipment, materials and devices intended for the use of disabled people.

286. The list of eligible goods is set out in the decision of 17 May 2019 establishing the list of specialised materials and equipment for disabled people benefiting from the exemption from Value Added Tax. This decision is regularly updated by the Tax Legislation Division to take account of technical and technological developments.

2.6.2 Implementing rules

A. 50% reduction on the IGS and the licence fee (Section 124c)

287. For people with disabilities under the General Synthetic Tax regime, the following are granted:

- a fifty percent (50%) reduction on the annual IGS rate;
- a fifty percent (50%) abatement on the licence fee.

288. These allowances apply when the tax is assessed on the basis of the rates applicable to the taxpayer according to his category.

289. For the application of this allowance, the Division in charge of legislation is invited to obtain from the Ministry in charge of social affairs the list of persons holding the disability card and to proceed with the configuration of computer applications, in order to allow the automatic taking into account of these measures.

290. By way of illustration, a person subject to an annual IGS rate of two million (2,000,000) CFA francs pays only one million (1,000,000) CFA francs after application of the allowance.

B. Exemption from wage and employer contributions on salaries (Section 124 quarter)

291. Persons with disabilities meeting the conditions set out above are exempt from payroll and employer deductions from their salaries and wages, with the exception of social security contributions.

292. This exemption applies to:

- the tax deductions made on the salary, namely the personal income tax, the local development tax and the contribution to the Crédit Foncier du Cameroun;

- the tax charges borne by the employer in respect of remuneration for work, i.e. the employer's share of the contribution to the FNE and the contribution to Crédit Foncier.

293. The application of these exemptions is not subject to any prior authorisation from the Tax Authorities. Employers apply it on the basis of the declarations submitted by disabled persons who meet the eligibility conditions set out above. To this end, the list of names of persons who have benefited from the said facilities during the financial year is sent to the tax office to which the DSF is filed.

294. The tax authorities remain, in any event, entitled to carry out any subsequent checks in order to ensure that the eligibility conditions are met and that the measure is correctly applied.

2.6.3 Entry into force

295. These provisions apply to taxes and transactions carried out as of 1 January 2026.

2.7 SECTIONS 124 SEXIES TO 124 G. - Introduction of a tax on technical inspections Automotive

296. The Finance Law for the 2026 financial year has instituted a specific tax on the technical inspection of vehicles, based on inspection services provided by the approved centres.

297. This tax is a resource for the financing of actions for the supervision, prevention, treatment and social reintegration of disabled people.

2.7.1 Scope, chargeable event and tariff

A. Basis of assessment and operative event

298. The tax base is made up of the control services Automotive technology carried out on the national territory, in accordance with the regulations in force.

299. The chargeable event for the tax occurs when each technical inspection operation is carried out, regardless of the result of the inspection (validity or rejection of the vehicle).

B. Exemptions

300. The following are exempt from the specific tax on the technical inspection of motor vehicles:

- vehicles specially adapted or used by people with disabilities ;
- public transport vehicles for people and goods regularly approved for this purpose.

301. The benefit of the exemption is conditional on the presentation of the following supporting documents:

- for disabled persons' vehicles: the disability card issued by the competent authority;
- for public transport vehicles for people and goods: a valid tax compliance certificate.

302. The technical inspection centres are required to keep the supporting documents for the exemptions granted for the purposes of inspection by the tax authorities.

C. Price

303. The rate of the tax is set at three thousand (3,000) CFA francs per vehicle and per operation. This tariff is unique and applies uniformly to all categories of vehicles subject to the tariff.

304. The specific tax must be mentioned separately on the invoice or slip issued to the user by the control centre in order to ensure transparency and traceability.

305. The revenue from the tax is distributed according to the following scale:

- thirty percent (30%) to the General State Budget;

- seventy percent (70%) to finance actions in favor of people with disabilities.

2.7.2 Persons liable for legal liability, collection, declaration and repayment

306. Approved testing centres Automobile technical are legally liable for the specific tax on the automotive technical inspection. As such, they collect the tax on behalf of the Public Treasury during each control operation.

307. The declaration and repayment of the tax collected shall be made no later than the fifteenth (15th) day of the month following that in which the transactions were carried out, using a form provided by the tax authorities. Payment is made to the account of the Tax Collector of the centre to which the technical inspection centre is attached.

2.7.3 Miscellaneous provisions

308. Declaration, control and control procedures, collection and litigation applicable to the tax on the technical inspection of vehicles are those provided for in the Manual of Tax Procedures (MTP).

309. In this respect, any failure to repay, delay or conceal of revenue by the approved centres exposes them to the penalties and surcharges provided for by the tax legislation in force, without prejudice to the administrative penalties related to the approval.

310. This tax comes into force on 1 January 2026 and applies to all control operations carried out from that date throughout the national territory.

2.8 SECTION 124H – Tax credit in respect of donations to organizations supporting people with disabilities

311. Based on the model of the "Youth Employment" scheme, the Finance Law for the 2026 financial year establishes a tax credit for the benefit of natural persons making donations to approved bodies for the care of disabled people. This measure aims to encourage private sponsorship and national solidarity towards vulnerable populations.

2.8.1 Scope

312. Benefit from the tax credit :

- natural persons who are tax domiciled in Cameroon and subject to Personal Income Tax (PIT);

- natural persons taxable in Cameroon due to income from Cameroonian sources.

313. Donations must be made to regularly approved organizations whose statutory mission is:

- the supervision, care or social and professional reintegration of people with disabilities ;

- the care of other sick people, subject to official administrative recognition.

314. The Tax Legislation Division is instructed to carry out all the necessary due diligence with the Ministry of Social Affairs in order to obtain and maintain the list of eligible bodies.

2.8.2 Rate, ceiling and methods of imputation

315. The tax credit is set at twenty percent (20%) of the value of donations (cash or in-kind).

316. The tax credit thus determined shall be deducted directly from the amount of personal income tax due for the financial year. It cannot exceed 25 million CFA francs.

317. This tax credit is exclusively taken into account in the context of the annual personal income tax return provided for in Section 74 bis of the General Tax Code. As such, the taxpayer must declare his or her donations when submitting his or her annual return and the system automatically liquidates the tax credit.

318. When the amount of the credit exceeds the tax due, the balance is carried forward to the following years within the limit of four (04) financial years.

319. For the validity of the set-off, the taxpayer is required to attach the following supporting documents to his annual return (Section 74 bis):

- a donation certificate issued by the beneficiary organization, mentioning the full identity of the donor, the nature of the donation, its value expressed in CFA francs, the date of receipt and the references of the ministerial approval;
- in the case of cash donations, proof of disbursement made exclusively by traceable means of payment, in particular transfer notices or bank payment slips, with the express exception of cash donations; In this respect, it is specified that donations made in cash are not eligible for the tax credit and cannot give rise to the right to credit;
- for gifts in kind, a descriptive and valued statement of the property, accompanied by proof of ownership and the report of delivery or acceptance.

320. Control services will ensure the material reality of the gifts and the absence of any hidden counterpart. Any finding of duplication with other tax incentive schemes or donations made to non-approved organisations will lead to the immediate reconsideration of the tax credit, accompanied by the penalties provided for in the Manual of Tax Procedures.

2.8.3 Entry into force and transitional provisions

321. The provisions of Section 124h of the General Tax Code apply to the annual income tax returns due in 2026, for the financial year ended on 31 December 2025.

322. As a result, eligible donations made during the calendar year 2025 are eligible for the tax credit when the annual declaration is filed in 2026.

2.9 SECTION 124 – Reduction of personal income tax for cash contributions to the capital of SMEs

323. Section 124 of the General Tax Code establishes a tax credit for natural persons who are tax domiciled in Cameroon (or liable to income tax on income from Cameroonian sources) intended to encourage cash contributions to the capital of small and medium-sized enterprises (SMEs), in order to expand their financing possibilities and strengthen their equity capital.

RÉPUBLIQUE DU CAMEROUN
REPUBLIC OF CAMEROON
Direction Générale des Impôts
Directorate General of Taxation
Le Directeur Général
The General Director
MINISTRY OF FINANCE
MINISTÈRE DES FINANCES

2.9.1 Scope

324. Subject to compliance with the conditions below, cash contributions are eligible made by the taxpayer for:

- subscribing to the initial capital of an SME; or
- the subscription to a capital increase of an SME.

325. The tax credit is granted when the beneficiary company cumulatively meets the following conditions:

- have its registered office or place of effective management in Cameroon;
- not be admitted to a financial market;
- achieve an annual turnover before tax of less than or equal to 3,000,000,000 CFA francs.

2.9.2 Conditions relating to the taxpayer and the securities

326. The benefit of the tax credit is subject to compliance with the following conditions:

- the contributions must be paid up in full at the time of subscription: the right to credit arises from the actual release of the funds and not from the simple legal subscription;

- the subscribed securities must be held for at least five (5) years from their acquisition;

- The taxpayer must be able to justify the reality of the transaction (proof of the financial flow, deeds of subscription, proof of retention).

2.9.3 How to determine the tax credit

327. The basis of the tax credit is made up of the sums actually paid by the taxpayer. When the subscribed capital is not fully paid up, only the share actually paid up is eligible for the tax credit.

328. A cash contribution is any contribution released by cashless means of payment (bank transfer, certified cheque, cash payment on account) that generates an immediate incoming cash flow.

329. Contributions of movable or immovable property (equipment, patents, goodwill) are thus excluded, even if they are subject to a pecuniary valuation. Similarly, although legally permitted to release capital, the set-off of claims does not constitute an eligible cash contribution within the meaning of this provision, in the absence of effective payment of new funds.

330. The rate of the tax credit is set at 30% of the amount of eligible payments.

331. The tax credit, determined on the basis of the 30% rate, is capped at ten million (10,000,000) CFA francs per taxpayer. When the tax credit exceeds the amount of the annual personal income tax, the excess is carried forward to the following years, within the limit of four (04) financial years.

332. Offsetting the tax credit is exercised exclusively on the personal income tax due for the financial year. This operation is carried out within the framework of the annual declaration provided for in Section 74 bis of the General Tax Code.

Illustration

Case : A taxpayer subscribes, in 2026, **20,000,000 CFA francs** to the capital of an eligible SME. Its gross personal income tax for 2026 is **4,500,000 CFA francs**.

- Basis of the credit: 20,000,000 CFA francs.
- Calculation of the credit: 20,000,000 × 30% = 6,000,000 FCFA.
- Ceiling: 10,000,000 CFA francs (the credit of 6,000,000 is therefore totally deductible because it is less than 10,000,000).
- Imputation: Final personal income tax = 4,500,000 – 6,000,000 = - 1,500,000 CFA francs.
- Balance: the balance of 1,500,000 CFA francs can be carried forward within the limit of four financial years.

2.9.4 Resumption of the tax credit

333. The securities subscribed must be held for at least five (5) years from their acquisition. In the event of a transfer, refund or any act resulting in the loss of ownership before the expiry of this period, the tax credit obtained is taken back in respect of the exercise of the termination.

334. The recovery is not applied in the event of death.

2.9.5 Miscellaneous provisions

335. The tax credit is paid when the annual tax return is filed, in accordance with the provisions of Section 74 bis of the General Tax Code. The form must imperatively provide the full identity of the beneficiary company (NIU, head office), the amount of the payments released as well as the commitment to hold the shares for a period of five (05) years.

336. The benefit of the tax credit is subject to the production, at any request of the Administration, of the following supporting documents:

- proof of the actual bank transfer (transfer notice or account statement from the beneficiary company attesting to receipt of the funds);
- a certificate from the company certifying the amount paid, the non-listing of the securities on the stock exchange and compliance with the turnover threshold (less than or equal to 3 billion CFA francs);
- the notarial declaration of subscription and payment (DNSV) and the deed of subscription or the minutes of the capital increase.

337. The implementation of this system does not require prior authorisation or approval. The validation of the tax credit is the exclusive responsibility of the control a posteriori of the Tax Centres, exercised by means of control or compliance dialogue.

338. The management services must ensure that the investment is real. In particular, it is a question of checking that the operation does not mask an artificial arrangement for exclusively tax purposes or a simple accounting entry without any contribution of fresh capital.

339. The Information Technology Division is instructed to integrate into the management applications dedicated sections allowing the automatic calculation of the tax credit and the chronological monitoring of the holding period of the securities, in order to secure the recovery mechanism in the event of breach of commitment.

2.9.6 Effective Date

340. The provisions of Section 124 decies of the French Tax Code apply to subscriptions made as of 1 January 2026. The first tax credits will therefore be paid during the annual declarations filed in 2027 for the 2026 financial year.

3 PROVISIONS RELATING TO VALUE ADDED TAX AND EXCISE DUTIES

3.1 SECTION 127. Clarification and extension of the scope of VAT on real estate transactions

341. The VAT regime for real estate transactions had, in its previous wording, shortcomings likely to compromise tax fairness and the optimal mobilization of resources.

342. The amendment of Section 127 paragraph 5 of the General Tax Code restores fiscal neutrality by enshrines the precedence of economic reality over legal form. It now expressly subjects to VAT "de facto" developers and the leasing of port, airport and rail spaces.

3.1.1 Scope

A. Liability of real estate developers de facto

343. The Finance Law now enshrines the VAT liability of real estate developers in fact.

344. A de facto real estate developer must be qualified as any natural or legal person who regularly carries out real estate development activities with a view to profiting from them, notwithstanding the absence of formal administrative approval.

345. The qualification of de facto developer is based on the repeated and organised completion, with a view to marketing, of real estate marketing operations, such as:

- land development : development, subdivision and land development;
- the construction of works : construction, major renovation or rehabilitation of residential, commercial or industrial buildings;
- Commercial engineering : sale, allocation or rental of real estate complexes, including when these operations are carried out through intermediary structures.

346. The managing departments are instructed to no longer make VAT liability subject to the sole production of a promoter's licence. The assessment of the taxable nature must henceforth result from a factual analysis based on material indicia such as profit-making, the organisation of the means used, the repetition of projects and the existence of marketing acts.

347. As a reminder, the taxable base is made up of the total sale price of the developed land or the built building, plus all the ancillary costs charged to the buyer.

348. In the event of a presumption of a reduction in the declared prices, the competent services carry out an ex officio assessment by referring to the current real estate price market.

