



2016 Africa indirect tax country guide

Global Indirect Tax Services

KPMG International

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Seven of the world's fastest growing economies are in Africa. This makes Africa a key strategic growth imperative for most global corporations.

African governments are placing high reliance on indirect taxes to meet growing revenue needs.

Given the huge volumes of value-added tax/goods and services tax (VAT/GST) transactions that must be handled at any one time, finance and tax directors in Africa should make sure their organization's people, systems and processes are able to predict and respond to the VAT/GST changes that will impact their operations and internal systems as a result of changes in law, policy and practice.



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Introduction

As corporate tax rates stabilize around the world, the shift to indirect tax continues and is an unmistakable reality in Africa, as it is worldwide. Value-added tax and goods and services tax (VAT/GST) systems are increasing in importance as governments look towards improving revenue collections.

The latest KPMG International Global Tax Rate Survey confirms the continuing increase in indirect tax rates and a broadening of the indirect tax base. Once India, China and the Gulf States complete the introduction of their VAT/GST systems, VAT/GST will soon be imposed in over 160 countries. As the long-term global trend towards increased indirect taxation continues, it will also significantly influence tax policy in Africa in the coming years.

Seven of the world's fastest growing economies are in Africa. It has an abundance of natural resources, and with half of the continent's 1 billion people under the age of 35 and rapid urbanization, 500 million new consumers are expected in Africa in the next 15 years. Infrastructure is one of the biggest single opportunities for global investors. The rapid pace of change, innovation and growth experienced in Africa highlights the importance of cross-border and global trading and creates continuous and increasing investment opportunities.

Africa is a key strategic growth imperative for most global corporations but does, however, present a diverse and complex operating environment. When operating across jurisdictions, tax is one of the most important aspects to consider. With corporate tax rates stabilizing and a sometimes limited tax collection capacity, African governments are also placing high reliance on indirect taxes to meet growing revenue needs.

Most of Africa's 54 countries have VAT systems in place, with more to follow. Egypt is currently reviewing its proposed VAT legislation for implementation in the near future. More and more African countries are moving to electronic filing systems and e-invoicing and some jurisdictions are implementing additional Tax Administration Acts to ensure procedural and administrative compliance. African revenue authorities are becoming more effective in their collection processes and can impose harsh penalties for non-compliance.

One of the most important challenges for businesses operating in the region is to ensure having sufficient resources and systems in place to manage the VAT/GST regulations in the various countries.

Any percent of error in a calculation, or oversight such as rate changes or incorrect application of relevant legislation, can be costly. Companies operating across borders have massive increasing

data complexity, and given the huge volumes of VAT/GST transactions that must be handled at any one time, finance and tax managers in Africa should make sure their organization's people, systems and processes are able to predict and respond to the VAT/GST changes that will impact their operations and internal systems as a result of changes in law, policy and practice.

VAT calculations are embedded in the day-to-day processes and Enterprise Resource Planning (ERP) systems support. Missing an opportunity to improve the VAT/GST function can trigger unwanted consequences. In the drive for cost reduction and increased efficiencies, businesses should ensure that systems and processes are tax intelligent. This will enable decision-making based on facts and not opinions and will highlight risk areas and ensure compliance.

KPMG International's 2015 Benchmark Survey on Indirect tax and Trade Compliance confirms that tax authorities all over the world are showing much greater interest in evaluating processes and how business tax affairs are governed and increasingly put pressure on compliance with regulations. Businesses will therefore continue to encounter more challenges in achieving full compliance, which in turn will put more pressure on their resources and cash flow. A number of global businesses still under-resource, under-manage and under-measure the indirect tax function. It was also noted that:

- companies need to gain visibility over worldwide operations and establish a consistent compliance approach
- processing vast amounts of data increases complexity and a focus on accuracy is important
- most companies appear to have no performance metrics and the minority that do have metrics focused on basic tasks rather

than value-adding activities. The effectiveness of the indirect tax function is therefore negatively impacted

- having a Global Head of Indirect Tax ensures better centralized oversight, management and greater consistency. Sixty-eight percent of businesses with a turnover exceeding 20 billion US dollars (USD) now have a Global Head of Indirect Tax. To overcome the complexity of indirect tax systems in various regions, consideration should also be given to Regional Heads of Indirect Taxes
- realizing the complexity of indirect tax, more companies move the responsibility for this function to the Tax function of such companies
- many professionals still focus on operational compliance rather than strategic activities. Investment in automation and data analysis have a greater focus on value-adding activities
- less than 50 percent of businesses with indirect tax controls in place have implemented an independent assurance process. The quality of risk management could be impaired by low levels of independent assurance.

