



EXPOSE

NEW TAX MEASURES OF THE 2025 FINANCE LAW

PRESENTED BY THE DIRECTORATE GENERAL OF TAXATION

SOMMAIRE



Introduction

1

New measures 2025

2

Taxation of the State budget

3

Tax policy and development



Objective 1 : Deciphering the new tax measures

Objective 2 : Recall the current tax policy framework

Objective 3 : Recall the tax regime for public spending

Objective 4 : Deconstruct certain preconceived ideas about the Cameroonian tax system



Introduction

Background and objectives of the tax measures in the 2025 FL

NOTA
BENE

- **Mobilising tax revenues:**

- Without hindering economic growth
- Without affecting the competitiveness of companies

- **Find additional resources to:**

- Budget consolidation
- Financing of the NDS

2024 target: 2,904 billion

2025 target: 3,218 billion

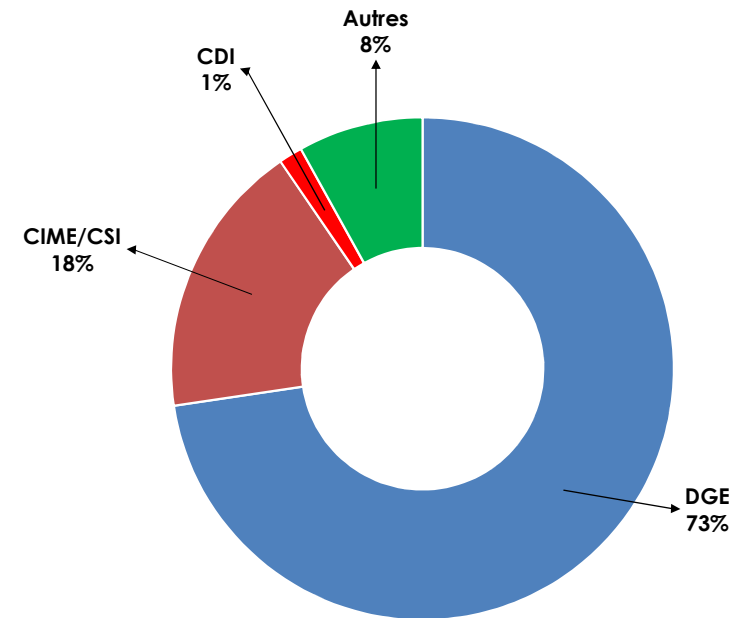
That is +314 billion

+11% relative value

Who pays what?

Unit : in billions

Segment	Weight
LTO	72,6%
MTO	17,8%
Small taxpayers	1,5%
Others	8,0%
Total	100,0%



The 800 companies of the large tax office account for over **73%** of the total tax yield.

Despite the odds , the SW RTO accounts for over **13 billion**.

1



THE NEW TAX MEASURES OF THE 2025 FL

The new tax measures of the 2025 Finance Act

A. Socio-economic promotion and Environmental

- (a) Improvement of the business climate
- (b) Promotion of import-substitution
- (c) Promotion of the environment

B. Improving tax compliance

- (a) Promotion of tax compliance
- (b) Fight against fraud and evasion
Tax

C. Revenue Optimization

- (a) Broadening the tax base
- (b) Securing revenue

SOCIO-ECONOMIC AND ENVIRONMENTAL PROMOTION MEASURES



Measures to improve the business climate





- **Reduction of the IRCM on dividends distributed to SMEs (Article 70 bis of the General Tax Code)**
 - Rate reduced from 15% to 10%

Reduction of registration duties on residential leases

Article 543 (d) and (e) of the MTP:

5% to 2% in urban areas and 2% to 1% in rural areas

Tax amnesty to regularize previous situations

Raising the thresholds for the competence in tax disputes of the LTO (from 100 to 200 million) and the heads of regional centres (from 50 to 75 million).

Article L 116 (3)

Renewal of the tax compromise: applicable to receivables issued before 31 December 2022.

Article Nineteen

Easing of the conditions for exemption from tax audits: Progression threshold reduced from 25% to 20%.

Article L 41 of the MTP

Simplification of the deductibility of bad debts for banks: Increase of the automatic deduction threshold from 500,000 to 3 million.

Article 7 C of the General Tax Code

Renewal of the tax compromise: applicable to receivables issued before 31 December 2022.

Article nineteenth.

❑ **Objective of the measure** : To recover tax debts issued before December 31, 2022.