349. To this end, the Divisions in charge of Legislation, Information Technology and Reforms, acting in concert with the Inspectorate of Tax Services and the Regional Tax Centers, are required to regularly update the said mercurial.

350. In the case of a gift in payment or exchange, the basis is the value of the goods received in return, estimated at the market price.

B. Rentals port, airport and rail rights-of-way

351. Public entities responsible for the management of port, airport and rail rights-of-way are now assimilated to real estate professionals for their leasing operations.

352. This classification applies when the said entities grant leases or making available, for consideration, the rights of way within their management perimeter.

353. The tax is based on the total amount of rents, royalties or the availability price stipulated in the agreements. It includes all the price supplements and charges invoiced to the occupants, regardless of their name (application fees, maintenance charges, security costs).

354. As regards the regime of leases relating to these rentals, it should be noted that these deeds are exempt from proportional registration duties. However, they remain subject to the formality of registration, which is carried out free of charge and accompanied by the collection of graduated stamp duty and size stamp duties.

3.1.2 Entry into force

355. These clarifications apply to rents/royalties paid from 1 January 2026, including where the lease was concluded previously.

3.2 SECTION 128.- Clarification of the regime of exemptions related to international traffic and transit

356. The amendment of Section 128 of the General Tax Code is part of the compliance of national tax legislation with Community standards, in accordance with the requirements of CEMAC Directive No. 01/22-UEAC-CM-33.

357. This reform does not constitute a restriction of the scope of the pre-existing exemptions, but a normative clarification made necessary by the difficulties of interpretation and the recurrent litigation arising from the imprecision of the previous formulation.

358. It now comprehensively identifies tax-free operations in order to provide security for operators in the logistics sector.

359. The practical arrangements for implementing these exemptions will be specified in a specific circular.

3.3 SECTION 128A.- Opening of the option option for the VAT liability of real estate transactions Non-professionals

360. Section 128 bis of the General Tax Code enshrines the extension of the right of option for VAT liability to real estate transactions carried out by non-professionals.

361. For the purposes of this Instruction, any natural or legal person who carries out a real estate transaction (sale, rental or development) not referred to in Section 127 (5) of the French Tax Code is considered to be a non-real estate professional.

362. A distinction must be made by the services between the option regime and the de facto tax regime. The option provided for in Section 128 bis of the French Tax Code is at the taxpayer's discretion and concerns an isolated transaction or the management of assets. Its exercise is subject to a formal notification to the Administration no later than 30 January of the financial year.

363. Conversely, the de facto liability provided for in Section 127 paragraph 5 of the FTC is imposed on operators who act in a repeated and organised manner. In this case, the liability does not depend on the operator's will but on the nature of its activity.

364. The option shall be notified in writing to the Head of the tax centre to which the tax office is attached no later than 30 January of the year of application. Once subscribed, this option is irrevocable until the end of the financial year and entails the obligation to comply with the invoicing, declarations and payment requirements attached to the VAT regime.

365. As regards the right of deduction, it concerns only the tax borne on acquisitions made after the option took effect. The exercise of this option excludes the recovery of input tax on stocks or work undertaken prior to the date on which the option takes effect.

366. It should be noted that the provisions of Section 128 bis of the French Tax Code are also applicable to real estate companies (SCIs) whose object remains civil within the meaning of Section 3 (2) of the French Tax Code. The exercise of the option to be subject to VAT does not, in itself, change the legal or fiscal nature of the company and cannot lead to its reclassification as a company with a commercial purpose. The sole effect of this option is to subject the real estate transactions concerned to VAT, under the conditions of ordinary law, without calling into question the tax regime specific to SCIs.

367. This measure comes into force on 1 January 2026 and applies to real estate transactions carried out from that date.

3.4 <u>SECTION 131 BIS</u>.- Extension of the exemption from excise duty to clean energy vehicles and harmonization of age criteria

368. The amendment to Section 131 bis of the General Tax Code extends the exemption from excise duty, initially provided for electric vehicles, to vehicles powered by compressed or liquefied natural gas. This measure is part of the energy transition policy aimed at encouraging the adoption of clean transport technologies.

369. At the same time, the text realigns the age criteria for passenger vehicles, commercial vehicles, public transport and tractors, in order to accommodate in the tax legislation the adjustments already made in the customs tariff.

370. The scope of the exemption from excise duty now covers electric vehicles and motorcycles, as well as vehicles running on natural gas, identified by their respective tariff subheadings

371. Also exempt from excise duty are passenger vehicles with a cylinder capacity of 2,500 cc or less aged between 0 and 12 years, as well as other categories of commercial and transport vehicles, with the exception of agricultural equipment, whose age is between 0 and 15 years.

372. With regard to import operations, the practical arrangements for the implementation of these exemptions are the responsibility of the Customs Administration. It is advisable to refer to the implementing texts and specific circulars issued by the said administration for the processing of these operations at the door.

373. For domestic transactions, in particular in the case of local production or assembly, invoices must be made free of excise duty.

374. The managing services are required to verify that the technical characteristics of the products, as well as their age for the vehicles concerned by this limit, strictly correspond to the eligibility criteria defined by law.

375. These provisions apply to transactions carried out from 1 January 2026.

3.5 SECTION 134.- Chargeability of VAT on receipts advance payments for the delivery of goods

376. Before the entry into force of the 2026 Finance Law, in terms of the supply of tangible movable property, no distinction was made between the chargeable event constituted by the material or legal delivery and the exigibility which is taking place at the same time.

377. Unlike the supply of services, for which the tax is payable as soon as it is received, the tax on the goods was chargeable only after delivery, even in the case of prior receipt of advances or payments on account.

378. Section 134 (1-a) of the General Tax Code, amended by the 2026 Finance Law, harmonizes the VAT liability regime on the supply of goods with that of services concerning advance payments.

3.5.1 The principle of taxation of advance payments

379. From now on, in the event of payment of a deposit, an advance or a deposit prior to the delivery of the goods, VAT becomes immediately due when these sums are received.

380. Exigibility is triggered up to the amount actually received. The balance of VAT remains due at the time of final delivery or subsequent payments.

381. As a result, each deposit received before delivery is due VAT on the corresponding fraction of the taxable base. At the time of delivery, VAT is payable on the balance not yet taxed at the time of collection anterior ones.

3.5.2 Invoicing and reporting obligations

382. The supplier is required to issue an advance payment invoice mentioning separately the amount of the advance excluding tax and the VAT corresponding to it.

383. When the goods are finally delivered, the final invoice must include the total amount of the transaction and deduct the advance payments already taxed to be subject to VAT the outstanding balance, thus avoiding any double taxation.

384. For control of the chargeability, the date to be used is the date on which the receipt materialises, i.e. the date of the credit to the account for transfers, the date of delivery for cheques or the date of payment mentioned on the receipt for cash.

Illustration

An industrial company orders a machine tool from a local supplier for a total amount of 10,000,000 CFA francs excluding tax.

VAT total of the contract 10,000,000 × 19.25% = 1,925,000 CFA francs

Chronology of operations and tax treatment:

- **Step 1:** Receipt of a deposit before delivery. On February 15, the supplier received a deposit of 4,000,000 CFA francs excluding tax.

  Tax treatment : The supplier issues a deposit invoice. VAT becomes immediately due on the amount received.

  VAT calculation to be collected (February statement) : 4,000,000 × 19.25% = 770,000 FCFA

- **Step 2** : Delivery of the property and invoicing of the balance. On 10 June, the machine was delivered. The supplier invoices the balance.

  Calculation of the balance excluding VAT : 10,000,000 − 4,000,000 = 6,000,000 FCFA

  Tax treatment : VAT is due only on the remaining balance.

  VAT calculation to be collected (June declaration) : 6,000,000 × 19.25% = 1,155,000 FCFA

  Consistency check (total VAT reversed) : 770,000 + 1,155,000 = 1,925,000 FCFA, which is exactly the amount of VAT shown on the total invoice.

3.5.3 Miscellaneous provisions

385. As of the first quarter of 2026 inspections, the management services will ensure that their reconciliations are no longer limited to invoiced turnover alone. They will conduct a credit cash flow check to ensure that VAT was paid out of the amounts recorded in the accounts of third parties on the balance sheet, regardless of the issue of the final invoice.

386. This provision applies to advance payments received from 1 January 2026, including where the commercial contract was concluded previously.

3.6 SECTION 142Institution of the reduced rate VAT on transactions related to social housing

387. Until 31 December 2025, various operations relating to social housing were exempt from VAT.

388. The Finance Act for the 2026 financial year amended Section 142 of the General Tax Code in order to introduce a reduced rate VAT of 10% applicable to certain operations related to social housing, replacing the previous exemption regime.

3.6.1 Scope of the reduced rate (10 %)

389. In accordance with Section 142 (3) of the French Tax Code, the reduced rate VAT of 10% applies exclusively to the following transactions:

- interest on real estate loans taken out by natural persons when acquiring social housing, provided that it is the acquisition of their first residential house;
- sales of social housing granted to natural persons on the occasion of the acquisition of their first residential house;
- social housing rentals granted by public or semi-public real estate developers.

3.6.2 Eligibility conditions and tax clearance

390. The benefit of the facilities provided for social housing differs depending on whether it is a sale or interest on related loans on the one hand, or rental operations on the other.

A. Transactions for the sale of social housing and related loan interest

391. For sales transactions and interest on loans related to the acquisition of social housing, the benefit of the reduced VAT rate is subject to the prior obtaining of a tax clearance issued by the Tax Administration. The guidelines of Circular No. 004/MINFI/DGI/LRI/L of 24 February 2016 remain in force in this regard.

392. As a reminder, the following cumulative conditions must be met:

- as for the person: the transaction must be carried out for the benefit of a natural person, to the formal exclusion of legal persons, including single-member persons;
- as for the property: the housing must meet the definition of social housing within the meaning of the standards in force, in particular Decree No. 0009/E12/MINDUH of 21 August 2008, and be marketed as part of a duly authorised real estate programme;
- As for the purpose: the transaction must be aimed at the acquisition of the first residential house, this status of first-time buyer being attested by a sworn statement by the applicant attached to the application for discharge.

B. Social housing rentals: exemption from discharge

393. The application of the reduced VAT rate on social housing rents is exempt from the tax clearance procedure. However, the benefit of this advantage remains subject to the requirement for the landlord to prove, during any inspection:

- its status as a public or semi-public real estate developer;
- the compliance of the rented properties with the regulatory standards of social housing.

394. In the event of non-compliance with the above conditions or undue application of the reduced rate, VAT is adjusted at the applicable rate, with the application of the penalties and late payment interest provided for by the tax legislation.

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3.6.3 Obligations of taxable persons and practical arrangements

395. Taxable persons applying the reduced rate must include, separately on the invoice, the express mention: *"VAT at the reduced rate of 10% – Section 142(3) of the French Tax Code"*, specifying the nature of the transaction (interest on loans, sale or lease).

396. Operators are required to keep and present at any request of the tax authorities, during the legal retention period of documents:

- the supporting documents for the qualification of "social housing" and, in the case of rentals, the public or semi-public status of the landlord;

- any document that establishes the link between the invoiced transaction and the eligible beneficiary.

397. The credit institutions granting the eligible loans and the real estate developers making the sales shall keep an annual summary of the beneficiaries of the reduced rate. This statement shall be attached to the annual declaration of results or produced at the request of the competent services.

398. The said statement must include the following information: identity of the beneficiary, Unique Identifier Number (UIN), identification of the dwelling or real estate project, period concerned, taxable base and amount of VAT paid at the reduced rate.

3.6.4 Miscellaneous and transitional provisions

399. In accordance with Section 147 of the French Tax Code, transactions subject to the reduced rate of 10% constitute taxable transactions giving rise to the right to deduct. Consequently, the corresponding turnover must be entered in both the numerator and the denominator for the calculation of the VAT deduction proportion.

400. VAT credits any amounts generated by the application of the reduced rate are dealt with according to the ordinary law mechanisms (imputation, compensation or reimbursement), subject to the conditions and procedures provided for in Sections 149 et seq. of the General Tax Code.

401. It is recalled that the acquisition of eligible social housing benefits, when they give entitlement, to free registration. Consequently, the proportional duties are not payable. However, the formality remains mandatory and gives rise to the collection of the graduated stamp duty and the size stamp, in accordance with the regulations in force.

402. The provisions relating to the reduced rate apply to transactions for which the chargeable event occurs on or after 1 January 2026.

3.7 SECTION 142 (6).- Reorganisation of the excise duty on digital audiovisual packages

403. The 2022 Finance Act introduced an excise duty at a single rate of 12.5% on digital audiovisual packages.

404. The amendment to Section 142 (6) of the General Tax Code introduces progressive pricing based on the value of the package, guaranteeing tax fairness while preserving access for low-income households.

3.7.1 Scope

405. All packages of programmes, video content, films or series provided digitally are subject to this right. This expressly includes:

- television offers (cable, satellite, digital terrestrial television, etc.);
- streaming services (known as "streaming" or "over the top");
- bundles marketed under a single name.

406. "Bundled offers" means the simultaneous marketing of several packages, options or thematic content (e.g. "Sport", "Cinema", "Youth") as part of a single or linked subscription.

407. For the purpose of determining the applicable tax bracket, the amount to be taken into account is the total cumulative price paid by the customer for access to all the services.

408. Consequently, any practice consisting of artificially splitting a single commercial offer into several sub-packages of lower values, with the aim of unduly benefiting from the exemption or the reduced rate, is not enforceable against the tax authorities. In such a case, the excise duty is recalled on the basis of the actual total value of the offer subscribed to.

409. The tax is collected by any supplier, whether established in Cameroon or abroad, as long as the service is provided to a final consumer residing in Cameroon.

3.7.2 Application and fees

410. Taxation is carried out according to a progressive scale based on the sale price excluding tax of the package, excluding the costs of installation or rental of equipment:

- *social bracket* : for packages whose price is less than or equal to 5,000 CFA francs, the rate is 0% (exemption);

- *intermediate bracket* : for packages priced between 5,001 and 10,000 CFA francs, the excise duty is due at the rate of 5%, increased by 5% for the CACs;

- *upper bracket* : for packages priced above 10,000 CFA francs, the excise duty is due at the rate of 12.5%, increased by 5% for the CAC.