Of course, in a diverse region such as Africa, it can be difficult to generalize. However, as countries in the region take steps to promote economic development and investment, or to counter the global economic downturn, the challenge for both governments and businesses alike is to ensure that their indirect tax regimes serve to further enhance the international competitiveness of the region.

Growth in Africa ensures vast investment opportunities, but facing various challenges is a reality. These challenges include complying with VAT/GST regulations and having efficient compliance processes. The pace of change — from initial legislation and implementation of indirect taxes within a jurisdiction, all the way through to legislative reforms aimed at expanding the tax base — is faster than ever before.

The broad expanse of KPMG firms working in Africa is well established, allowing our member firms across the continent to work together to provide globally minded, forward-thinking approaches that are informed by deep-seated local expertise in each country. Our network of indirect tax specialists across the African region can assist businesses involved in trade or planning to invest in Africa, to navigate its path of complying with VAT/GST

regulations and ultimately to successful business ventures in the emerging African market.

Together with our indirect tax country specialists providing advice on specific VAT/GST issues, we also offer well-versed approaches in the field of information technology and data analytics that provides required insights and aids companies in bridging the gap between the system data and technical VAT/GST knowledge needed.

Data and analytics was historically the domain of IT experts, but its power to drive business growth, to enter new markets, to anticipate customer needs and to implement new business models is also being noticed in an indirect tax context. Businesses and tax authorities worldwide are increasingly understanding the importance of system applications and the correct implementation of indirect tax policies and administration that affect the tax intelligence of data used to compile VAT/GST returns. Our technology solutions help to:

- provide improved VAT/GST compliance
- enable clients to proactively remediate deficiencies identified
- enhance internal controls illustrating a high level of tax governance to tax authorities
- provide clarity of large data volumes stored in complex structures
- enable tax and finance professionals to focus time on value-added activities as opposed to routine compliance work.

Through our work with leading organizations worldwide, KPMG member firm professionals have developed a framework for delivering effective and efficient VAT/GST performance, and assisting companies to develop a set of clear, commonly understood policies and practices designed to manage VAT/GST risk while maximizing value creation.

Those businesses which have developed and implemented an indirect tax management strategy in the region will be best placed to benefit from improved cash flow, reduced VAT/GST-related costs, better business process performance and enhanced profits.

This guide provides an overview of general VAT/GST principles and some compliance administrative issues for each country addressed. A contact list of our country specialists and data analytics specialists are also provided in the guide, should there be any further queries or where specific advice is required.



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Africa indirect tax overview