❑ **Scope** : Taxes and duties issued no later than December 31, 2022. **This does not apply to taxes and duties issued from 1 January 2023 onwards and tax arrears paid through the reciprocal debt set-off procedure.**

Tax reductions granted

1. Disputed arrears:

- Administrative phase: **50%** allowance, balance payable over a **maximum of 3 months**.
- Jurisdictional phase: **65%** allowance, balance payable over a **maximum of 3 months**.

2. Uncontested arrears:

- Public entities: **70%** allowance, balance payable over a **maximum of 12 months**.
- Private entities: **50%** allowance, balance payable over a **maximum of 12 months**.

▪ **Staggered annual declaration dates for personal income tax for non-professional taxpayers and TPF (Articles 74 bis (1) and 579 of the General Tax Code).**

- **31 July:** senior personalities and employees of the public and parapublic sector;
- **30 September** : private sector employees, taxpayers under the DGE, CIME and CSI;
- **October 31** : Non-residents and other individuals.



▪ **Reduction of the tax burden on the registration of estates, through:**

- the consecration of the gift in payment as an alternative method of payment of the said duties (**Article L 7 of the CGI**)
- **Average reduction of 40%** applicable to inheritance registration fees (**Article 544 B of the MTP**)
- the opening of the possibility of spreading the payment of duties over 2 years (**Article 546 ter of the MTP**)
- the renewal of the amnesty for acts of succession (**article seventeen**).

New progressive scale of inheritance tax

Tranche (FCFA)	Old Rates (Before 2025)	New rates (From 2025)	Gain!
0 to 2,000,000	2%	1%	Rate divided by 2!
2,000,001 to 5,000,000	3%	1%	Rate divided by 3!
5,000,001 to 10,000,000	5%	2%	More than 60% savings!
10,000,001 to 50,000,000	5%	3%	Rate reduced by 40%!
50,000,001 to 500,000,000	5%	4%	Reduced rate of 20%!
Over 500,000,000	5%	5%	No change

Simplification of documents for the tax compliance of vehicles (Article L 78)

Required documents:

**Tax
compliance
certificate**

Repealed documents:

Scope

Benefits

**Business
license**

**Tax clearance
certificate**

**Only
transporters**

**Less
administrative
burden**

Measures to promote import-substitution



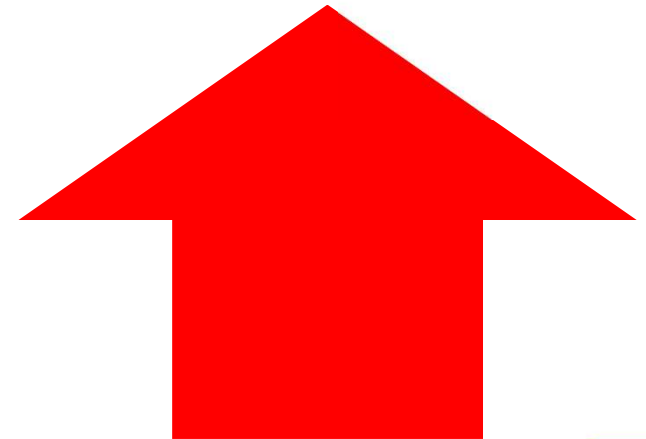
VAT exemption on locally produced flour:

- Extension of the exemption to maize flour, maize bran, potatoes and cassava
- **Article 128 (6) of the General Tax Code**



Excise duty on imported ballpoint pens:

- Introduction of an excise duty of 12.5%
- **Article 142 (16-b) of the MTP**



Measures to promote the environment

**Promotion of gas for industrial use
(Article 231a)**

**Promotion of electric vehicles
(Article 131 bis of the MTP)**

**Tree felling tax: bonus-malus principle
(Article 242 of the MTP)**

Reduction of the special tax on petroleum products from 60 CFA francs to 50 CFA francs

Exemption from excise duties

Reduction of the rate to **2.5%** for companies certified for sustainable forest management.

- Maintaining the rate at **3%** for companies with other certifications.
- Increase of the rate to **5%** for non-certified companies.