411. In the event of a price change or promotion that changes a package of bands, the new rate applies from the next renewal of the subscription.

3.7.3 Entry into force

412. These provisions apply to subscriptions taken out or renewed from 1 January 2026.

3.8 SECTION 142 (8).- Readjustment of the specific excise duty on alcoholic beverages

413. Section 142 (8) of the General Tax Code readjusts the rates of the specific excise duty applicable to wines, whiskies and champagnes.

414. For the strict application of the law, it is specified that this amendment does not concern the following categories, whose rates remain unchanged:

- beers: the amounts of the additional specific excise duty remain set at 75 CFA francs for 65 centilitre containers and 37.5 CFA francs for 33 centilitre containers;

- locally produced "mixed alcohols": the price remains at 2 CFA francs per centilitre.

415. As a result, management departments and technical divisions are required to maintain the existing liquidation settings for these two product categories without modification.

416. For products falling within the scope of the reform, the new rates of the specific excise duty, paid per centilitre, are fixed as follows:

Product category	Old rate	New Tariff	Observation
Beers 65 cl	75 f / unit	75 f / unit	No change
Beers 33 cl	37.5 f/unit	37.5 f/unit	No change
Local-alcohol mix	2 f/cl	2 f/cl	No change
Wine premises	2 f/cl	5 f/cl	Modified
Locals-whiskies	8 f/cl	15 f/cl	Modified
Champagne rooms	25 f/cl	35 f/cl	Modified
Imported (lower range)-mixed alcohols	3 f/cl	5 f/cl	Modified
Imported (lower range)-wines	3 f/cl	10 f/cl	Modified
Imported (lower range)-whiskies	10 f/cl	20 f/cl	Modified
Imported (lower range)-champagnes	30 f/cl	40 f/cl	Modified
Imported (Upper Range)-Mixed Alcohols	6 f/cl	10 f/cl	Modified
Imported (Upper)-Wine	6 f/cl	15 f/cl	Modified
Imported (top range)-whiskies	20 f/cl	30 f/cl	Modified
Imported (upper range)-champagnes	60 f/cl	100 f/cl	Modified

417. It should be noted that this specific excise duty is of an additional nature. Its application does not exempt persons liable from payment of ad valorem excise duty, based on value, which remains chargeable under the rules of ordinary law. These two components of taxation are cumulative and must be liquidated simultaneously.

418. The above rates are increased by 5% for the CACs.

419. These provisions shall enter into force for operations carried out from 1 January 2026.

3.9 SECTION 149.- Adjustment of the right to repayment of loans VAT to carriers and marketers

420. The Finance Law for the 2026 financial year makes two changes to the loan repayment regime VAT:

- On the one hand, it provides a strict framework for the reimbursement requested by distributors of petroleum products (marketers)) henceforth limited solely to appropriations from investments linked to the construction of service stations;

- on the other hand, it confirms at the legal level the eligibility for reimbursement, under the conditions of ordinary law, of transport companies in a situation of structural credit as a result of inter-CEMAC transit operations.

3.9.1 The case of marketers (petroleum distributors)

421. Repayment of loans VAT for the benefit of marketers is now regulated and limited only to the credits resulting from investments made in the construction of service stations.

422. In particular, the following are considered to be eligible investment expenses, subject to compliance with the general deduction rules:

- construction and civil engineering works directly related to the construction of a service station;
- the equipment and installations that make up the infrastructure (tanks, pumps, pipes, safety and measurement devices, as well as inseparable technical equipment);
- the services necessary for the implementation of the project (technical studies, project management, and reception), as long as they are directly related to it.

423. Conversely, the following remain excluded from the scope of reimbursement under this scheme:

- VAT on the purchase of petroleum products and similar products intended for resale;
- operating expenses (rent, energy, communication, management services not related to the construction, routine maintenance);
- any expenditure for which the connection with the construction of a service station is not established with certainty.

3.9.2 The case of inter-CEMAC transit operators

424. The Finance Law for the 2026 financial year confirms eligibility for the repayment of loans VAT companies in a situation of structural credit resulting from the implementation of inter-CEMAC transit operations.

425. In addition to the common law documents, the application must include:

- a summary of transit operations for the period mentioning the nature, volumes, routes and references of the partners;
- proof of transit and transport (customs documents, transport documents or equivalent documents);
- a breakdown statement of the invoices that generated the VAT deductible, accompanied by traceable proof of payment (invoices paid in cash being strictly excluded);
- proof of the consistency between the credit requested and the periodic declarations.

3.9.3 Common provisions and special cases

426. It is recalled that requests for reimbursement must meet all the formal conditions provided for by the legislation in force. The division in charge of litigation is required to scrupulously ensure the formal regularity of the files.

427. Finally, with regard to the clarification and clarification measures that do not entail any change in the basis of assessment or tariffs, these are immediately applicable, including for the reimbursement procedures currently under investigation.

4 PROVISIONS RELATING TO SPECIFIC FEES

4.1 SECTIONS 228 septies et seq.. Introduction of an environmental tax on certain products with a high ecological footprint

428. The Finance Act for the 2026 financial year introduces, through Sections 228 septies et seq. of the General Tax Code, an environmental tax applicable to certain products with a high ecological footprint.

429. This reform rationalises ecological taxation by grouping previously scattered levies under a single tax regime, based on the polluting nature of the products released for consumption.

4.1.1 Scope

430. The tax applies, whether locally manufactured or imported, to the following products:

- cement;
- rebar;
- tiles and ceramics;
- non-returnable packaging;
- plastic products (excluding packaging).

4.1.2 Taxable persons

431. The tax is payable by natural or legal persons having the status of:

- local producers: any established industrial or craft unit that manufactures, processes or assembles the products concerned, including when these products are packaged in packaging acquired from third parties, regardless of whether or not the unit manufactures such packaging.

- importers: any person importing or introducing the products concerned into the national territory under the procedure for release for consumption.

432. The tax is borne exclusively by producers and importers. Thus, any repercussions on the final bill are prohibited.

4.1.3 Determination of the tax base and tax bases

433. The basis of the environmental tax is determined according to the nature of the products: the net weight, the physical unit or the value.

- **The "weight" base: cement, iron, tiles**

434. For these products, the basis of assessment is the total net weight expressed in tonnes. The taxable weight is that shown on the weighing slips, sales invoices or customs declarations. The services will ensure that the weight of transport packaging (pallets, containers) is deducted and only the net product is taxed.

- **The "unit" database: non-returnable packaging**

435. For non-returnable packaging, the basis of assessment is the number of physical units of the packaging. In the case of grouped packaging (bundles, cases), the tax applies to each individual container (bottle, can, bottle).

- **The "value" basis: plastic products**

436. For plastic products, the basis of assessment is the value as follows:

- **on import** : the CIF (Cost, Insurance, Freight) value retained by the Customs Administration for the settlement of gate duties;
- **in local production** : the selling price excluding taxes, net of discounts, rebates and rebates granted on invoice.

4.1.4 Prices

437. The tariffs are applied according to the following scale, in strict compliance with the capping mechanisms:

Product category	Basis unit	Applicable rate	Capping mechanism
Cement	Ton	2,500 FCFA	None
Reinforcing Bars	Ton	5,000 FCFA	None
Tiles and ceramics (local)	Ton	10,000 FCFA	None
Tiles and ceramics (import)	Ton	15,000 FCFA	None
Non-returnable packaging (beverages)	Unit	15 FCFA	None
Other non-returnable packaging	Unit	5 FCFA	Maximum 5% of the value excl. VAT
Plastic products (excluding packaging)	Value excl. VAT	5 %	Maximum 1,000 FCFA / unit

438. It is recalled that:

- for other packaging, the tax is CFAF 5 per unit, unless this amount exceeds 5% of the value of the product. In this case, the tax is reduced to 5% of the said value;
- for plastic products, the tax is 5% of the value, but the amount collected may not exceed CFAF 1,000 per unit of the product.

4.1.5 Assignment

439. The proceeds of the environmental tax are entirely allocated to the general budget of the State.

4.1.6 Reporting and collection procedures

440. For products manufactured on the national territory, the rules for settlement and recovery are set as follows:

- The chargeable event is the supply of the goods, understood as the transfer of the right to dispose of the property as owner. As regards self-deliveries, the chargeable event coincides with the first use of the product;

- the tax becomes chargeable at the time of the occurrence of the chargeable event;

- the tax is declared online by the taxpayer using a form whose model is decided by the Tax Administration. The spontaneous repayment of the duties must be made to the tax collector to which the tax is attached, no later than the 15th of the month following the month in which the tax is due intervened.

441. For imported products, the procedure is governed by the mechanisms specific to the Customs Administration. The operative event is the crossing of the customs cordon. The assessment and collection of the tax is carried out by the Customs Administration on behalf of the Public Treasury, simultaneously with the customs duties. Recovery follows the same rules, privileges, requirements and penalties as those applicable in customs matters.

4.1.7 Entry into force

442. These provisions apply to transactions carried out from 1 January 2026. Taxpayers must submit their first declaration by 15 February 2026 at the latest.

4.2 SECTION 240 A.- Clarification of the tax regime for quarries of public utility

443. Section 240 bis of the French Tax Code specifies the tax regime applicable to quarries declared to be in the public interest by reiterating the principle of ring-fencing tax benefits. This provision puts an end to the interpretation tending to extend unduly the exemption linked to the status of the quarry to the whole of production.

444. The tax regime for the quarry is now divided into two distinct compartments, depending on the use of the materials extracted:

- "Public Project" compartment (preferential regime): the extraction and supply of materials strictly and exclusively intended for the construction of the public utility structure remain covered by the exemptions provided for by the Mining Code;

- "Commercial" compartment (common law): any extraction or sale of materials carried out outside the needs of the project (sale to individuals, other companies, or use for other non-eligible sites) is fully subject to taxes and duties under common law.

445. For these commercial transactions, the company must pay:

- Value Added Tax (VAT)) on sales;
- Corporate Tax on the margins achieved;
- Royalties mining and surface taxes at the rates of ordinary law;
- the extraction tax.

446. The benefit of the derogatory tax regime attached to the public utility project is subject to the keeping of separate accounts. This must make it possible to trace, in a distinct and convincing manner, the quantities of materials allocated to the project and those transferred to third parties.

447. In the absence of an accounting system that would allow the flow to be isolated, the entire production of the quarry is deemed to be commercial. Consequently, the entire turnover achieved is subject, by operation of law, to taxes and duties under ordinary law.

448. These clarifications, which are of an interpretative nature, are immediately applicable, including for ongoing audits relating to non-prescribed financial years.

4.3 SECTION 243.- Clarification of exigibility of the annual forest royalty

449. The amendment of Section 243 of the French Tax Code puts an end to the differences of interpretation relating to the concept of "notification of the forest title", by setting a starting point for the determination of exigibility of the Annual Forestry Royalty (RFA).

4.3.1 New chargeability rules

450. For the purpose of determining the date on which the RFA is due, it is now necessary to distinguish according to the nature of the exploitation title:

- for operating agreements (concessions): the exigibility is set at the date of signature of the agreement by the competent authority;

- for cup sales: the exigibility is set at the date of signature of the Allocation Order by the Minister in charge of Forests.

451. Consequently, preparatory acts, such as the notification of the results of the Interministerial Commission or any correspondence prior to the official signature, can no longer serve as a basis for exigibility of the FRG. No prosecution action can be validly initiated on the basis of these documents alone.

452. Conversely, as soon as the administrative act is signed, the RFA is due and payable and the assessment and collection services are required, in the event of non-payment within the legal deadlines set by the CGI, to issue the collection orders and, if necessary, to initiate all the forced recovery measures provided for in the Manual of Tax Procedures.

453. It should be noted that, in accordance with the provisions of Section 243 of the French Tax Code, the forestry fee is paid according to one of the following two methods at the taxpayer's choice:

- quarterly payment: it is made in three (03) instalments of equal amount, no later than 15 March, 15 June and 15 September;

- Monthly payment: this is a permanent option to pay the fee by the 15th of each month at the latest.

4.3.2 Miscellaneous provisions

454. The Information Technology Division and the Forest Revenue Security Program (PSRF) must ensure the effective functioning of the real-time transmission of orders for the allocation of logging sales via the common MINFI-MINFOF platforms. This dematerialised transmission serves as an operational alert, obliging the assessment services to take charge of the file without delay, without waiting for the taxpayer to physically transmit the file.

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455. These provisions are immediately applicable to all titles allocated from 1 January 2026. For previous applications, the exigibility remains assessed in accordance with the rules applicable to the period under consideration.

5 PROVISIONS RELATING TO THE MANUAL OF TAX PROCEDURES

5.1 SECTION M 2 a.- Clarification of the application of the pre-filled declaration procedure over time

456. The Finance Law for the 2024 financial year has extended the pre-filled declaration procedure cases of manifest insufficiency of reporting, whereas this mechanism was initially limited to the lack (absence) of subscription.

457. However, there was still uncertainty as to the application of this regularisation method to the shortcomings identified in respect of financial years prior to the entry into force of the said reform. The amendment to Section L 2 bis of the Manual of tax Procedures (MTP) removes this ambiguity by confirming the exclusively procedural nature of this measure, which applies to all periods not covered by the statute of limitations.

458. From now on, it is formally established that the pre-filled declaration procedure may be validly implemented for any non-prescribed period, including those prior to 2024, provided that the Administration identifies:

- either a failure to declare (failure to subscribe);
- or a manifest insufficiency of declaration, when the evidence at its disposal makes it possible to establish a tax base that is more faithful to economic reality.

459. To this end, the Administration is authorised, as of 1 January 2026, to initiate the procedure under Section L 2 bis for the following financial years:

- financial years 2022, 2023, 2024 and 2025: periods for which the limitation period is still open at the time of the entry into force of the 2026 Finance Law;
- 2021 financial year: on the imperative condition that the procedure was validly initiated before 31 December 2025, the date on which this financial year expires.

5.2 SECTION M 2 b.- Strengthening of cooperation between the tax and customs administration

460. The 2026 Finance Law amends Section M 2 b of the MTP to strengthen the scope of the file of active taxpayers. The reform enshrines two developments:

- registration in the file of active taxpayers now targets taxpayers who are up to date with their tax and customs obligations;
- Ex officio withdrawal occurs in the event of a failure to declare or upon notification by the customs administration for customs non-compliance.