| | Type of indirect tax (VAT/GST) | Standard VAT/GST rate | Reduced rates, zero rates or exemptions | Voluntary VAT/GST registration possible for an overseas company? | Does an overseas company need to appoint a fiscal representative? | VAT/GST grouping possible? | |
|-------------------|--------------------------------|------------------------------|---|--|---|---------------------------------------|--|
| Botswana | VAT | 12% | Zero-rated supplies Exempt supplies | Yes | No | No | |
| Cameroon | VAT | 19.25% | Zero-rated supplies Exempt supplies | No | Yes | No | |
| Chad | VAT | 18% | Zero-rated supplies Exempt supplies | No (required to register) | Yes | No | |
| Congo | VAT | 18% | Zero-rated supplies Exempt supplies | No | Yes | No | |
| DR Congo | VAT | 16% | Zero-rated supplies Exempt supplies | No | No | No | |
| Equatorial Guinea | VAT | 15% | Reduced rates Zero-rated supplies Exempt supplies | No | Yes | No | |
| Gabon | VAT | 18% | Reduced rates Zero-rated supplies Exempt supplies | No | No | No | |
| Ghana | VAT | 17.5% incl. 2.5% health levy | Reduced rates Zero-rated supplies Exempt supplies | No | Yes | Yes | |
| Kenya | VAT | 16% | Zero-rated supplies Exempt supplies | No (only if it has a branch in Kenya) | Yes | Provided for but no guidelines issued | |
| Madagascar | VAT | 20% | Zero-rated supplies Exempt supplies | No (must register) | Yes | No | |
| Malawi | VAT | 16.5% | Zero-rated supplies Exempt supplies | Yes, only if have permanent establishment | Only if it registers because of a permanent establishment | Yes | |
| Mauritius | VAT | 15% | Zero-rated supplies Exempt supplies | Yes | No | No | |
| Mozambique | VAT | 17% | Zero-rated supplies Exempt supplies | No | Yes | No | |
| Namibia | VAT | 15% | Zero-rated supplies Exempt supplies | Yes | Yes | No | |
| Nigeria | VAT | 5% | Zero-rated supplies Exempt supplies | Yes | Yes | No | |
| Senegal | VAT | 18% | Reduced rates Exempt supplies | No | Yes | No | |
| South Africa | VAT | 14% | Zero-rated supplies Exempt supplies | Yes | Yes | No | |
| Swaziland | VAT | 14% | Zero-rated supplies Exempt supplies | Yes | Yes | No | |
| Tanzania | VAT | 18% | Zero-rated supplies Exempt supplies | Yes | Yes | No | |
| Tunisia | VAT | 18% | Reduced rates Exempt supplies | No | No | No | |
| Uganda | VAT | 18% | Zero-rated supplies Exempt supplies | Yes (if there is a permanent establishment) | Yes | No | |
| Zambia | VAT | 16% | Zero-rated supplies Exempt supplies | Yes | Yes | Yes | |
| Zimbabwe | VAT | 15% | Zero-rated supplies Exempt supplies | Yes | Yes | No | |

| How frequently are VAT/GST returns submitted? | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | Is a business required to issue tax invoices (or other special invoices) for indirect tax purposes? | Is it possible to issue invoices electronically? | Is it possible to issue recipient/buyer-created tax invoices? | Does a reverse charge mechanism apply? |
|---|--|---|--|---|--|
| Monthly, two-monthly | No | Yes | Yes | Yes | Yes |
| Monthly | No | Yes | Yes | No | Yes |
| Monthly | No | Yes | Yes | No | Yes |
| Monthly | No | Yes | No | No | Yes |
| Monthly | No | Yes | Yes | Yes | Yes |
| Monthly | No | Yes | Yes | No | Yes |
| Monthly | No | Yes | No | No | Yes |
| Monthly | No | Yes | Yes | No | Yes |
| Monthly | No | Yes | No (see country page) | Yes | Yes |
| Monthly | No | Yes | Yes | No | In practice, yes |
| Monthly | No | Yes | It is mandatory | Yes | Yes |
| Monthly, quarterly | No | Yes | Yes | No | Yes |
| Monthly | No | Yes | Yes | No | Yes |
| Two-monthly | No | Yes | Yes | Yes | Yes |
| Monthly | No | Yes | Yes | Yes | Yes |
| Monthly | No | Yes | No | No | Yes |
| Monthly, two-monthly, six-monthly, annually | Yes | Yes | Yes | Yes | Yes |
| Monthly, three-monthly | No | Yes | Yes | No | Yes |
| Monthly | No | Yes | Yes | No | Yes |
| Monthly | No | Yes | Yes | No | No (but withholding tax mechanism similar) |
| Monthly | No | Yes | Yes | Yes (imported services) | Yes (imported services) |
| Monthly | Yes (certain requirements) | Yes | Yes (retailers) | No | Yes |
| Monthly, two-monthly | No | Yes | No | Yes | Yes |