SUMMARY TABLE OF THE TAX RELIEF IN THE 2025 LAW

Measure	Previous Rate	New Rate	Reference
VAT exemption on local flour	19,25%	0%	Article 128 (6) of the General Tax Code
Inheritance tax	2%-5%	1%-5%	Article 544 B of the MTP
Lease registration fees (urban area)	5%	2%	Sections 543 (d) and (e)
Lease registration fees (rural)	2%	1%	Sections 543 (d) and (e)
IRCM on SME dividends	15%	10%	Article 70 bis of the MTP
Special tax on industrial gas	60 FCFA/m ³	50 FCFA/m ³	Article 231 bis of the MTP
Excise duties on electric vehicles	12,5%	0%	Article 131 bis of the General Tax Code
Felling tax for sustainable forest management	3%	2,5%	Article 242 of the MTP

What about the last few years?

Category	Old rate	New rate
SME - Income tax	35%	25%
Large companies - Income tax	35%	30%
Real estate capital gain	10%	5%
Sales of built-up urban buildings - Registration fees	15%	10%
Sales of undeveloped urban and rural buildings - Registration fees	10%	5%
Sales of undeveloped rural property - Registration fees	5%	2%
Rental of residential buildings in urban areas - Registration fees	10%	5%
Rental of residential buildings in rural areas - Registration fees	5%	2%
Remuneration paid abroad (public procurement) - Special income tax	15%	3%
Natural gas for industrial use - Special tax	70 FCFA/m ³	50 FCFA/m ³

Measures to improve tax compliance

Renewal of the Voluntary Disclosure Program:

- Renewal for 2 years (**until December 31, 2026**)
- Coverages offered:
 - ⑩ exemption from tax audits
 - ⑩ remission of late payment interest and penalties.

Article fifteenth

Introduction of a sanction of the obligation to certify accounts

- penalties: fine of up to 50 million CFA francs

Articles L 6 ter and L 104

Reminder of defaulting taxpayers (Article L 3 (2))

Principle :

- In the event of a **failure to file a tax return**, the tax authorities are authorised to use **controlled public notifications** to remind taxpayers of their obligations.

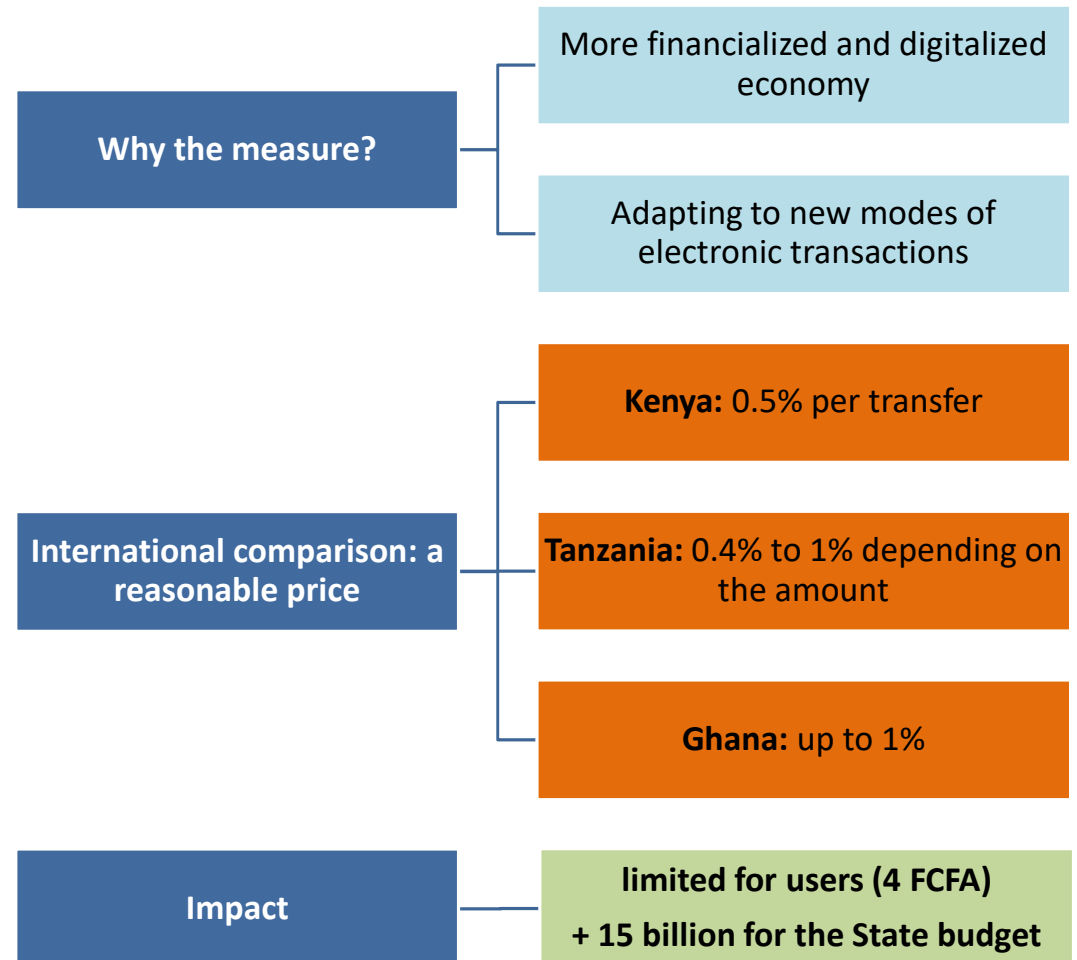
Application Framework :