461. Maintaining the Active Taxpayer File no longer depends exclusively on declarative compliance with the DGT. Irregularities with the Customs Administration automatically lead to the removal of the file.

462. As a reminder, automatic withdrawal is pronounced in the following cases:

- for professional taxpayers: in the event of a failure to file a tax declaration over two (02) consecutive months or on a customs notification of non-compliance;

- for non-professional taxpayers : from the first annual declaration not subscribed.

463. In any event, any taxpayer, professional or non-professional, who is not up to date with his tax and customs obligations in accordance with the conditions set out in the above point, must automatically be removed from the Active Taxpayer File. This withdrawal entails, among other things, an immediate ban on carrying out any import or export operation.

464. It is specified that this automatic withdrawal is without prejudice to the other sanctions and fines provided for by the tax and customs legislation in force, in particular penalties for late declaration or fines for customs offences.

465. Re-registration in the Active Taxpayer File may only take place after full regularization of the tax or customs situation that led to the withdrawal. The taxpayer is required to produce proof of compliance with the competent services before any reactivation of his status.

466. The Information Technology Division, the Directorate in charge of Collection and the Division in charge of Statistics and Simulations are required to:

- ensure the interconnection of files with the customs services;

- remove taxpayers who do not comply with the customs plan from the DGT file;

- Automate the transmission of non-compliance notifications to ensure that the file is removed immediately.

467. These provisions shall take effect from 1 January 2026.

5.3 SECTION M 3 a.- Publication lists of taxpayers according to their tax situation

468. The Finance Act for the 2026 financial year has introduced, in Section L 3 bis of the Manual of Tax Procedures, a mechanism authorising the Tax Administration to make public, at a frequency that it determines, the list of taxpayers classified according to their tax situation, namely:

- taxpayers who are up to date with their obligations;
- inactive taxpayers;
- taxpayers removed from the Tax Administration's file.

469. The publication of these lists shall be carried out in accordance with the procedures provided for in Section M 3 of the same Manual. As such, the media, forms, conditions for making available to the public, as well as the rules for updating, are those specified by the circular setting out the terms and conditions for the application of the Finance Act for the 2025 financial year.

470. It is recalled that notification by means of public communication in the event of a taxpayer's failure to declare falls within the exclusive competence of the Minister of Finance, after a reasoned opinion from the Director General of Taxes, in accordance with the provisions of Section L 3 of the Manual of Tax Procedures.

471. The services are invited to ensure the reliability of the data feeding these lists (status, reference period, date of last declaration, decision to remove them from the list, if applicable) and to guarantee the traceability of updating operations, in order to prevent any erroneous publication likely to affect the rights of taxpayers and the credibility of the information disseminated.

472. To this end, the data consolidated by the managing centres are transmitted to the DGT, which has the necessary consistency checks carried out by the structure in charge of statistics before any transmission to the Minister for publication.

473. The provisions of Section L 3 bis shall apply from 1 January 2026.

5.4 Section M 6 b.- Strengthening of responsibility Statutory auditors and sanctions regime

474. The amendment of Section L 6 b of the Manual of Tax Procedures aims to prevent any complacency in the certification of accounts. It specifies the breaches likely to incur liability and establishes a system of disciplinary measures with a deterrent effect, in order to guarantee the reliability of the financial information used as a basis for taxation.

5.4.1 Failures giving rise to liability

475. The statutory auditor is liable when it is established that he has, by an unqualified certification or by an opinion that is inappropriate in the light of the anomalies observed, validated financial statements containing serious irregularities likely to alter the sincerity of the accounts and to mislead the tax authorities.

476. This liability can only be sought when the irregularities in question:

- were known to the auditor;
- could not reasonably escape it in the light of the diligence normally expected according to the applicable professional standards;
- have not resulted in an appropriate opinion (reservation, negative opinion or abstention from opinion) or explicit references in the reports issued

477. In particular, the following are targeted:

- the validation of financial statements containing false invoices, without qualification or appropriate observation;
- concealment of turnover, not indicated by an appropriate opinion or explicit reservations;
- the deliberate omission of material information, not mentioned in the auditor's report;
- any other manoeuvre having the effect of deceiving the tax authorities, when it has not been brought to the attention of the users of the accounts by an opinion or adequate information.

5.4.2 Competent authorities and disciplinary measures

478. Without prejudice to the civil and criminal liability that may be incurred in accordance with the texts in force, the tax authorities, when they identify facts likely to constitute professional

misconduct attributable to an auditor, may bring these facts to the attention of the legally competent authorities, for the purposes of examination and, if necessary, disciplinary proceedings.

479. As such:

- at the national level, the tax administration may transmit a detailed report to the National Order of Chartered Accountants of Cameroon (ONECCA), under the supervisory authority of the Minister in charge of Finance, so that the latter can assess the appropriateness of initiating disciplinary proceedings in accordance with the applicable professional rules;

- At the Community level, when the seriousness of the facts or their scope goes beyond the national framework, the tax authorities may report the breaches observed to the competent Community authorities provided for in the CEMAC texts, through the intermediary of the competent national authorities, for the purpose of examining the action that may be taken with regard to the provisions applicable to the regional register of chartered accountants and auditors. accounts.

480. Disciplinary proceedings initiated by the tax authorities are independent of any civil or criminal actions that may be brought.

481. The tax authorities are not required to wait for the outcome of judicial proceedings before transmitting the facts to the competent authorities, provided that the alleged breaches are sufficiently established in the light of the evidence gathered and that the auditor concerned has been given the opportunity to present his observations in the context of an adversarial procedure respecting the rights of the defence.

5.4.3 Implementation modalities

482. The indictment of the auditor is governed by a procedure that is separate from that applicable to the audited taxpayer, which is structured as follows:

- The constitution of the file: the control services gather the elements materializing the breaches (supporting documents, analyses of bundles, cross-checks), by demonstrating that the irregularity was detectable with regard to the due diligence expected according to professional standards;

- The adversarial procedure (right of reply): before any referral to the competent authorities, the objections are notified to the auditor concerned. The latter has a period of thirty (30) days to produce its written observations and justify its diligence (work files, reservations, alerts, mission limitations);

- centralisation and referral: when the explanations provided are deemed insufficient, the file is sent to the central administration for consolidation. The formal referral to the Minister of Finance (for the warning) or the transmission of the file to the CEMAC Commission (for deregistration) is carried out at the diligence of the Director General of Taxes.

5.4.4 Supervision of certification fees

483. Pursuant to the provisions of Section L 6 ter (5) of the General Tax Code, the fees and expenses relating to the tax review mission are set by a specific text of the Minister in charge of Finance.

484. Pending the enactment of the said text, the finalization of which is ensured by the competent services in consultation with the National Order of Chartered Accountants of Cameroon (ONECCA), the contractual terms in force remain applicable, subject to the adjustments that will result from the regulatory provisions to be made.

5.4.5 Entry into force

485. These provisions shall apply from 1 January 2026.

5.5 SECTION M 6 c.- Obligation to conduct a tax review for some companies

486. In accordance with the provisions of Section L 6 quarter of the Manual of Tax Procedures, any taxpayer subject to the actual tax regime and fulfilling certain criteria is required to annex to his Statistical and Fiscal Declaration (DSF) a tax review report.

5.5.1 Scope

487. Taxpayers, natural or legal persons, whose annual turnover is equal to or greater than one (01) billion CFA francs, are subject to this obligation.

488. The threshold of 1 billion CFA francs is assessed for the financial year for which the DSF is subscribed, on the basis of turnover excluding taxes.

489. The tax review report is drawn up exclusively by a Tax Advisor who can cumulatively prove:

- a valid CEMAC approval;
- his registration on the roll of the National Order of Tax Advisors;
- the possession of a valid insurance policy for the current year;
- professional liability insurance covering the activity of tax review.

5.5.2 The tax review report

490. The tax review consists of the critical examination of a taxpayer's overall tax situation by a CEMAC approved tax advisor, with the aim of improving compliance with tax legislation. It gives rise to the preparation of a report which must include, at least:

- the identification of the taxpayer;
- the scope of the due diligence carried out;
- Compliance issues examined.
- the documents used;
- recommendations made to the company to regularize the points of non-compliance;
- a reasoned conclusion on overall fiscal coherence.

491. The Tax Council may attach reservations to its tax review report when it finds uncertainties, due diligence limitations or anomalies that have not been corrected by the taxpayer. Reservations must be formulated in a clear, reasoned and, where appropriate, quantified manner.

492. It is specified that the production of this report does not entail any tacit validation of the DSF by the Administration, nor the certification of the DSF by the tax advisor, nor the limitation of the right to take back the latter.

493. Upon receipt of the DSF, the services systematically check the taxpayer's compliance with the tax review and the presence of the report.

494. In the event of failure to file after a formal notice has been sent to the following without effect, the fine provided for in Section L 6 quarter of the MTP shall be applied, namely:

- 10,000,000 CFA francs for taxpayers under the Directorate of Large Enterprises (DGE);
- 5,000,000 FCFA for taxpayers under the other Tax Centers (CIME, CSI).

5.5.3 Professional liability and fees

495. The tax advisor is bound by an obligation of means in the accomplishment of its mission of tax review. However, he is liable for faults or negligence committed in the execution of the latter. In the event of manifest breaches that the tax review should have detected with regard to the applicable professional standards, the Administration may refer the matter to the CEMAC Commission for suspension or withdrawal of approval, after an advisory opinion from the National Order of Tax Councils of Cameroon.

496. The Tax Council cannot be held liable for inadequacies or omissions resulting from the taxpayer's refusal to take into account the reservations and recommendations expressly mentioned in the report, provided that these reservations have been brought to its attention in writing.

497. Tax review fees provided for in Section L6 quarter of the MTP, are set by a specific text of the Minister of Finance. In the meantime, contractual practices apply. The Legislation Division is instructed to finalize, in conjunction with the National Order of Tax Advisors, the draft specific text setting out the scale of fees.

5.5.4 Entry into force

498. The provisions of Section L 6 quarter of the MTP apply to Statistical and Tax Declarations subscribed as of January 1, 2026 for the financial year ended December 31, 2025.

5.6 SECTION M 8 a. - Extension of the cap on tax payment costs to payment institutions

499. The amendment of Section L 8 bis of the Manual of Tax Procedures extends the mechanism for capping tax payment fees, previously applicable to banks and payment institutions (in particular mobile telephone and money transfer operators), by subjecting them to the same tariff requirements.

500. From now on, the fees payable by financial institutions and payment institutions when paying taxes (transfers, electronic payments), including the fees relating to the issuance of the transfer certificate, must be between five hundred (500) CFA francs and ten thousand (10,000) CFA francs.

501. In any event, these fees must in no case exceed ten percent (10%) of the principal amount of the tax paid.

502. Failure to comply with these thresholds exposes the offending financial or payment institution to an administrative fine equal to one hundred percent (100%) of the amount of the fees unduly invoiced in excess of the legal ceilings.

503. In order to effectively implement this provision, the Collection Directorate, in conjunction with the Tax Studies, Planning and Reforms Division, is responsible for carrying out a systematic audit of all the memoranda of understanding between the Tax Administration and the financial partners.

504. Agreements containing tariff clauses contrary to the requirements of Section L 8 bis shall be deemed unwritten for the part exceeding the legal thresholds. They will have to be the subject of compliance amendments as soon as possible.

505. The extended cap on payment fees applies to any transaction carried out from 1 January 2026.

5.7 SECTION M 8 sexies.- Establishment of the real-time taxation regime

506. Section L 8 sexies of the MTP, introduced in the 2026 Finance Act, enshrines the real-time taxation regime.

507. Real-time taxation is a collection method consisting of the immediate, automatic and secure collection of tax at the time of carrying out a transaction. Unlike the ordinary law regime, the tax is collected instantaneously through an electronic interconnection device that ensures the continuous transmission of data to the Tax Administration and the concomitant repayment of the revenues to the Receiver's accounts.

508. For distribution operations of petroleum products and natural gas for industrial use, real-time taxation is carried out by means of withholding tax. This collection is carried out by the Cameroon Petroleum Depot Company (SCDP), the National Refining Company (SONARA), as well as gas production or distribution companies, at the time of collection or delivery of the products.

509. The terms and conditions for the implementation of this scheme are referred to an order of the Minister of Finance.

510. The Divisions in charge of Legislation and Reforms respectively are instructed to finalize, without delay and in consultation with technical partners, the draft texts for the implementation of this reform.

5.8 SECTIONS M 9 and M 11- Rationalisation of control actors tax

511. Until 31 December 2025, the power to exercise control tax and carrying out accounting audits was reserved only for sworn Tax Inspectors. The amendments made to Sections L 9 and L 11 of the Manual of Tax Procedures by the 2026 Finance Act lift this barrier by entrenching two openings:

- the extension of the audit competence to Tax Inspectors sworn in ;
- the possibility of involving lower-grade officers.

5.8.1 Extension of the audit competence to Tax Auditors

512. As of January 1, 2026, the power to exercise control tax is no longer the exclusive prerogative of the Tax Inspectors. As a result of the amendments to Sections L 9 and L 11 of the MTP, it has been extended to Tax Inspectors sworn in.

513. Thus, in the Tax Offices where no Inspector is assigned or available, the sworn Inspectors are authorized, by operation of law, to conduct all control procedures (accounting audits, VSFE, checks on documents, etc.) under the hierarchical supervision of the Head of Structure.

514. They validly sign all procedural documents, in particular audit notices, notifications of adjustments, minutes, etc.

5.8.2 Assistance during inspections

515. Sections L 9 and L 11 of the MTP provide for the possibility for the auditor (Inspector or Controller) to be assisted, during on-site operations, by any agent, including those of lower grade duly equipped with their professional card.

516. Assistance may include:

- technical support (data extraction, file processing, exploitation of reports from computerized systems);
- administrative and material support (collection, classification, inventory, reproduction, preparation of work materials);
- support for the formatting and entry of data useful for the analyses.

517. This assistance cannot be regarded as a replacement: the assistant officer cannot, in this capacity, perform the procedural acts reserved to the inspector or the controller responsible for the inspection (conduct of the procedure, assessment of findings, decision on increases, signing of deeds, etc.).