Botswana

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 12%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods — services physically rendered outside Botswana — supplies to a branch or main business outside Botswana — services supplied directly in connection with land or movable property outside Botswana or relating to intellectual rights for use outside Botswana — services supplied to non-residents — repair of railway train operated by non-resident, non-registered person — international transport services — supply of a going concern — goods or services to the president or dependent member of his family — certain foodstuff: <ul style="list-style-type: none"> — sorghum or maize meal for human consumption, but not in a meal or as cooked or prepared food — millet grain, millet meal, wheat grain, maize cobs, flour, sugar and beans in their natural state — pesticides and fertilizers — tractors acquired for farming — first 5,000 liters of water supplied per month to a dwelling by Water Utilities Corporation. |

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| General (continued) | Are there any reduced rates, zero rates or exemptions? (continued) | <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — financial services, excluding transactions rendered for a fee or for commission — education — medical services by a government or aided facility — residential letting and hostel accommodation on a non-profit basis — leasing or renting of land for erecting a dwelling — certain prescription drugs — sectional title management levies — domestic passenger transportation by road or rail, not including transportation of tourists — grants from government — condoms — donations — various agricultural farming implements. |
| | What are the general and specific place of supply rules, if applicable? | No specific place of supply rules. |
| VAT/GST registration | Who is required to register for VAT/GST? | An enterprise (including a sole proprietorship, partnership or joint venture) carrying on continuous or regular activities in or partly in Botswana, whereby goods or services are supplied to another person for consideration and whose taxable supplies exceed or are expected to exceed 1 million Botswana pula (BWP) or more per annum. |
| | Is voluntary VAT/GST registration possible for an overseas company? | <p>Non-residents conducting taxable activities in Botswana that are, or are expected to be, in excess of an annual value of BWP1 million must register. Such non-residents must have a bank account with a bank in Botswana.</p> <p>Voluntary registration for a person with a turnover over BWP500,000 but less than BWP1 million is possible. Voluntary registrations may not deregister until 2 years after the date of registration.</p> |
| | Does an overseas company need to appoint a fiscal representative? | <p>No.</p> <p>For income tax purposes, every company carrying on business in Botswana must be represented by a public officer residing in Botswana.</p> |
| | Is VAT/GST grouping possible? | No. |

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| VAT/GST compliance | How frequently are VAT/GST returns submitted? | <ul style="list-style-type: none"> — Monthly — if the value of taxable supplies is more than BWP12 million in a 12-month period. — Two-monthly — if the value of taxable supplies is less than BWP12 million. <p>The VAT return must be filed within 25 days after the end of the tax period.</p> |
| | Can returns be filed and payments be made electronically? | Yes. |
| | What are the exchange rate rules in your country? | Invoices in foreign currency are converted to BWP at the exchange rate applicable on the date of the invoice. Subsequent differences in exchange on date of payment are not subject to VAT. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | <p>No.</p> <p>Refunds are only granted to non-resident individuals, diplomats, diplomatic missions and persons under certain international laws and conventions.</p> |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT cannot be deducted on:</p> <ul style="list-style-type: none"> — passenger vehicles (including double-cab vehicles but excluding safari vehicles) purchased or hired except if by a vehicle letting business — certain entertainment — membership fees for sports, social or recreational organizations — VAT on expenditure used in the making of exempt supplies. <p>Where VAT incurred relates to the making of both exempt and taxable supplies, input tax claims should be apportioned.</p> |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 4 months. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | The refund is paid to the taxpayer. |
| | | |
| Invoices | Is a business required to issue tax invoices? | <p>Yes, if supplies are made for more than BWP20.</p> <p>Tax invoices may be in either English or Setswana.</p> |
| | Is it possible/mandatory to issue invoices electronically? | It is possible but not mandatory. The invoicing system should be dependable and reliable to avoid duplicate invoices. |
| | Is it possible to issue recipient-created tax invoices? | Yes (self-invoicing). |

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| Audits | Do tax audits take place on a regular basis? | Yes. — Large refunds are subject to audits. — Some audits are industry-based. — Invoices are verified to support input tax claims (including verifying if the supplier accounted for the output tax), whether claims are within the prescribed period, existence of VAT registration numbers of the supplier and the claimant on tax invoices, methods of apportionment of input tax where applicable, etc. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | A late submission and/or late payment penalty > BWP50 per day or 10% per month or part thereof may be imposed. The penalty is capped at BWP5,000 in case of nil or refund returns. Interest at 1.5% per month or part of a month, compounded, is levied on late payments. In practice, only the penalty for late submission is imposed at present. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | No. Reverse VAT is only payable if the service is acquired for a purpose otherwise than for the making of taxable supplies. Effectively, this will have the same result. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: — customs duty — excise duty. |



