



SEMINAR ON THE INNOVATIONS OF THE 2024 FINANCE LAW OF CAMEROON

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MFC A and Associates invites you to our yearly seminar on the innovations of the Finance Law of the Republic of Cameroon for the 2024 Financial year as it is our tradition.

Without any doubt this year holds more surprises for both Natural and Moral persons, a journey we already embarked on to accompany all persons concerned in the fulfilment of their obligations towards the state and the community.

Click [here](#) to register for the Seminar. But before that, let us look at the key innovations of the 2024 Finance law.

1. PROVISIONS RELATING TO CUSTOMS

A boost in Sec 5, to the priority sectors of drinking water, renewable energy, health, livestock and fisheries whose imported materials and equipment are exempt from customs duties and taxes for a period of twenty-four (24) months, commencing 1 January 2024.

Further boost in Sec 6 to the automotive industry in the form of a 50% rebate on their taxable Vehicle parts import value, for a period of ten (10) years from 1 January 2024, for companies engaged in the manufacture and assembly of vehicles which have signed an agreement with the Customs Administration.

To tighten conditions required to export raw timber from the country, encourage local wood transformation and reduce deforestation, Sec 9 sees the rate of export duty applicable to logs and similar wood set at 75% of the FOB value of the volume of the species, an increase by 15% compared to 2023 FY. This rate however remains fixed at 60% on the entry of the said wood into the industrial free points.

Declaration by natural persons to customs services with proof of the lawful origin of the funds of sums in cash, both foreign currency and Francs CFA, amounting to more than five million francs CFA, failure in which will lead to seizure of said funds as outlined in Sec 13 and in accordance with the provisions of Sec 78 of Regulation No. 02/18/CEMAC/UMAC/CM of 21 December 2018 on the regulation of foreign exchange in the CEMAC.

2. PROVISIONS RELATING TO THE GENERAL TAX CODE

Extension of the limit of deductibility for Head Office Expenses in Sec 7.d to 1% of Turnover for Companies with a continuous deficit and new companies with a deficit. In the event of no turnover, the total amount of the annual expenses incurred by the company replaces the turnover as the base.

The deductibility of losses resulting from the transfer of the liabilities of a dissolved company to the acquiring company in the event of a change in activities following a restructuring as laid down in Sec 7.c

Sec 8.a provides for the non-deductibility of charges paid in cash whose value is equal to or greater than One Hundred Thousand (100,000) Francs CFA per transaction.

Sec 8.a further provides that in addition to the inclusion of the Unique Identifier Number to invoices, such invoices may not be issued at a margin of the tax administration's electronic invoicing tracking system and the concerned supplier must be included as at the date of the transaction, in the tax authorities' file of active taxpayers otherwise such expenditure will be non-deductible.

Furthermore Sec 8.b provides for the non-deductibility of Expenses and remuneration of any kind, recorded by a natural or legal person domiciled or established in Cameroon and relating to transactions with natural persons or legal entities domiciled or established in a territory or State considered to be a tax haven.

In Sec 18, the deadline for submission of the Statistics and Tax Returns (DSF) are as follows:

- 15 April for taxpayers under the tax offices of medium-sized Enterprises (CIME) and specialised tax centres (CSIPLI).
- 15 May for taxpayers under the divisional tax centres (CDI).

This deadline is maintained on 15 March for taxpayers under the tax office (DGE) for large companies. Reiteration that such Companies which are dependent on, or which control other companies shall be required to file an annual transfer pricing report, by electronic means, in accordance with the model established by the administration, within the deadline prescribed.

The institution of conditions in Sec 18 qter for Companies established in Cameroon to file, within twelve (12) months following the end of the fiscal year, by electronic means, a Country-by-country reporting, in a format established by the tax administration, including the country-by-country distribution of profits of the Multinational Group of Companies to which it belongs, as well as tax and accounting data and information on the place of activity of the companies of the Group.

The identification in Sec 18d of the tax residence of all holders of financial accounts as well as the tax residence of the natural persons who control these accounts where applicable, by all Financial Institutions as well as insurance and reinsurance undertakings, communication of the information to the tax authorities, by means of a declaration in conformity with the model as prescribed by the tax authority.

- Failure to keep the records of information above as well as supporting documents, account holders' self-certifications and other material evidence used for this purpose for a period of 5 years counting after the year end during which they were provided is liable to a fine of One million (1,000,000) Francs CFA per year and per account concerned.
- Failure to comply with the identification and declaration obligations in Sec 18d and 18e shall be punishable by a fine of Five million (5,000,000) Francs CFA per account, as well as in the event of late, incomplete, insufficient or erroneous declaration.
- Default by natural persons or entities to communicate to financial institutions the required information is sanctioned by a fine of One million (1,000,000) Francs CFA per account. Equally liable to penalties in the criminal code are account holders or a natural person who deliberately provide false information which constitutes forgery.

Inclusion of the category of Not-for-profit organisations among those to be selected to deduct advance Company Taxes at source in Sec 21(2), the list of which is to be provided by the Ministry of Finance.