518. The identity and capacity of the assistant agents must be mentioned in the delivery notices.

5.8.3 Miscellaneous provisions

519. The procedural acts carried out by a sworn Inspector under the conditions defined above have the same legal value as those carried out by an Inspector. No nullity may be raised by the taxpayer solely on the basis of the grade of the verification agent, provided that the latter has taken an oath.

520. All inspectors, controllers and assistant agents involved in control operations are reminded tax and accounting audits that strict compliance with professional secrecy, the rules of ethics and confidentiality obligations is imposed on everyone.

521. The provisions of the Sections L 9 and L 11 of the General Tax Code, as amended by the Finance Act for the financial year 2026, are applicable as of January 1, 2026, including Control procedures Ongoing on that date, subject to compliance with the rights and guarantees of taxpayers.

522. To this end, the brigade commanders will, whenever necessary, establishCorrective notices of passage or any equivalent act, in order to integrate the sworn controllers and assistant agents now authorised to intervene in the control chain tax and to ensure their formal identification.

523. The General Affairs Division will take all necessary measures to ensure that the staff concerned have access to Business cards and have taken an oath. It will also work with the division in charge of control tax, at theorganisation of appropriate training for the benefit of inspectors, controllers and assistant agents.

5.9 Sections M 19 and M 30 a. - Strengthening of the automatic taxation system in the event of rejection of computerized accounting

524. The Finance Law for the 2026 financial year makes an adjustment to Sections L 19 and L 30 bis of the Tax Procedures Manual (MTP). These changes aim to secure the audit of accounting IT systems through two levers:

- the obligation to immediately issue a forgery-proof Accounting Records File (FEC);
- the supervision of the procedure for rejecting accounts in the event of data alteration or obstruction of digital investigations.

5.9.1 Delivery of the file of accounting entries (FEC) and prohibition on modification

A. The delivery of the file of computerized accounting entries

525. Any taxpayer whose accounts are kept by means of computerised systems is required to submit the on site, the Accounting Entries File (FEC) for the audited period in a usable dematerialised form.

526. This handover takes place as soon as the work on site begins and must be recorded, in particular by mention in the opening report or any equivalent act.

527. The usable form is exclusively structured files (in particular CSV, XML or Excel) allowing the departments to effectively sort, reconcile and extract. The delivery of unstructured formats (such as PDFs or screenshots) is considered null and void and is equivalent to an obstacle to control tax. The same applies to the failure to deliver the said files.

B. The prohibition of modification of the file of computerized accounting entries

528. From the date of submission of the file of accounting entries, any change in the accounts relating to the period in question is prohibited.

529. The services will ensure, as soon as the operations are opened, that the taxpayer is expressly reminded of this prohibition and that checks are organised, whenever necessary, to ensure the integrity of the data transmitted, in particular by comparing the supporting documents and examining the available technical traces.

530. The prohibition on modifying the file of accounting entries is absolute. It applies to any intervention, alteration, correction, deletion or addition of entries, whatever the nature or justification, as long as it relates to the period covered by the file submitted.

C. The obligation to keep a log of the file of computerised accounting entries

531. Accounting systems must also keep an unalterable technical audit log, tracing any creation, modification or deletion of accounting entries, with indication of the timestamp and user identifier, for a minimum period of ten (10) years. The departments may require that it be communicated, as necessary, in order to assess the reliability of the accounts and the reality of the entries. This log is kept for traceability and control purposes and cannot be interpreted as authorising the modification of accounting entries in breach of the prohibition provided for in the above point.

532. In the event of a discrepancy duly noted in the minutes between the accounting documents and the file of accounting entries Transmitted at the beginning of the work on site, the

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administration may reject the accounts for lack of reliability and proceed with the taxation ex officio according to the available bases, in accordance with the applicable provisions. The burden of proving the authenticity and sincerity of the entries lies with the taxpayer, who must establish that the data transmitted are in accordance with the actual accounts and are not altered. He must thus establish the concordance between the file transmitted, the technical traces (logs) and the physical supporting documents.

5.9.2 Rejection of accounting for alteration or obstruction of the audit

533. Under the provisions of Section L 30 bis of the MTP, two specific breaches justify the total or partial rejection of computerised accounting :

A. Alteration of handwriting

534. Any modification, deletion or falsification of accounting entries or documents after the submission of the file of accounting entries constitutes an alteration of accounting entries.

535. In such a case, the services draw up a report of findings specifying the nature, extent and period of the changes noted. This report is notified to the taxpayer, who has a period of eight (08) days to submit his observations and written justifications.

536. At the end of this period, and after examining any observations made by the taxpayer, the departments assess the merits of the justifications presented and, if necessary, proceed to the total or partial rejection of the accounts, in accordance with the provisions of Section L 30 bis of the Manual of Tax Procedures.

537. The services will ensure that any objective evidence corroborating the findings is annexed to the file, in particular extracts, comparative statements, copies of documents and, where appropriate, relevant extracts from the technical audit log.

B. Hindrance to IT auditing

538. The refusal to give the verifying agents or their designated experts access to the computer system, to the files of accounting entries or to the data necessary for the audit of the entries and the examination of audit trails constitutes an obstacle to the computer audit.

539. In such a case, the services send a formal formal notice, notified by any means allowing the date of receipt to be established, inviting the taxpayer to give the required access within eight (08) days. At the end of this period, the refusal shall be recorded on the basis of a report of deficiency, drawn up by both parties or, failing that, with the taxpayer's refusal to sign it.

C. Ex officio taxation

540. At the end of the above-mentioned periods, in the absence of convincing justification, the rejection becomes final and automatically entails automatic taxation according to the available bases.

541. Implementation of ex officio taxation following the rejection of computerized accounting is carried out in accordance with the requirements of Circular No. 002/MINFI/DGI/DC/DCCX of January 6, 2017. The heads of the operational structures will ensure strict compliance with the adversarial principle and that all the material and digital evidence (extractions, logs) on which the rejection is based is kept in the file.

5.9.3 Entry into force

542. These provisions apply to all control operations tax applications opened as of 1 January 2026, as well as to the control operations in progress on that date, for the remaining due diligence.

5.10 SECTION M 20 A.- Clarification of the temporal scope of the procedure for recalling rights following the audit Companies approved for derogatory regimes

543. With the 2025 Finance Act, the legislator has strengthened the prerogatives of the tax and customs authorities in terms of control Facilities granted to companies approved for derogatory regimes. To this end, any breach of the commitments made or any fraud in the eligibility conditions exposes the company to the suspension of the benefits granted as well as to the recall of the rights evaded.

544. The Finance Act for the 2026 financial year removes any ambiguity about the temporal scope of this measure by specifying that the reminder of taxes and duties is exercised over the entire non-prescribed period. Thus, the administration may adjust the duties for the last four (04) financial years preceding the finding of the infringement, i.e. for the financial years 2022, 2023, 2024 and 2025.

545. Regarding the operational arrangements for the implementation of this control, the departments are invited to refer strictly to the requirements of the circular specifying the terms and conditions of application of the Finance Act for the 2025 financial year.

546. These provisions shall take effect from 1 January 2026.

5.11 SECTION M 28 A. - Extension of jurisdiction in arbitration matters tax adjustments to the Heads of Regional Tax Centers

547. The arbitration mechanism instituted by the Finance Law for the 2023 financial year, intended to prevent tax disputes upstream of the litigation phase by establishing a structured dialogue between the Administration and the taxpayer, has been amended by the Finance Law for the 2026 financial year.

548. From now on, the request for arbitration provided for in Section M 28 bis of the Manual of Tax Procedures may be sent, depending on the amount of the adjustments envisaged, either to the Head of the Regional Tax Centre with territorial jurisdiction, or to the Director General of Taxes.

549. The Head of the Regional Tax Centre is responsible for requests for arbitration relating to heads of adjustment whose total amount, in principal and penalties, as shown in the notification of adjustments, is less than or equal to fifty million (50,000,000) CFA francs.

550. The Director General of Taxation is responsible for requests for arbitration relating to adjustments totalling more than fifty million (50,000,000) CFA francs, as well as those whose investigation presents a particular issue justifying a centralised assessment, in particular when the question raised is likely to affect the coherence of administrative doctrine or to generate a risk of heterogeneity of practices.

551. Notwithstanding the amount of the adjustments envisaged, taxpayers under the Directorate of Large Enterprises remain exclusively subject to arbitration jurisdiction of the Director General of Taxes.

552. These provisions shall enter into force on 1 January 2026. They are immediately applicable to control procedures tax claims opened or in progress on that date, including those incurred previously, provided that no notice of assessment has yet been issued.

5.12 ARTICLS M 34.- Framework for the right to spontaneously rectify Statistical and Tax Declarations

553. Section M 34 of the Manual of Tax Procedures now specifies the conditions for exercising the right to spontaneously rectify omissions, inadequacies or errors affecting Statistical and Tax Declarations.

554. The benefit of regularisation, without the application of penalties, is strictly subject to compliance with alternative conditions, rigorously assessed by the administration.

555. Firstly, the rectification must take place before any formal control initiative, i.e. prior to the sending of a notice of verification or, in the case of an audit on the basis of documents, before the notification of adjustment. Any correction made after the initiation of these acts loses its spontaneous character.

556. Secondly, when the accounts have been duly approved, the correction must be made within thirty (30) days of their approval by the competent body. This period constitutes a term of foreclosure.

557. It can only be set aside in the presence of a case of force majeure, understood as an external, unforeseeable and irresistible event, duly justified by the taxpayer and expressly admitted by the tax authorities.

558. By competent body, we mean the body legally or statutorily empowered to approve summary financial statements, in accordance with the provisions of OHADA legislation, in particular the ordinary general meeting, called to act within six (06) months following the end of the financial year. The date of approval appearing in the minutes is valid for the calculation of the thirty (30) day period; it must be produced at the taxpayer's discretion.

559. It is recalled that, in accordance with OHADA legislation, the competent judge may, if necessary, extend the deadline for the approval of the accounts; in this case, the date of the judicial decision to extend the accounts serves as a reference for the assessment of the deadline.

560. At the end of this period, the taxpayer is authorised to make adjustments to his or her return only when they lead to the establishment of additional tax due.

561. It is recalled that, for natural persons exercising a professional activity and who do not have a body for drawing up or approving accounts, the spontaneous rectification of Statistical and Tax Declarations is allowed when it is carried out before any audit initiative by the tax authorities. In this case, no specific deadline related to the closing or approval of the accounts can be invoked against the taxpayer.

562. These provisions apply to Statistical and Tax Declarations subscribed for financial years ending on or after December 31, 2025.

5.13 SECTION M 42.- Strengthening of the right of communication

563. Section M 42 of the Manual of Tax Procedures confers on tax administration officials the power to collect, from third parties (public bodies, credit institutions, companies, regulated

professions, etc.), all documents, information and media useful for the establishment, control and control of the and the collection of taxes owed by a taxpayer.

564. The Finance Act for 2026 amends this Section on two points:

- Firstly, the unenforceability of the legislation relating to the protection of personal data against the tax authorities;

- secondly, the conditions for exercising this right by authorising duly authorised tax officials to be assisted by other agents in the context of its implementation.

5.13.1 Extension of the unenforceability of legislation on the protection of personal data

565. Until now, the exercise of the right of communication could not be hindered by either banking or professional secrecy, subject to the guarantees governing the procedure.

566. As of 1 January 2026, in the same way as professional secrecy or banking secrecy, the provisions of Law No. 2024/017 of 23 December 2024 on the protection of personal data are unenforceable against the tax authorities, in that they cannot hinder the exercise of the right of communication provided for by the CGI.

567. In practice, a third-party holder (bank, electronic communications operator, digital platform, service provider, etc.) may not refuse the transmission of personal information or useful technical data, including, where applicable, logs, connection logs or other computer traces, on the basis of their personal nature, provided that the request is justified by the needs of the control and exercised in compliance with the guarantees provided for in the Manual of Tax Procedures.

568. The required documents and information may be communicated on any medium, material or dematerialised. When the information is held in digital form, the administration may request that it be handed over by extraction, export or any other technical process allowing its effective use. This obligation extends to data held or processed on behalf of the third-party holder by service providers or subcontractors.

569. The information obtained in this way is strictly allocated to the tax purposes for which the right of communication is exercised, in particular the base, the control and the collection of taxes. They remain covered by the obligation of professional secrecy to which tax administration officials are bound and must be kept and protected in accordance with the rules in force within the administration.

5.13.2 Agents authorised to exercise the right of communication

570. As with the arrangements made in the area of tax audits (Sections L 9 and L 11), the duly authorised head of mission may be assisted by other agents for the material execution of the due diligence related to the exercise of the right of communication. He or she remains solely responsible for the regularity of the procedure and the use of the information collected.

5.13.3 Miscellaneous provisions

571. The refusal to follow up on a right of communication duly exercised and notified, the opposition to its execution, as well as the communication of information that is deliberately incomplete, inaccurate or unusable, expose the third-party holder to the penalties provided for by the provisions of Section L 104 of the Manual of Tax Procedures.

5.14 SECTION M 94 quarter – Extension of the scope of the Tax Compliance Certificate

572. Until 31 December 2025, the presentation of a Tax Compliance Certificate (ACF) was required for a wide range of transactions of an economic, fiscal or administrative nature. The following were subject to the production of this certificate:

- transfers of funds abroad by professional taxpayers;
- the issuance of certificates of exemption and coverage of taxes and duties;
- the payment of invoices and subsidies by the State, decentralized local authorities, public establishments, companies partially or entirely with public capital as well as private companies whose list is set by the Minister in charge of Finance;
- export operations;
- visa applications from diplomatic and consular missions;
- any request addressed to public or semi-public administrations, in the context of the exercise of an activity, the issuance of a title, a licence, a certification, a attestation, an authorisation or an approval of any kind.

573. The Finance Act for 2026 now extends this requirement to new operations relating to the administrative and patrimonial life of natural persons. Are now subject to the prior presentation of a Tax Compliance Certificate Valid:

- the subscription of contracts for connection or subscription to the electricity, water and telecommunications networks;
- the issuance of passport documents. It should be noted that when the passport application is made on behalf of a minor child, the ACF to be produced is that of his or her parent or guardian;
- import operations carried out by non-professional taxpayers;
- the issuance of a land title;
- obtaining a vehicle registration document.