- publication of limited information (**names and centres of attachment**), sufficient to encourage taxpayers to come forward and regularise their situation;
- strict supervision of publications to guarantee respect for privacy and confidentiality of data;
- Directing the taxpayers concerned to **their tax office** for personalised support.

Revenue optimization measures



- **Introduction of an additional levy of CFAT 4 (NOT 4%) per transaction on money transfers (Articles 228 ter and 228 quinquies of the General Tax Code).**
- **Increase in the rate of the ATT (from 0.2% to 1%) for deposits and withdrawals of money in the context of games of chance and entertainment (Article 228 quinquies of the General Tax Code).**



Optimization of the yield of the airport stamp duty by setting a specific rate of 75,000 CFA francs for the premium class and 300,000 CFA francs for the first scrapyard (article 606)

Extension of the scope of the 11% withholding tax under the RNC to remuneration for benefits of any kind paid to natural persons covered by the non-professional taxpayer regime (Articles 56 (2) and 69 (3) of the General Tax Code)

Transfer of competences to the DGD



- VAT on customs brokers' fees
- Stevedor's services
- Registration fees (imported used vehicles)

Rationalization of the tax regime for externally financed contracts

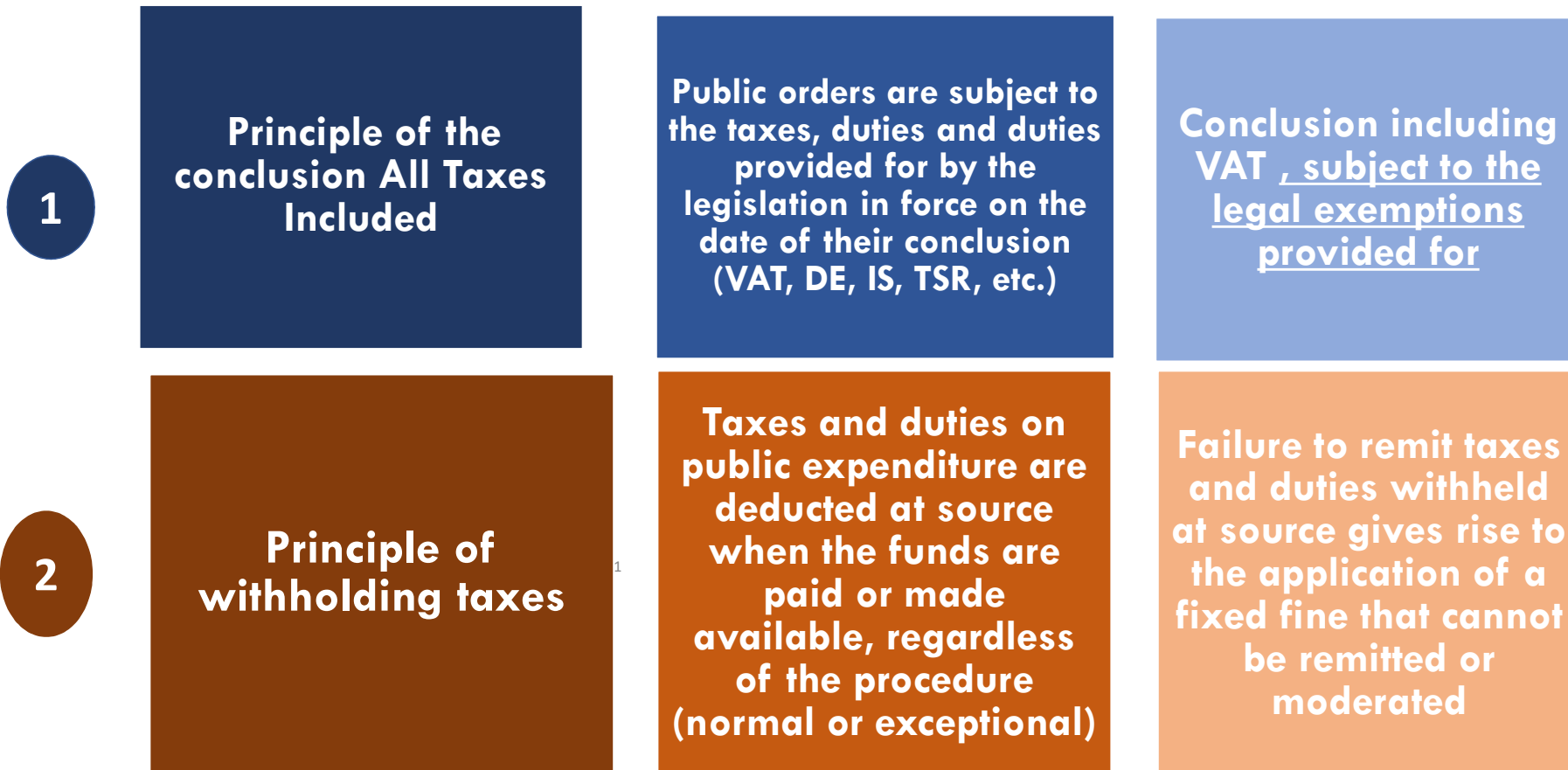


- **New mechanism:**
 - payment of VAT on the purchase of goods and services related to the projects
 - Neutralization by deduction, set-off or restitution.
- **Transitional provisions:**
 - Maintaining the current regime for ongoing contracts until they expire.



2

Taxation of the State budget



3

Principle of prior registration of public procurement

Rate of registration of public orders:

- Purchase orders: 7%;
- Letters order: 5%;
- Public procurement: 3%

Exception: orders placed by public companies and semi-public companies

4

4. Principle of Facilitation of Procedures

Implementation of a procedure for the electronic declaration and payment of taxes due on public procurement

Dematerialization of tax notices and diversification of the offer of payment methods

The obligation to have a Unique Identifier (UIN) number and to be included in the DGI's file of active taxpayers

The NIU and the file of active taxpayers as unique and mandatory repositories for the identification of public service providers

No commitment, carton editing, liquidation or scheduling, payment scheduling, if out of asset file

3

Tax policy and development

Do we pay too
much tax in
Cameroon?

What taxation to
promote
investment?

International comparison: is the tax burden (tax to GDP ratio) very high in Cameroon?