Taxes withheld at source on Sales or Purchases on account of income tax shall henceforth have their withholding tax certificates generated from the tax administration's information system according to Sec 22(3).

Sec 33 has seen the inclusion of the following benefits in kind;

telephone - 5
%.

housing 15%

each servant
5%

fuel - 10%.

to the latter of;

electricity 4%

each vehicle
10 %

security - 5%.

Internet - 5%

water 2%

food 10%

Any other allocated benefits in kind not listed above shall be estimated at their actual cost for the period concerned.

Any allocation of cash allowances representing the benefits in kind above must be included in its entirety as opposed to within the limit of the above rates as before, unless expressly provided otherwise by the competent authorities.

The institution of the limit of deductibility of the fixed professional expenses of 30% at Four million, eight hundred Thousand (4,800,000) Francs CFA a year (being 400,000 FCFA a month) for the computation of the Net Taxable Salary, hence a reduction in the Net payable of monthly gross salaries of 1,333,334 Francs CFA and above.

The institution of a tax on the revenue from digital assets (a form of revenue from stocks and securities in Sec 35) the terms and conditions of which shall be specified by a specific text of the Minister in charge of Finance.

The inclusion in Sec 56.2.h, among the category for non-commercial profits, the income generated on digital platforms by individuals who carry out transactions for the sale of goods, the provision of a service or the exchange or sharing of goods and taxing this revenue at 5%, to be withheld at source by the Entity making the payment or the operator of the digital platform as in Sec 92b.

Yearly declaration of individual statistics and tax returns as provided in Sec 74, by Natural persons as in Sec 93 and following, instituting the Tax Regime for Non-professional Taxpayers which comprises persons who receive exclusively income from salaries, wages, pensions, and or life annuities, income from stocks or urities, income from landed property, and in general any passive income.

The institution in Sec 103 of a fine of 5% of the undeclared amounts that falls within the obligations of the Directors of companies to provide details as listed in Sec 101 accompanying the yearly tax returns as well as in the case of departure abroad of salaried personnel.

The suppression in Sec 141.a of the abatement of 10% on the computation of the base for applying the rate for excise duty for beers with an alcohol content of at most 5.5% and reduction of the abatement of 25% to 10% for the case of carbonated drinks.

To the conditions for the deductibility of VAT, Sec 143.1.b is now modified such that the invoice carrying the VAT must be issued through the electronic invoice tracking system of the tax authorities by a supplier, registered in the file of active taxpayers at the time of invoicing, subject to the real regime and mentioning his unique tax identifier number.

Note that as much as Sec 143.d provides for the deduction of VAT on transactions paid in cash of a value of at most 100,000 FCFA, Sec 149.4 stipulates that no application for refund or offsetting of VAT may be submitted based on receipts of payments in cash, thereby prohibiting all payment of transactions containing VAT by Cash.

In accordance with Sec M6 bis, taxpayers will be required to spontaneously transmit to their tax office within fifteen (15) days, the following documents:

- the statutory auditor's reports, from the date of their notification to the company.
- Inventory registry duly marked and initialled, from the date of their filing with the court registry.

This enforces Art 694 of the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups on the mandatory Audit of Public limited Companies and Art 376 of this Uniform Act which requires all private limited Companies who have met any two of the following conditions below, to appoint at least an Auditor.

- Total amount of the balance sheet is greater than one hundred twenty-five million (125,000,000) Francs CFA.
- Annual turnover of the Company exceeds two hundred and fifty million (250, 000,000) francs CFA.
- The permanent staff exceeds 50 persons.

This equally enforces Sec 19 of the OHADA Uniform Act relating to the Accounting System for Not-for-Profit Entities which mandates Not-for-profits to appoint an External Auditor if they fulfil either one of the following conditions.

1. A Balance Sheet total greater than One Hundred million (100,000,000) Francs CFA.
2. Annual resources greater than Two Hundred million (200,000,000) Francs CFA.
3. Permanent staff greater 20 persons.

Private limited Companies as well as Not-for-profits who have not met the criteria above can however opt to appoint an Auditor if decided by one or more members controlling at least one-tenth (1/10) of the registered capital.

Failure to comply with the obligations relating to the use of the platform for the electronic monitoring system of invoices or their production by the companies listed in Sec L8 BIS shall be punishable by a fine equal to:

- The amount of the invoices in question, with regard to the electronic monitoring of invoices and;
- The value of the production concealed because of the breach, in the case of electronic production tracking.

The Institution in Sec M94 Bis of the tax compliance certificate, issued online from the tax authority's IT system, which certifies that the taxpayer be it a natural or moral person, is up to date with his or her reporting obligations and is not liable for any tax debt due on the date of issue and valid for 3 months. This document is a must have for settlement of Invoices, carrying out export operations and for visa applications to diplomatic and consular missions.

Join us on Friday 26 January 2024 for a seminar on these provisions to enlighten you more on what the year 2024 and its subsequent years hold for both natural and moral persons.

Click [here](#) to register.