574. As a reminder, the Tax Compliance Certificate is issued exclusively online, through the electronic platform of the tax administration. No certificate produced in any other format may be accepted.

575. It is the responsibility of all the administrations, public or semi-public bodies concerned to systematically require the production of this certificate prior to the completion of the operations concerned. It is also their responsibility to verify its authenticity and validity online before any title, document or authorization is issued.

576. The provisions of this Section shall enter into force from 1 January 2026 and shall apply to any operation carried out from that date.

5.15 SECTION M 94 septies.- International assistance for the recovery of tax debts

577. The 2026 Finance Law ensures, in Section L 94 septies of the Manual of Tax Procedures, the legal framework applicable to international assistance in the recovery of tax debts.

578. In this respect, the tax administration is empowered to implement international assistance procedures for recovery, either at the request of a foreign tax authority or when it itself requests assistance from a partner State, on the basis of international conventions or agreements binding Cameroon or, failing that, on the basis of the principle of reciprocity.

579. The conditions and practical modalities for the application of this Section, in particular the competent authorities, the channels for transmitting applications, the operational procedures, the deadlines and the modalities of cooperation with foreign administrations, shall be specified by a specific text of the Minister in charge of Finance.

580. To this end, the Division in charge of Legislation is invited to finalize, in conjunction with the Directorate in charge of recovery, as soon as possible, the draft ministerial text provided for above, with a view to making fully operational the provisions relating to international assistance in the recovery of tax debts.

5.16 SECTION M 97.- Fine for failure to declare

581. The mechanism for sanctioning failure to declare is reinforced by the institution, in addition to the automatic taxation and the increases provided, of an automatic administrative fine applicable for each declaration not submitted, as soon as the deadline set by the formal notice expires.

582. As such, the defaulting taxpayer is liable to the following fines:

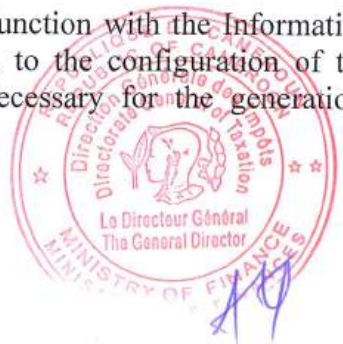
- two hundred thousand (200,000) CFA francs for taxpayers under the structure in charge of large companies;
- one hundred thousand (100,000) CFA francs for taxpayers under the tax centers of medium-sized enterprises and specialized tax centers;
- fifty thousand (50,000) CFA francs for taxpayers under local tax centers and individuals.

583. These fines are generated and collected automatically by the tax administration's IT system, at the end of the period set in the formal notice. They are not subject to free remission.

584. Pending the complete finalization of the automation of the system, the services in charge of the management and monitoring of taxpayers, under the coordination of the Directorate in charge of Collection, are invited to carry out all necessary due diligence for the effective application of these fines, in accordance with the legal provisions in force.

585. The fine can be notified electronically, by registration in the taxpayer's online tax account, accessible on the tax administration's platform. This notification may be supplemented, if necessary, by any other authorised transmission channel, in particular by hand delivery against receipt, by post or by any other means enabling receipt to be established.

586. To this end, the Directorate in charge of Collection, in conjunction with the Information Technology Division, is invited to proceed, as soon as possible, to the configuration of the application and the implementation of the management rules necessary for the generation, notification and collection of these fines.



587. The fines provided for in this Section shall penalise failure to submit the declaration within the prescribed period and shall not preclude the implementation of the ex officio taxation procedure and the application of the related surcharges. The managing services must therefore systematically combine all these actions aimed at correcting the reporting failure.

588. These fines apply to any failure to submit a due declaration, whether it is an annual declaration or an intra-annual declaration (monthly or quarterly), regardless of the nature of the levy concerned.

589. These provisions shall enter into force from 1 January 2026 and shall apply to formal notices notified from that date.

5.17 SECTION M 99 (5).- Imposition of a fixed fine applicable for failure to file an annual declaration of Personal Income Tax

590. Before the entry into force of the Finance Act for the 2026 financial year, failure to submit the annual declaration of the personal income tax did not give rise to the application of a specific fixed fine.

591. In accordance with the provisions of Section L 99 (4) of the MTP, as amended by the Finance Law for the 2026 financial year, failure to file or transmit, within the legal deadlines, the annual declaration provided for in Section 74 bis of the CGI, is punishable by the application of a fixed fine of one hundred thousand (100,000) CFA francs, Not subject to discount or moderation.

592. This fine shall apply without prejudice to the penalties provided for in Section L 97 of the MTP, in particular ex officio taxation and the related surcharges.

593. The fine for failure to declare personal income tax is generated and collected automatically by the tax administration's IT system, according to the accepted notification and transmission methods (taxpayer's online tax account and, where applicable, other regulatory channels).

594. These provisions take effect from 1 January 2026. Consequently, any failure to declare from that date onwards will result in the immediate payment of the said fine.

5.17.1 SECTION M 102.- Collection of VAT unduly refunded

595. The Finance Act for the 2026 financial year specifies the terms and conditions for recalling VAT credits unduly reimbursed to taxpayers. As a reminder, any refund of VAT credits obtained on the basis of false invoices gives rise to the immediate restitution of the sums unduly received, together with penalties of one hundred percent (100%), which are not subject to transaction.

596. The reminder of the sums unduly received and the related penalties are recovered by means of a collection notice (AMR) issued by the taxpayer's tax office.

597. The AMR is issued by the competent centre and must clearly show:

- the amount of the VAT credit unduly repaid (principal);
- the corresponding penalty of one hundred percent (100%).

598. The assessment does not exclude, where appropriate, the implementation of other adjustments likely to result from the same facts in respect of the taxes concerned, or the application of the penalties provided for by the regulations.

599. However, it is specified that the initiation of the procedure presupposes that the service establishes, in a sufficiently substantiated manner:

- the existence of an actual refund (payment or compensation made);
- the undue nature of the repayment, resulting in particular from:

  - the use of false invoices; and/or

  - irregular invoices with regard to invoicing requirements (incomplete, inconsistent, non-compliant), when these irregularities were used as a basis for reimbursement.

600. These provisions shall enter into force on 1 January 2026. They apply to any reminder made from that date, regardless of the period for which the VAT credit has been unduly reimbursed.

5.17.2 SECTION M 114 A.- Delimitation of the offence of bribery in tax matters

601. The Finance Act for the 2026 financial year has inserted Section L 114 bis into the Tax Procedures Manual, in order to specify the relationship between the control procedures and the offence of bribery provided for in Section 142 of the Criminal Code. That provision states, first, that reminders duly drawn up cannot be classified as bribery and, secondly, lays down the rules of presumption and the burden of proof applicable in the event of proceedings against a staff member.

5.17.2.1 Exclusion of concussion in the event of an inspection regularly conducted

602. Under Section L 114 bis (1) of the MTP, reminders of taxes, duties, taxes or penalties resulting from an audit procedure regularly carried out by the agents of the tax administration do not constitute the offence of bribery, as long as these agents act within the framework of the competences and procedures provided for in the Manual of Tax Procedures.

603. It follows that the challenge to an adjustment, including where the amounts in question are high, falls primarily within the scope of the tax remedies provided for by the legislation in force, without prejudice to the criminal proceedings that may be brought in the event of proven fraudulent conduct unrelated to the normal exercise of control powers.

5.17.2.2 The burden of proof

604. Pursuant to Section L 114 bis (2) of the MTP, additional taxes arising from a tax procedure are, in the absence of proof to the contrary, deemed to be established solely for the benefit of the Public Treasury, in accordance with the applicable rules of jurisdiction and procedure.

605. The burden of proof of the agent's fraudulent intent, consisting in demanding, collecting, granting or withholding, on his own behalf or on behalf of a third party, a sum which he knew to be undue, lies with the prosecuting party.

5.17.2.3 Miscellaneous provisions

606. The protection established by Section L 114 bis of the MTP does not exempt the agent from his administrative and professional liability. Any breach of the rules of ethics or any manifest procedural error remains subject to disciplinary sanctions.

607. The heads of operational services will ensure the strict traceability of control due diligence and the constitution of complete files, making it possible to attest, at any time, to the regularity of the procedure and the purpose of the additional taxes imposed on the taxpayer.

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608. The provisions of Section L 114 bis of the Manual of Tax Procedures enter into force as of January 1, 2026, including on ongoing procedures.

5.17.3 SECTION M 116 (3).- Clarifications relating to the admissibility of contentious complaints presented by an agent

609. The Finance Act for the 2026 financial year specifies the conditions for the admissibility of contentious claims when they are submitted by an agent acting on behalf of the taxpayer.

610. Under the provisions of Section L 116 (3) of the MTP, any claim submitted by an agent must be accompanied by:

- the act of mandate expressly establishing the power to act of the CEMAC approved tax council on behalf of the taxpayer;
- of the valid assistance agreement, in the case of an approved management centre (CGA).

611. The competent services are invited to verify, as soon as the complaint is lodged, the completeness of the file and the conformity of the documents produced. Any complaint that does not satisfy the conditions of admissibility set out above must be declared inadmissible, without there being any need to examine the merits.

612. It is recalled that the other formal conditions provided for by the provisions in force, in particular the obligation to stamp the claim in accordance with the tax legislation, remain fully applicable.

613. These provisions apply to contentious claims lodged on or after 1 January 2026.

5.17.4 SECTION M 125 QUARTER- Substitution of legal basis or grounds

614. Section L 125 quarter of the MTP establishes the option for the Administration to correct the legal basis (substitution of legal basis) or justification (substitution of grounds) of a notified, recalled or contested tax, provided that the taxpayer has benefited from all the procedural guarantees and the rights of the defence.

615. The substitution of a legal basis consists of replacing the initial legal basis of a tax with another applicable legal basis, in the context of a tax audit procedure or a litigation procedure.

Illustration :

At the end of an audit, a reinstatement of office is initially based on an inappropriate legal classification. The investigation of the litigation file establishes that the same facts must be linked to another tax regime provided for by law. The Administration then substitutes the relevant legal basis in order to maintain taxation on a regular basis.

616. Substitution of grounds consists of replacing the justification initially used to justify an imposition or penalty with another justification, when the initial reason appears to be inaccurate, incomplete or inappropriate.

Illustration

An insufficient declaration is primarily motivated as an unintentional error. Evidence in the file subsequently revealed a deliberate nature. The Administration may then substitute this reason and draw the consequences in terms of penalties, subject to compliance with the adversarial principle.

5.17.4.1 Scope and limitations

617. The substitution may relate to any tax, duty, or contribution, whether it is:

- a tax recalled at the end of an audit procedure;
- of a contested tax in the context of an administrative complaint or a contentious proceeding.

618. Substitution may not take place:

- when the taxation has been the subject of a final judicial decision;
- when it is based on new facts unrelated to the initial procedure;
- when the taxation is reached by the statute of limitations;
- when the initial procedure is marred by a substantial irregularity that has deprived the taxpayer of his guarantees.

619. The substitution is admissible only if the following cumulative conditions are met:

- the substitution is the subject of a written and reasoned notification;
- A period of thirty (30) days is granted to the taxpayer to submit his observations.

5.17.4.2 Implementation modalities

A. Substitution before issuance of the notice of assessment (AMR)

620. When the substitution occurs at the inspection stage, it must be carried out before the issuance of the Notice of Recovery (AMR).

621. To this end, the audit department shall formalise a substitution project specifying the tax concerned, the period covered, the initial basis and the basis or grounds for substitution. This draft shall be notified to the taxpayer who, in accordance with Section L 125 quarter of the MTP, shall have a period of thirty (30) days to submit his written observations.

622. The notification of a substitution project within the meaning of Section L 125 quarter of the MTP suspends, by operation of law, the sixty (60) day period set for the Administration by Section L 26 of the MTP to respond to the taxpayer's initial observations.

623. The tax can only be assessed after the completion of this adversarial phase. The Administration formalises its final position in a response to the observations confirming, modifying or abandoning the proposed substitution, prior to any AMR issuance.

Illustration

- **Starting point** : on June 1, the taxpayer files his observations. The 60-day period provided for in Section L 26 of the MTP runs until 30 July.

- **Notification of a substitution** : on 20 June, after 20 days have been consumed, a substitution is notified. The deadline is suspended. There are 40 days left.

- **Adversarial phase** : the taxpayer has 30 days (until 20 July).

- **Resumption of the deadline:**

    - **Early response (5 July**): the deadline resumes on 5 July. The Administration must notify its final position by 14 August at the latest.

    - **Silence from the taxpayer** : the deadline resumes on 21 July. The Administration has the remaining 40 days, until 30 August.

B. Substitution during the litigation procedure (after the AMR)

624. When the substitution occurs at the litigation stage, it is implemented by the department responsible for examining the complaint.

625. The new basis or the new reasons shall be notified to the taxpayer, who shall have a period of thirty (30) days to make his written observations.

626. This notification suspends the time limit set for the Administration to rule on the complaint.

627. The calculation of the time limits resumes either upon receipt of the taxpayer's observations or, in the absence of a response, the day after the expiry of the thirty (30) day period.

628. The silence of the taxpayer is equivalent to the absence of observations and allows the continuation of the procedure on the notified basis. On the other hand, the silence of the Administration cannot be interpreted as tacit acceptance of the claimant's claims.

Illustration

- **Filing of the complaint (1 October):** opening of the 45-day period (theoretical deadline: 15 November).

- **Notification of a substitution (15 October):** suspension of the deadline after 15 days have elapsed. There are 30 days left.

- **Adversarial deadline** : the taxpayer can respond until 14 November.

- **Resumption of the deadline:**

    - **Early reply (25 October):** resumption on 25 October; decision to be notified by 24 November at the latest.

    - **Silence of the taxpayer** : resumption on 15 November; decision to be notified by 15 December at the latest.

5.17.4.3 Articulation with the collection and issuance of duties

A. Substitution without impact on the amount

629. When the substitution does not modify the rights collected, the initial AMR remains the medium of recovery. The contentious complaint file is completed by the proof of notification of the substitution and the analysis of the observations.

B. Substitution Altering Duties, Interest or Penalties

630. When the substitution leads to a change in rights, penalties or interest, the departments in charge of litigation shall, without delay, transmit to the assessment and management/recovery services the information necessary for the regularization of the debt.