Cameroon

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 19.25%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — exports of goods. <p>Exempt supplies include (subject to specific taxes exclusive of tax on turnover):</p> <ul style="list-style-type: none"> — mining products — real estate transactions by non-professionals — interest — rights to real estate and business assets subject to transfer duty or comparable duties — international traffic transactions including: <ul style="list-style-type: none"> — ships and boats used for industrial or commercial activities on the high seas — lifeboats and assistance boats — aircraft and ships used for maintenance and refueling — interstate transit operations and related services — fiscal stamps, postage stamps and stamped papers — payments by the Treasury to the Central Bank and proceeds in connection with the issue of notes — tuition and boarding by schools and universities — essential goods including: <ul style="list-style-type: none"> — pesticides, fertilizers, inputs, and other agricultural, livestock and fishery inputs used by producers — small fishing equipment, seeds, agricultural machinery and tools, their inputs and spare parts |

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| General (continued) | Are there any reduced rates, zero rates or exemptions? (continued) | <ul style="list-style-type: none"> — oil products to refuel aircraft for companies with registered offices in Cameroon — first 10m³ social consumption of water per month and first 110kW of electricity — newspapers and periodicals — imports of certain exempted goods under CEMAC customs code — health care, life and health insurance and HIV/AIDS control equipment — goods and services for official use by foreign diplomatic and consular missions and international organizations. |
| | What are the general and specific place of supply rules, if applicable? | <p>A transaction shall be deemed to have been carried out in Cameroon:</p> <ul style="list-style-type: none"> — where, in the case of sale of goods, the goods are delivered in Cameroon — where, in the case of other transactions, the service provided, the rights transferred or the object hired is used or operated in Cameroon. |
| VAT/GST registration | Who is required to register for VAT/GST? | Natural persons under the actual earnings tax regime with a minimum annual turnover of 50 million Central African francs (XAF), or corporate bodies, including regional authorities and bodies governed by public law, which automatically, habitually or occasionally carry out taxable transactions (carried out within the context of an economic activity against payment) are required to register. |
| | Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)? | No. |
| | Does an overseas company need to appoint a fiscal representative? | Yes, a solvent representative accredited by the tax authority. A bank account in Cameroon is not required. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly (due by the 15th of the following month). |
| | Can returns be filed and payments made electronically? | <p>Returns must be filed in hard copy at the Tax Center.</p> <p>Payments are made through bank transfer.</p> |
| | What are the exchange rate rules in your country? | <p>Invoices may not be issued in foreign currency.</p> <p>Exchange rates are determined by national financial institutions. The exchange rate for the euro (EUR) and XAF is fixed: XAF655,957=EUR1.</p> |

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| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that the output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT cannot be deducted on:</p> <ul style="list-style-type: none"> — expenses for housing, lodging, catering, receptions and shows — car hire and passenger transport services — importation of goods used for business purposes but which are unused and re-exported as is — goods and services purchased by the enterprise but which are used by third parties, the management or employees of such enterprises — services relating to goods exempted from the right to deduction. <p>Further input VAT cannot be deducted if:</p> <ul style="list-style-type: none"> — the VAT in question was paid in cash — there is no proof of carrying out activities for 2 uninterrupted years — there are any other outstanding taxes. |
| | For what period of time may input tax not previously claimed be claimed? | The right to deduction may be exercised until the end of the second financial year following the one in which the VAT fell due. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | VAT credits are generally deductible from what is due. Where there is a remainder after the deductions, it is refunded after a quarterly accumulation. |
| Invoices | Is a business required to issue tax invoices? | Yes. Bills (containing the same information as that of a tax invoice) must be issued to clients. |
| | Is it possible/mandatory to issue invoices electronically? | Yes, it is possible. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | <p>Yes.</p> <p>Failure of submission and information obtained from other taxpayer audits may lead to an audit.</p> <p>After submission of every return, there is an internal audit which could lead to further audits.</p> <p>All taxpayers are subject to a tax audit every 2 to 3 years. After 4 years, the administration cannot do any check on a historical period.</p> |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | <p>Inadequacies, omissions or inaccuracies affecting tax base: penalty of 30% and interest of 1.5% per month limited to a maximum of 50% of the VAT liability.</p> <p>Late filing of return, reflecting nil tax or tax credit following an official notice: penalty of XAF1 million per month of delay.</p> |