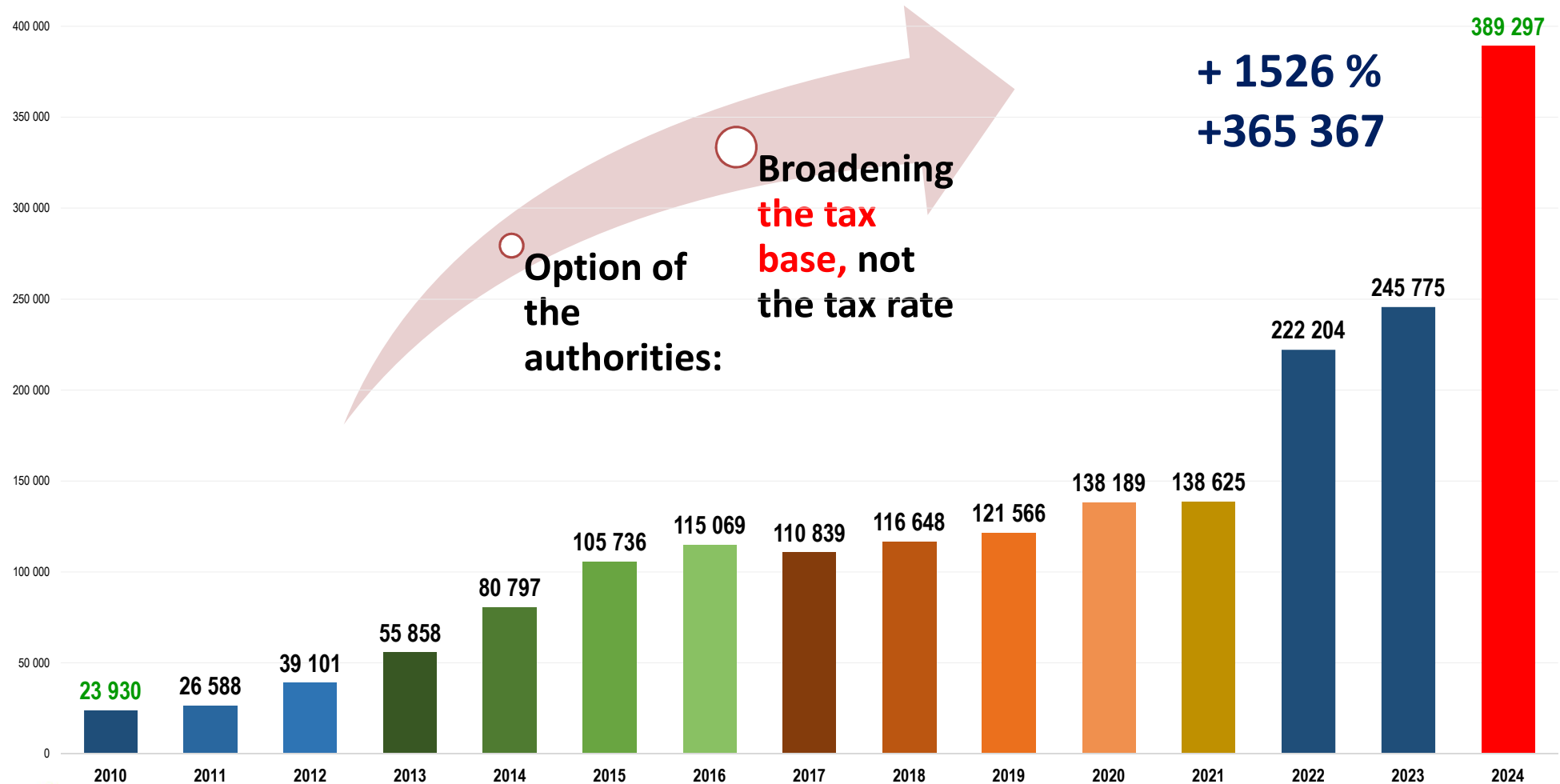


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2021	2022
Cameroon	11,5	12,5	13,0	13,6	13,8	14,1	13,7	14,0	12,8	13,9	13,3	14,0
Ivory Coast	11,9	11,1	12,8	12,7	12,2	12,6	13,0	13,1	12,9	12,9	13,1	13,9
Ghana	10,8	11,8	12,0	11,3	11,9	12,9	13,1	13,4	13,7	13,2	13,1	14,1
Senegal	15,9	16,0	16,1	15,4	16,2	16,4	17,0	16,7	17,3	18,7	18,6	18,7
Uganda	8,3	8,4	8,5	9,0	9,3	10,5	11,0	11,4	11,7	12,1	11,1	12,2
DR Congo	8,3	8,7	10,5	9,6	9,1	9,4	8,3	6,7	7,6	7,6	7,3	9,1
Tunisia	25,9	27,7	27,7	28,3	29,3	28,5	27,9	29,2	29,9	32,1	32,5	32,5