631. The taxpayer's tax office carries out the required operations in the application (total or partial relief and, where applicable, issuance of an amending or additional act, depending on the functionalities available), in order to ensure that the position resulting from the investigation is consistent with the debt for collection.

632. In all cases, the collection acts are issued by the taxpayer's tax office, then notified according to the accepted channels, including, where appropriate, by making them available in the online space.

633. Before collection, the substitution is initiated by the assessment or control service, under the responsibility of the head of the competent centre. In the litigation phase, it is the responsibility of the litigation department, under the authority of the authorising officer of the administrative decision. The collection services are informed of any substitution in order to ensure consistency between the securities issued and those collected.

5.17.4.4 Miscellaneous provisions

634. The taxpayer retains, at the end of the substitution, all the remedies provided for by the tax legislation, in particular the administrative complaint and the judicial remedy, within the ordinary law deadlines.

635. The substitution of legal basis or grounds suspends the procedural deadlines until the taxpayer has notified his observations or the expiry of the 30-day period.

636. These provisions apply to proceedings pending on 1 January 2026.

6 PROVISIONS RELATING TO LOCAL TAXATION

6.1 SECTIONS C 10 to C 15.- Clarification of the provisions relating to the contribution of licences

637. The provisions relating to the contribution of licences have been the subject of three adjustments aimed at strengthening the coherence of the system. These adjustments relate respectively to:

- the deletion of a provision that has become inoperative relating to the liability to the patent;

- clarification of the exemption threshold applicable to agricultural activities, in order to preserve their social significance;

- the precise determination of the tax base of service station managers, taking into account the regulation of the prices of approved petroleum products.

6.1.1 Basis of assessment of the contribution of patents (Section C 10)

638. In accordance with Section C 10 (1) of the General Tax Code, the contribution of the licences remains based on the turnover of the last closed financial year declared by the taxpayer, regardless of the nature of the activity carried out, subject to the exemptions and particularities expressly provided for by law.

639. Paragraph (2) of Section C 10 of the General Tax Code being deleted, the liability to the contribution of patents is no longer based on a reference to an appendix, which does not exist in the normative architecture of the text.

640. This abolition does not entail any change in the scope of the licence, which remains based exclusively on the achievement of a turnover, in accordance with the general principle laid down in Section C 10 (1) of the CGI.

641. The departments are invited to exclude any reference to a list of activities for the purpose of being subject to the licence and to base their diligence solely on the criterion of declared turnover.

6.1.2 Clarification of the Farm Operator Exemption (Section C-11)

642. Section C 11 (9) of the General Tax Code has been rectified to remove any ambiguity arising from the law on local taxation. The threshold of fifty million (50,000,000) CFA francs in annual turnover is reaffirmed as the determining criterion for the subjection of actors in the agricultural sector (growers, planters, breeders).

6.1.3 The case of service station managers (Section C, 15)

643. The taxation of service station managers on their gross turnover was considered unfair, as the selling prices were set by the State. Section C 15-7 of the General Tax Code now establishes a dual base for these operators.

644. The licence of service station managers is established on two distinct bases:

- on approved petroleum products (super, diesel, kerosene, domestic gas): the licence is based only on the regulated margin as it results from the structure of approved prices;

- on other activities (sale of lubricants, shop, laundry, maintenance, etc.): the licence is based on the classic pre-tax turnover.

645. Service station managers are required to submit a separate annual declaration specifying the share of the regulated margin on the one hand, and that of the turnover from other sales on the other.

6.1.4 Entry into force

646. These provisions apply to the contribution of patents declared as of 1 January 2026.

6.2 SECTION C-22A.- Redeployment automatically for taxpayers subject to the Comprehensive

647. Section C 22 bis of the General Tax Code establishes a formalised procedure for the reclassification of taxpayers previously subject to the Comprehensive Tax (IGS) to the licence regime, when their turnover, actually achieved, exceeds the legal thresholds set for this regime.

648. This reclassification occurs when the conditions of eligibility for the General Synthetic Tax cease to be met, in particular because the turnover ceilings applicable to the said regime have been exceeded.

649. The reclassification may be carried out following a spot check, conducted by the competent services of the tax administration. This control must be:

- preceded by the service of a notice of passage on the taxpayer;
- materialised by due diligence intended to assess the real turnover of the activity carried out;
- concluded by the drawing up of a report, recording the findings made and the elements that led to the reclassification.

650. Prior to any intervention falling within the scope of this Section, an intervention number must be assigned to the diligence of the Head of the Regional Tax Centre with territorial jurisdiction, who is authorised to:

- authorise the intervention;
- assign the corresponding intervention number;
- and notify, without delay, the division in charge of the control, for the purpose of taking charge and recording in the computer system of the tax administration.

651. The division in charge of control proceeds, on the basis of this notification, to integrate the intervention into the control programming and monitoring system, thus ensuring the traceability, consistency and supervision of the operations carried out.

652. These provisions shall apply from 1 January 2026, for situations observed from that date, including when the thresholds are exceeded as a result of information revealed by a subsequent inspection.

6.3 SECTION C 37.- Rates of the contribution of licences by CGA members

653. The amendment made to Section C 37 of the General Tax Code enshrines the reduction of fifty percent (50%) of the rates of the license contribution for the benefit of taxpayers subject to the General Synthetic Tax regime and members of an Approved Management Center.

654. The benefit of the 50% allowance is strictly subject to compliance with the following cumulative conditions:

- the taxpayer must be listed in the DGT's file of active taxpayers;

- the taxpayer must appear on the list of members kept by the promoter of his or her Approved Management Centre (CGA) to which he or she is attached and published on the DGT website;

- the promoter of the CGA concerned must himself be registered in the file of active taxpayers of the DGT.

655. The allowance is applied automatically when the licence contribution is issued for any taxpayer identified as an active member of an Approved Management Centre on the date on which the tax is due, without the need to produce a paper certificate.

656. To this end, the Information Technology Division, the Statistics Division and the Legislation Division are jointly responsible for setting up, operating and updating, in the computer system of the Directorate General of Taxes, a centralized database of members of the Approved Management Centers, including in particular the taxpayer's tax ID. the Approved Management Centre to which the membership is attached, the period of validity of the membership and its status.

657. These provisions shall enter into force from 1 January 2026.They shall apply to the contributions of licences payable in respect of financial years beginning on or after that date, including where the issue occurs subsequently.

6.4 Section C 38 – IGS.- Clarifications on the discharging nature of the IGS

658. The amendment made to Section C 38 of the General Tax Code in favour of the 2026 Finance Law specifies the scope of the discharging nature of the General Synthetic Tax (IGS).

659. Although it exempts the taxpayer from paying the Licence, VAT and PIT (BIC, BA, BNC), this discharging nature does not extend to the following levies which remain payable:

- taxes and fees services;
- the contribution of licenses;
- withholding taxes made by the State and authorised entities;
- tax and employer charges on salaries;
- the registration fees of the lease contract, or the property tax if applicable.

660. Entities authorised to withhold tax must apply, when paying the invoices of taxpayers subject to the IGS, the following rates:

- 2% on the amount excluding tax for invoicing to private companies;

- 5% on the amount excluding tax for services provided with the State, Decentralized Local Authorities (CTDs) and public establishments in the context of public procurement.

661. In accordance with Section C 38 (4) of the General Tax Code, income tax instalments deducted at source from the invoices of taxpayers subject to the IGS are deductible from the tax due for the following year. Consequently, no deduction is allowed from the quarterly portion of the IGS.

662. These provisions shall apply from 1 January 2026. They are taken into account for deductions made from that date and for the deduction from the IGS due for the following year, in accordance with the above procedures.

6.5 SECTION C 39.- Delimitation of the scope and thresholds of the synthetic general tax

663. In accordance with the provisions of Section C 39 of the General Tax Code, taxpayers carrying out a commercial, industrial, artisanal, agropastoral or non-commercial activity are subject to the IGS regime, when their annual turnover before tax does not exceed:

- fifty million (50,000,000) CFA francs for commercial, industrial, artisanal or agropastoral activities;
- thirty million (30,000,000) CFA francs for liberal or non-commercial professions.

664. Exceeding one of the thresholds mentioned above during a tax year leads to the automatic reclassification of the taxpayer to the real tax regime.

665. When a taxpayer subject to the real tax regime finds that his or her turnover falls below the thresholds provided for in Section C 39 of the French Tax Code, he or she is maintained under the tax regime for a probationary period of two (2) consecutive tax years. At the end of this period, if the turnover remains below the said thresholds, the taxpayer is reclassified under the IGS regime.

666. The eligibility conditions for the IGS scheme are cumulative. Access to this regime is subject to simultaneous compliance with the turnover thresholds and the nature of the activity carried out.

667. For the assessment of turnover thresholds, reference is made to:

- the turnover achieved for the year N-1 for existing companies;
- the projected turnover declared at the time of registration for newly created companies, subject to subsequent adjustment.

668. The entry into force of these provisions is set for 1 January 2026.

6.6 SECTIONS C 41, C 44 and C 46.- Clarification of the reporting obligations of taxpayers under the IGS regime

669. The provisions of Sections C 41, C 44 and C 46 of the General Tax Code have been the subject of adjustments intended to clarify, secure and harmonise the Synthetic General Tax regime.

6.6.1 Declaration and terms of payment of the IGS (Section C 41)

670. The annual declaration of taxpayers subject to the IGS is submitted by 15 April of each year at the latest, to their Tax Office. Payment is made within the same period.

671. Taxpayers have the option of opting for a split payment of the IGS. In this case, the tax is paid at quarterly intervals, within fifteen (15) days of the end of each quarter, by means of an electronic declaration in accordance with the model prescribed by the Administration.

672. It should be noted that taxpayers under the IGS regime are not subject to monthly reporting obligations, in particular those applicable to value added tax or monthly income tax instalments.

673. Their reporting obligations are limited to the IGS annual declaration or, for those who have opted for split payment, the related quarterly declarations, as well as the declarations of taxes and duties withheld at source.

674. Under the terms of the joint MINFI/MINDEVEL circular of 4 July 2025 specifying the terms of application of the law on local taxation, taxpayers under the IGS regime are required to make deductions relating to the remuneration paid to their employees by means of withholding tax.

675. The deductions thus made are repaid on a quarterly basis, concomitantly with the payment of the IGS. However, taxpayers may opt for a monthly repayment, in which case the payment must be made no later than the fifteenth (15th) day of the month following the month in which the withholding tax was made.

6.6.2 Accounting obligations and Statistical and Tax Reporting (Section C-44)

676. Under the amended provisions of Section C 44 of the General Tax Code, taxpayers subject to the IGS, whose turnover is equal to or greater than ten million (10,000,000) CFA francs, are required to keep accounts according to the Minimum Treasury System (SMT) provided for by the OHADA Uniform Act on Accounting Law and Financial Information.

677. These same taxpayers are now required to submit a Statistical and Fiscal Declaration (DSF) by 15 May each year at the latest. The tax assessment services will ensure that this legal deadline is scrupulously respected.

678. In addition, Section C 46 of the General Tax Code is subject to adjustments aimed at, on the one hand, enshrining the terminology of "Attestation de Conformité Fiscale (ACF)" in place of the old names, and on the other hand, strictly regulating the scope of the penalties related to the lack of tax regularity.

679. In this regard, it is expressly recalled that the seizure and impoundment measures only concern vehicles used for professional use. Vehicles for strictly private use are formally excluded from this sanction system.

680. The table below summarises the accounting obligations as well as the reporting procedures applicable to those liable for the Synthetic General Tax (IGS).

Summary of the tax obligations and deadlines of the IGS regime

Nature of the Obligation	Deadline	Legal basis	Observations
IGS Annual Statement	No later than April 15	Section C 41	Subscribed online.

IGS Payment (Default Option)	Annual (as of April 15)	Section C 41	Full payment at the time of the annual return
IGS Payment (Split Option)	Quarterly (within 15 days after the end of the quarter)	Section C 41	Payment of the corresponding portion no later than the 15th of the month following the end of the quarter.
Payroll Deductions	Quarterly (default) or monthly (optional)	Circular MINFI/MINDEVEL of 04/07/2025	Payout no later than the 15th of the following month if the monthly option is chosen
Bookkeeping	Permanent (if turnover ≥ 10 million FCFA)	Section C 44	Application of the Minimum Cash System (MTS)
Statistical and Fiscal Declaration (DSF)	No later than May 15	Section C 44	Mandatory only for taxpayers whose turnover ≥ 10 million FCFA

NB: Taxpayers subject to the IGS are not subject to monthly income tax advance declarations or VAT. However, they remain subject to withholding tax when they provide services on behalf of authorised entities. The amounts retained in this respect are deductible from the IGS due for year N+1.

6.7 SECTIONS C53 and C 55- Establishment of progressivity in the property tax rate

681. Before the entry into force of the Finance Act for the 2026 financial year, the tax on land ownership was established on the basis of a proportional rate, without taking into account the overall valuation level of the land assets held by the same taxpayer.

682. The Finance Act for the 2026 financial year has amended Section C 53 of the CGI in order to introduce a Progressiveness rates the tax on land ownership, when the value of the property held reaches certain thresholds.

683. Pursuant to Section C 53 (1) of the General Tax Code, the ordinary rate of the tax on land ownership remains set at 0.1%.

684. However, when the total value of a property or all the properties held by the same taxpayer exceeds five hundred million (500,000,000) CFA francs, the tax is assessed according to a progressive scale, applied by value brackets, as follows:

- 0.2% for the fraction of value between CFAF 500,000,000 and CFAF 1,000,000,000 ;
- 0.3% for the fraction of value exceeding 1,000,000,000 CFA francs.

685. For the application of the progressive scale, account is taken of the cumulative value of the real estate held by the same taxpayer, regardless of their location or the number of land titles concerned.

686. The scope of application, the rules for determining the tax base, as well as the procedures for establishing, collecting and controlling the tax on land ownership remain unchanged. As such, the tax continues to be assessed on the basis of the market value of the taxable assets,

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spontaneously declared by the taxpayer or, where applicable, administratively determined in accordance with the regulatory provisions in force.