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| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | The following supplies fall outside the scope of the VAT system: <ul style="list-style-type: none"> — discounts, rebates and commissions which appeared on the initial or rectified invoice — goods distributed for no charge for advertising and promotional purposes. The tourism industry and small retailers pay a discharge tax instead of income tax and VAT. |
| | Does a reverse charge mechanism apply? | Yes. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes. Such agent must be accredited by the Tax Administration and the banks. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | The Law N° 2013/004 of 18 April 2013 provides incentives to investments in Cameroon. Some sectors (oil and gas as well as investments in major structuring projects) benefit from tax incentives upon the issue of an attestation of exemption from a particular tax. Investors can apply for reduced rates or total exemption from the payment of taxes. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No, copies of rulings and decisions issued by the tax authorities are not publicly available. However, a summary of some rulings can be found in the compilation of administrative doctrines in hard copy. Information compiling administrative doctrines on www.impots.cm are not regularly updated. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — customs duty — excise duty — stamp duty. |



Chad

| | | |
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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 18%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rate applies to exports and related international transportation.</p> <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — products made by farmers or fishermen — newspapers and periodicals — social, medical, educational, sports, philanthropic or religious services by non-profit organizations — rental operations on non-building land and bare premises — medical or paramedical services — education — fueling of a foreign-going aircraft — non-industrial and non-commercial sales, transfers or services by government — essentials such as bread, milk and spectacles — equipment and goods for oil and mining research and imports thereof — interest — health care — certain supplies subject to specific taxes including insurance — real estate and corporate goods subject to transfer duties except if carried out by property or leasing agents — payments to the Central Bank — equipment to produce and distribute water and electricity — drinking water and electricity provided by the STEE or a state-owned company — games of chance and entertainment. |
| What are the general and specific place of supply rules, if applicable? | <p>A transaction shall be deemed to have been carried out in Chad:</p> <ul style="list-style-type: none"> — where, in the case of sale of goods, the goods are delivered in Chad — where, in the case of other transactions, the service provided, the rights transferred or the object hired is used or operated in Chad. | |

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| VAT/GST registration | Who is required to register for VAT/GST? | Enterprises registered under the actual earnings and the simplified tax regimes are liable to register for VAT. |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | Yes (accredited solvent representative). No bank account required. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly VAT returns: — must be submitted within 10 days of the month following the carrying out of the taxable operations if VAT-exclusive turnover is more than XAF500 million — must be submitted within 15 days if VAT exclusive turnover is less than XAF500 million. |
| | Can returns be filed and payments made electronically? | Returns must be filed in hard copy at the Tax Center. Payments are made through bank transfer. |
| | What are the exchange rate rules in your country? | Exchange rates are determined by national financial institutions. The exchange rate for the EUR and XAF is fixed: XAF655,957=EUR1. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that the output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on: — housing, lodging, accommodation, reception, spectacles, hiring of vehicles and transport of people, except for tourism, accommodation and spectacle-manufacturing professionals — services linked to goods for which a VAT deduction is denied — petroleum products, except fuels that are bought for resale or for the production of electricity that will be resold — goods yielded without remuneration or at excessive remuneration — vehicles designed for the transport of people or for mixed use, which constitute fixed assets. |
| | For what period of time may input tax not previously claimed be claimed? | The right to deduction may be exercised until the end of the second financial year following the one in which the VAT fell due. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | Refunds are paid after quarterly accumulation. |