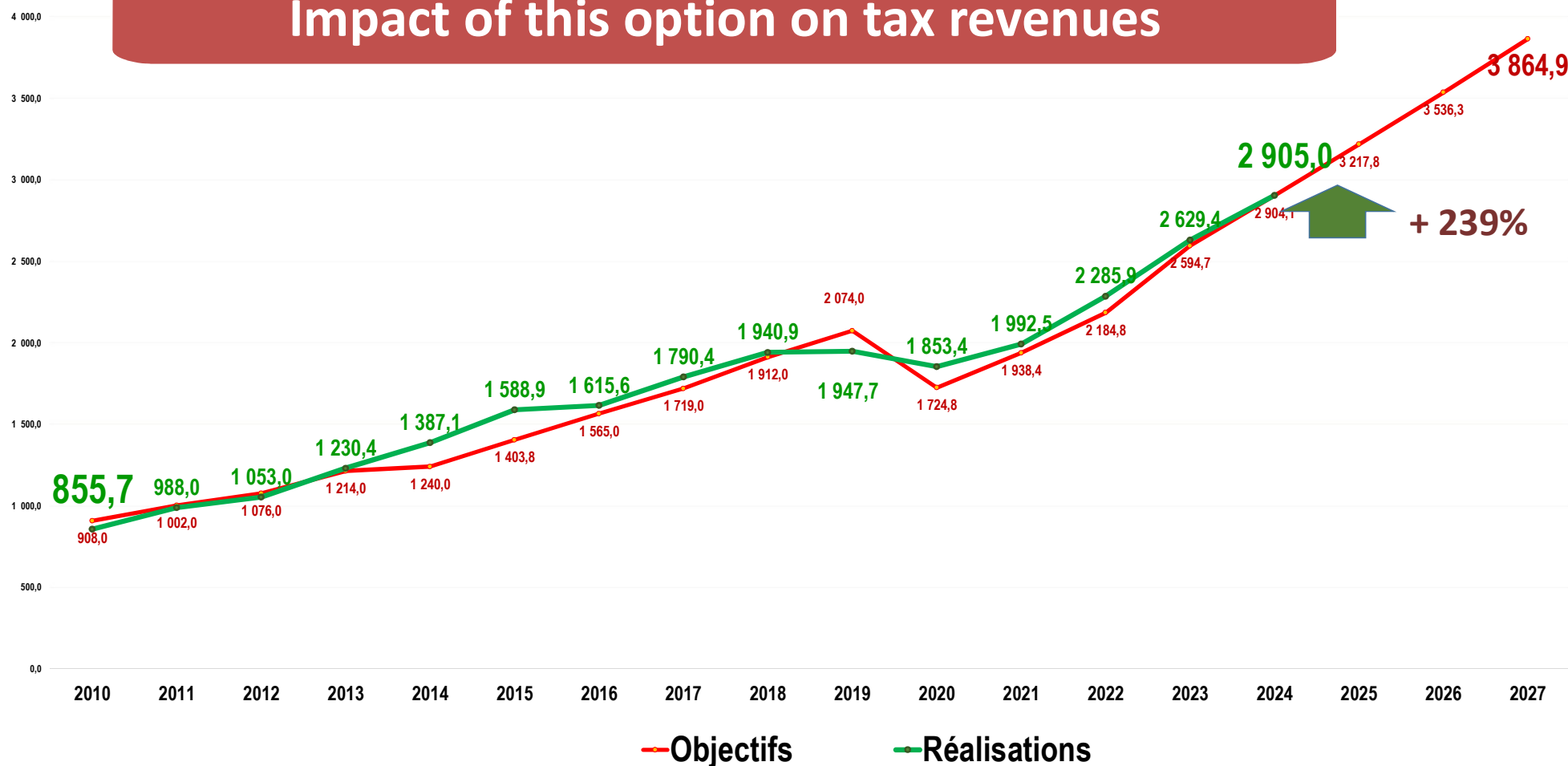
Source: OECD

- ✓ Cameroon has a tax burden of 14% in 2022, which places it in the average of comparable African countries.
- ✓ Cameroon's tax burden rate is lower than that of countries such as Senegal and Tunisia.
- ✓ The perception of a "tax surcharge" in Cameroon is therefore wrong.
- ✓ It provides information on the need **to broaden the tax base**.

Evolution of the file of active taxpayers from 2010 to 2024



Impact of this option on tax revenues



Non-oil tax revenues have increased fourfold (04) between 2010 and 2024, thanks in particular to efforts to broaden the tax base

What taxation to promote investment?

To support socio-economic development, the Cameroonian government grants tax facilities in various key sectors.

- General tax incentives
 - Regimes of the law of 18 April 2013 on private investment
 - Regime of Economic Zones (Industrial Free Zones)
- Import-substitution promotion regime
- Stock Market Promotion Scheme
- Scheme for the promotion of Economic Disaster Areas (SEZs)
- PPP Contract Regime
- Regime for the promotion of research and innovation
- Scheme to promote access to social housing
- Youth employment promotion scheme
- Scheme for the Promotion of Educational and Health Institutions
- VAT exemption on basic necessities



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- ☞ Scheme to promote access to social housing
- ☞ Scheme for the Promotion of Educational and Health Institutions

Economically affected areas (NO, SO, EN)

▪ New investments

- ✓ Installation phase (**3 years**):
 - Exemption from the contribution of patents
 - VAT exemption
 - Exemption from registration fees
 - Exemption from property tax
- ✓ Operation phase (**7 years**):
 - Exemption from the contribution of patents
 - Exemption from corporate income tax and the minimum collection
 - Exemption from tax and employer charges

▪ Replenishment investments

- Tax credit of 30% of expenses incurred
- Capped at 100 million CFA francs
- Chargeable within the limit of 3 financial years
- Eligible Expenditures
 - tax fees:
 - Rehabilitation of the production tool
 - Strengthening the production tool