687. The Division in charge of Legislation is responsible for updating the mercurial values in real estate, ensuring that they are in line with the realities of the land market and that they are consistent throughout the territory. It also ensures the transmission of the said updated mercurial values to the services in charge of IT, with a view to their effective integration into the electronic declaration application of the General Directorate of Taxes.

688. The IT services ensure that the progressive scale is correctly configured, as well as that the cumulative property values per taxpayer are taken into account, in order to guarantee the reliability of the tax assessment and the issuance of the corresponding securities.

689. These provisions shall apply to the tax on land ownership payable from 1 January 2026.

6.8 SECTION C 86.- Clarification of the rates of the Local Development Tax (TDL)

690. The Finance Law for the 2026 financial year specifies the rates of the Local Development Tax (TDL) applicable to taxpayers subject to the General Synthetic Tax (IGS).

691. From now on, for this category of taxpayers, the payment of the Local Development Tax is carried out on the basis of the tariffs laid down for the contribution of the licences.

692. It is recalled that the terms of liability and the rates of the Local Development Tax applicable to public and private sector employees remain unchanged.

693. The Information Technology Division is instructed to make the necessary settings in the computer systems for an effective application of these tariffs as of January 1, 2026.

6.9 SECTION C 100 bis – Procedures for setting the rents of municipal shops

694. Before the entry into force of the Finance Act for the 2026 financial year, the rents applicable to shops and rights of way in the municipal public commercial domain were established on the basis of reference rates set by law, determined according to surface area brackets, without the express possibility of adapting to local economic conditions.

695. As of the entry into force of the Finance Act for 2026, Section C 100 bis of the General Tax Code maintains these reference rates, while now empowering the Municipal Council to proceed, by way of derogation, to a modulation of the rents applicable to commercial premises, in order to take into account the actual prices of commercial rents in force in the territorial district concerned.

696. The modulation of rents is subject to the adoption of an express and reasoned deliberation of the Municipal Council. This deliberation must in particular:

- specify the categories of premises concerned;
- indicate the new rent amounts applied, by area bracket;
- be based on objective elements of assessment of the local rental market (comparisons of rents, commercial areas, economic characteristics of the municipality).

697. The modulation deliberation can only take effect after it has been approved by the competent supervisory authority, in accordance with the rules in force relating to the control of the acts of decentralised local authorities.

698. In any event, the amount of the rent set by the Municipal Council may not exceed twice the maximum amount provided for by the legal scale for the corresponding area bracket. This ceiling is assessed by bracket, and not by average or by overall category of premises.

699. Any rent set in breach of the legal ceiling has no effect on the establishment of rights and royalties and cannot be invoked against taxpayers or tax authorities.

700. The municipalities are required to make available to the tax authorities any deliberation on rent modulation as well as the related supporting documents, for the purpose of verifying and securing the basis of municipal revenue.

701. The provisions relating to the modulation of rents for municipal shops provided for in Section C 100 bis shall apply to rents payable from 1 January 2026.

6.10 SECTIONS C 119 bis and C 122.- Distribution of the proceeds of the Synthetic General Tax

702. Before the entry into force of the Finance Act for the 2026 financial year, the entire municipal share of the proceeds of the General Synthetic Tax was allocated to the municipality where the activity is located, without any allocation to equalisation.

703. As of the entry into force of the Finance Act for the 2026 financial year, Section C 119 bis of the General Tax Code establishes a new key for the distribution of the proceeds of the General Synthetic Tax allocated to the municipalities. A share of eighty percent (80%) of the IGS revenue remains allocated to the municipalities. From now on, the distribution key of the IGS is as follows:

- 72% allocated to the municipality of location;
- 18% centralised by FEICOM;
- 10% for assessment and collection costs.

704. The Directorate in charge of collection and the Information Technology Services Division will ensure the rigorous application of this distribution key, both for current receipts and for any adjustments.

705. These provisions apply to the revenue from the General Synthetic Tax paid as of January 1, 2026, including the portion of the IGS for the fourth quarter of 2025 expected on January 15, 2026.

6.11 SECTION C 121.- Clarification of the distribution of certain tax revenues between the Urban Community and the district municipalities

706. Before the entry into force of the Finance Act for the 2026 financial year, the distribution of certain tax revenues between the Urban Community and the district municipalities was not the subject of sufficiently explicit provisions, in particular with regard to the allocation of the excise duty on the deterioration of the public highway, the proceeds of the ad valorem tax, as well as the system of sharing the proceeds of the tourist tax.

707. As of the entry into force of the Finance Act for the 2026 financial year, Section C 121 of the General Tax Code specifies and secures the distribution of said revenues by providing that:

- the excise duty on the deterioration of the public highway and/or the road constitutes tax revenue for the Urban Community, when it relates to infrastructure under its jurisdiction;

- The reference to the allocation to the district municipalities of the proceeds of the ad valorem tax on spring water, mineral water and thermo-mineral water, as well as the tax on the extraction of quarry substances, is deleted. Consequently, the revenue from the said taxes now constitutes revenue from the urban communities;

- the revenue from the tourist tax is classified as shared tax revenue and distributed at the rate of fifty percent (50%) for the benefit of the Urban Community and fifty percent (50%) for the benefit of the district municipality.

708. The Directorate in charge of collection will have to ensure the rigorous implementation of these provisions, in particular through the distribution keys set up in the DGT's computer system.

709. These provisions shall apply to tax revenue due from 1 January 2026, including those giving rise to distribution, repayment or adjustment operations subsequent to that date.

6.12 SECTION C 129- Allocation of the proceeds of the Airport Stamp Duty

710. Section C 129 of the General Tax Code sets out the terms and conditions for the allocation of the revenue from airport stamp duty.

711. In that respect, the revenue from that duty is distributed according to the following key:

- ninety percent (90%) shall be allocated to the body responsible for centralisation and equalisation, in respect of inter-municipal and inter-regional relations, with a view to their distribution among all the Regions;

- ten percent (10%) are allocated to the Solidarity Fund for the International Drug Purchase Facility (FIAM).

712. The services in charge of collection ensure strict compliance with this distribution key, as well as the proper execution of the repayment operations in accordance with the procedures in force.

713. These provisions shall apply to airport stamp duty payable from 1 January 2026, including for adjustment operations relating to that period.

6.13 SECTIONS C 128, C 131 and C 132 – Reporting procedures and payment of certain fees collected via the DGT's IT platform

714. The amendments to Sections C 128, C 131 and C 132 are intended to clarify the procedural framework for the payment of fees related to water, sanitation, radio frequencies and gaming.

6.13.1 Water abstraction fee and sanitation tax (Section C 128)

715. Taxable persons declare and pay, via the Tax Administration's IT platform, within fifteen (15) days of the end of each quarter:

- the fee for the withdrawal of surface or groundwater, by means of a quarterly declaration summarising the volume of withdrawals made during the period;

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- the sanitation tax on the discharge of industrial wastewater, by means of a quarterly declaration summarising the quantity of pollutant loads discharged during the period.

6.13.2 Fee for the use of radio frequencies (Section C 131)

716. The fee is declared and paid, via the Tax Administration's IT platform, in four equal instalments, payable at the latest: 15 March, 15 June, 15 September and 15 December.

717. The instalments to be paid are determined on the basis of the invoicing issued by the regulator for the previous financial year (n-1).

6.13.3 Annual gaming fee (Section C 132)

718. It is recalled that the annual gaming fee is exclusively collected by the State's tax services.

719. The revenue from the said fee shall be allocated in full to the body responsible for centralisation and equalisation, in respect of equalisation and inter-regionality, with a view to its redistribution to all the Regions in accordance with the procedures laid down by a specific text.

720. The fee is declared and paid, via the Tax Administration's IT platform, within fifteen (15) days of the end of each quarter, by means of a quarterly declaration summarizing the turnover achieved during the period.

6.13.4 Miscellaneous provisions

721. The departments responsible for the assessment and collection shall ensure strict compliance with the above deadlines and reporting procedures, as well as the proper execution of the corresponding repayment and equalisation operations, in accordance with the procedures in force.

722. The IT departments ensure, as necessary, the configuration of schedules and declaration forms in the Tax Administration's application.

723. These provisions apply to royalties and fees payable as of January 1, 2026, including for adjustment operations relating to this period.

7 PROVISIONS RELATING TO OTHER RESOURCES

7.1 SECTION TWENTY-FIFTH- Introduction of a reduction in the annual forestry fee for the 2026 financial year.

724. The 2026 Finance Act has instituted, for the 2026 financial year, a twenty-five percent (25%) reduction on the Annual Forestry Fee due by companies holding valid logging titles.

725. The rate of the abatement is increased to 35% for companies that can prove a valid certificate of sustainable forest management, issued by a competent body in accordance with the relevant recognized standards.

726. The benefit of the 35% abatement rate is conditional on maintaining the continued validity of the sustainable forest management certification. In the event of suspension, withdrawal or expiry of the said certification, the company immediately loses the benefit of the allowance. The rights granted must therefore be recalled, without prejudice to the penalties and interest for late payment provided for by the legislation in force.

727. The FRG abatement applies to spontaneous payments in respect of the Annual Forestry Fee, excluding penalties, interest for late payment, surcharges, fines and other penalties relating to the said fee.

728. The provisions of this Section shall enter into force on 1 January 2026 and shall apply to the Annual Forestry Fee due for the 2026 financial year. They shall cease to have effect at the end of the financial year, without prejudice to the audit, regularisation or litigation procedures initiated in accordance with the tax legislation in force.

729. It should be noted that, in accordance with the provisions of Section 243 of the General Tax Code, the revenue from the Annual Forestry Fee (RFA) is distributed as follows:

- Condition: 50%;
- Municipalities: 50%, including 10% for recovery support (i.e. 5% of the total), 36% for centralisation at FEICOM (i.e. 18% of the total) and 54% for the municipalities where the logging title is located (i.e. 27% of the total).

730. The 25% or 35% allowance granted to certified companies exclusively impacts the share due to the State and cannot reduce the share intended for Decentralized Local Authorities (CTDs).

731. By way of illustration, for a company with a FRG of 100,000,000 CFA francs and which benefits from a 25% allowance, the share of the municipalities is calculated on the total basis and is set at 50,000,000 CFA francs, divided between collection support for 5,000,000 CFA francs, FEICOM for 18,000,000 CFA francs and the municipalities of location for 27,000,000 CFA francs. On the other hand, the State's share is subject to the allowance and is reduced to CFAF 25,000,000, corresponding to the CFAF 50,000,000 of its initial share minus the CFAF 25,000,000 of the allowance calculated on the overall base. The total amount owed by the company is thus 75,000,000 CFA francs, the tax saving being fully borne by the State budget.

732. The Directorate in charge of collection is instructed to ensure the strict application of these distribution methods, in order to guarantee the integrity of the resources accruing to local authorities during the implementation of this incentive measure.

7.2 SECTION TWENTY-SIXTH.- Renewal and extension of the special settlement procedure applicable to receivables issued before December 31, 2023

733. The Finance Act for the 2026 financial year renews and extends the special settlement procedure by applying it to tax debts issued before 31 December 2023, in order to promote the amicable settlement of tax disputes, accelerate the clearance of arrears and contribute to the improvement of public revenue collection.

734. To this end, a special settlement procedure is hereby established for the 2026 financial year tax open from January 1 to December 31, 2026. No settlement application submitted after 31 December 2026 is admissible.

735. Tax receivables issued on or before December 31 of the 2023 financial year are eligible for the transaction in accordance with the following procedures:

- **Taxes in litigation** :

- In the administrative phase, the transaction may give rise to a reduction of fifty percent (50%), with the possibility of spreading the balance over a period not exceeding six (6) months;

- In the jurisdictional phase, the transaction may be subject to an eighty percent (80%) abatement, with the possibility of spreading the balance over a period not exceeding six (6) months.

736. Taxes paid in respect of referral to the administrative or judicial authorities remain definitively acquired by the Treasury and do not give rise to any refund.

- **Tax arrears Uncontested:**

  - for public or parapublic entities, the transaction may give rise to an allowance of sixty percent (60%), with the possibility of spreading the balance over a period not exceeding twelve (12) months;

  - for private entities, the transaction may give rise to a fifty percent (50%) abatement, with the possibility of spreading the balance over a period not exceeding twelve (12) months.

737. The taxes payable in respect of the referral of litigation to the administrative or judicial authorities must be paid in full prior to any request for a settlement. Otherwise, the application is inadmissible and must be rejected.

738. Tax claims settled by set-off of reciprocal debts are not eligible for this special settlement procedure.

739. Acceptance of the transaction entails an irrevocable waiver of any subsequent claim and automatic discontinuance of any pending request or proceeding, regardless of the degree.

740. The practical arrangements for the implementation of this special settlement procedure remain those defined by the circular relating to the implementation of the finance laws for the 2025 financial year, in particular with regard to the constitution of the file, the chain of investigation, the competent authorities, the models of acts, as well as the methods of monitoring and controlling the execution of the commitments made.

741. It should be noted that the benefit of the allowance provided for in the context of this measure is only effective after the payment of the instalments granted to the taxpayer for the part maintained in payment have been paid in full, and within the prescribed periods. It is, therefore, formally forbidden to the Tax Collectors to record in their books the clearance of the allowance as long as the portion of the debt maintained in payment has not been paid in full.

742. In addition, the Tax Collectors will have to ensure strict compliance with the payment schedule. Failure to comply with a single deadline automatically leads to the termination of the special settlement and the immediate resumption of enforcement measures for the entire initial claim. The same applies to the failure to pay spontaneous payments for the current period, which also entails the denunciation of the special transaction, which is conditional on the regular payment of contemporaneous taxes.

743. The structures in charge of collection, litigation and communication are invited, each in its own right, to ensure a wide dissemination of this measure, through targeted awareness-raising

actions and the dissemination of practical information for the taxpayers concerned, with a view to promoting the effective use of the settlement and the amicable settlement of disputes.

744. The provisions of this Section shall enter into force on 1 January 2026 and shall cease to have effect on 31 December 2026, without prejudice to the procedures for control, monitoring the execution of the transactions concluded, or recovery actions initiated in the event of non-compliance with the commitments entered into by the taxpayer.

8 FINAL PROVISIONS

745. The present prescriptions, which nullify any previous doctrine interpretation to the contrary, must be rigorously observed and any difficulty of application submitted to my attention.

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