No.	Industry	Number of approved companies	Amount Investments	Projected Jobs
1	INDUSTRY	5	6 116 887 680	168
2	BUILDING MATERIALS AND CONSTRUCTION	06	11 861 527 040	388
3	AGRO-INDSTRIA	11	80 049 926 560	2 838
4	SERVICES	04	5 770 528 755	131
5	BREWERIES, MINERAL WATER AND SOFT DRINKS	04	62 598 380 355	11 550
6	PHARMACEUTICAL	01	23 547 085	10
7	HOTELS AND TOURISM	02	3 561 961 978	482
TOTAL		33	166 622 153 562	15 593

The scheme for the promotion of youth employment

Condition: Hire recent graduates under the age of 35

Benefits

Total exemption from tax and employer charges on their salaries!

No deduction for:

- Personal Income Tax;**
- Contribution to Crédit Foncier;**
- National Employment Fund;**
- Audiovisual licence fee;**
- Local Development Tax.**

⚠ Social security contributions remain due to guarantee their protection.

⌚ Duration of exemption:

5 years in economically affected areas;

3 years for recruitment outside the economically affected area.

Since 2016, more than 20,000 young graduates have been integrated.

The system for the promotion of the agricultural, livestock and fisheries sector

Investment phase

- Exemption from tax and employer charges for seasonal agricultural workers;
- exemption from VAT on agricultural, livestock and fishing inputs, equipment and materials;
- exemption from registration fees on transfers of agricultural land and loans for agricultural projects;
- exemption from property tax for properties used for these activities.

Operation phase

I. For sole proprietorships, cooperatives and GICs :

- **First 5 years :**
 - Exemption from the contribution of patents; the minimum collection and income tax;
 - exemption from value added tax on local products.
- **Beyond 5 years :**
 - Exemption from the contribution of patents;
 - withholding tax at the rate of **0.5% of turnover**.

43

II. For agricultural businesses :

- Access to the tax advantages of the law on incentives for private investment (*total exemption during the 5-year installation phase and reduction ranging from 25% to 75% of the tax on profits and the tax on income from movable capital*).

Controlling the prices of basic necessities

The State invests 449.4 billion CFA francs each year to support you

Of this amount, 259.2 billion CFA francs are used to reduce the prices of products (rice, fish, flour, etc.).

How? Thanks to VAT exemptions and lower customs duties. The result: **more money in your pocket !**

The rest is used to **stimulate investment and job creation.**

How? By giving tax breaks to companies to encourage them to grow and hire.

Scheme for the Promotion of Educational and Health Institutions

Schools

- ✓ **Exemption from patents;**
- ✓ **exemption from property tax;**
- ✓ **exemption from income tax for non-profit establishments.**

Why these measures?

- .Supporting access to education;
- .to reduce the costs of educational establishments and vocational training;
- .promote vocational training.

Health training

- ✓ **Exemption from the contribution of patents;**
- ✓ **exemption from the tax on land ownership;**
- ✓ **exemption from income tax for non-profit training and taxation of for-profit establishments at the reduced rate of 15% instead of 25%.**

Why these measures?

- .Supporting access to healthcare;
- .lighten the burden on health facilities.

Promoting innovation and research

Tax credit for innovative companies

.15% tax credit on research and innovation expenses.

Eligible expenses :

- .Depreciation of new equipment for research;
- .donations to independent researchers;
- .acquisition of rights to the inventions of Cameroonian researchers;
- .Projects entrusted to approved research organizations or institutions.

.Deductibility from taxable profits, donations and donations made to research and development organisations operating in the agriculture, health and livestock sectors.

Why these measures?

- ✓ encouraging companies to invest in research and innovation;
- ✓ support local researchers and collaborative projects;
- ✓ boost Cameroon's technological competitiveness.

Promoting innovation and start-ups

Incubation phase for start-ups: ZERO tax burden!

Full tax exemption : Focus on developing your ideas.

After incubation: an ultra-advantageous regime!

IRCM reduced to 10%

Exemption from tax and employer contributions

50% Corporate Income Tax (CIT) allowance



**Take
home message*

The FA 2025 introduces new measures to reduce the tax burden on companies and individuals.

01



02

Cameroon is not a country with high taxes.

The authorities are relying on taxation to attract investment and stimulate economic growth.

03





**Take
home message*





Merci
pour votre aimable
attention



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