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| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Yes, it is possible. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place regularly? | Yes. At any time after monthly submissions, especially when the taxpayer requests that a payment be offset against VAT credits from liable operations. The tax authorities have 3 years to audit and to make adjustments on omissions, inadequacies and inaccuracies or errors in tax declarations and accounting documents. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | Penalty is 5%. Interest on late payment is 5% per month or part thereof up to a maximum of 50%. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. The recipient is responsible to withhold and pay the VAT. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes. But such an agent must be accredited by the Tax Administration and the banks. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Yes. Investors have the opportunity to enter into an agreement with the state in order to obtain tax incentives and, depending on the nature of investments, reduced rates or exemptions can be granted. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | There is no legal disposition that organizes the application for advance rulings. However, in practice, as stated in general principles of fiscal law, an investor can seek the opinion of the tax authority on the tax system applicable on a specific operation. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: — customs duty — rates 5–30% — excise duty — rates 5–30% — transfer duty — stamp duty. |



Congo

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 18%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>A reduced rate of 5% applies to some consumer goods listed in the VAT legislation and diesel and lubricants imported from Cameroon by forestry companies based in the Congo.</p> <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — exports — international transports and related accessories (zero-rate will be applied if declared through customs) — local sale of lumber. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — goods for farming, fishing, breeding and hunting — social, educational, sports, cultural, philanthropic or religious operations by non-profit organizations — revenue and postage stamps and banknotes — imports of certain exempt goods — medical and paramedical services — school books, certain medicines, and agricultural and plant fertilizers — payments by the Treasury to the Central Bank and proceeds in connection with the issue of banknotes — specific operations by oil companies — operations subject to specific taxes such as mining products, banking, insurance and reinsurance, property transfers, interest on loans made abroad, random games and entertainment. |
| What are the general and specific place of supply rules, if applicable? | Goods are supplied where they are delivered and services are supplied where the service rendered is used. Thus, goods delivered and services used in the Congo will be subject to VAT in the Congo. | |
| VAT/GST Registration | Who is required to register for VAT/GST? | <p>All economic activities conducted in the Congo are subject to VAT, regardless of purpose, profitability or legal status of the business performing such activities and irrespective of whether such activities are habitual, occasional or originate in the Congo or from a foreign country.</p> <p>Therefore, any person, natural or legal, engaged in an industrial, commercial or professional activity is subject to VAT unless specifically exempt by law.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | No. |

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| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly between the 10th and 20th of each month with the exception of August when VAT returns are submitted between the 15th and 25th of the month. |
| | What are the exchange rate rules in your country? | Exchange rates are determined by the Central Bank. The exchange rate for the EUR and XAF is fixed: XAF655,957=EUR1. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input tax is denied in respect of: <ul style="list-style-type: none"> — housing, accommodation and entertainment (including meals) — imports of goods and services that are re-exported without any modification — purchase of petroleum products except fuels purchased for resale by importers or wholesalers, or purchased for the production of electricity — passenger vehicles, except if used for staff transport (> eight seats), and fixed assets of vehicle hire and public passenger transport companies — goods (unit price > XAF5,000) supplied for no consideration or for much less than the normal price — VAT paid on any invoice in cash with an amount equal to or greater than XAF500,000. |
| Invoices | Is a business required to issue tax invoices? | Not 'tax' invoices, but invoices (details should appear on invoices in French). |
| | Is it possible/mandatory to issue invoices electronically? | No. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | Yes. <p>Tax audits are announced by a letter from the tax authorities to the entity concerned of their intention to audit, while stating the period to be audited and the taxes that will be covered by the audit.</p> <p>The tax authorities may organize meetings with the taxpayer to inform him of the preliminary outcomes of the audit and the taxpayer has the opportunity to reply.</p> <p>Thereafter, the tax authorities notify the taxpayer, in writing, of their proposed tax adjustments. The taxpayer can make counter remarks in 30 days from date of receipt of the tax adjustment notice.</p> |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |

Audits
(continued)

What penalties can arise from non-compliance?

The following penalties may be applied:

- return filed late: 5% of the tax due or XAF50,000 if no tax is due. If filed after 8-day formal notice period: 15% of evaded tax per month or part thereof up to a maximum of 50% or XAF200,000 if no tax is due
- late submission of returns: interest of 5% per month of tax due. If no tax due, a penalty of XAF50,000 plus other sanctions if any
- any inaccuracy, omission or failure found in returns: 50% of evaded tax or adjustments made when good faith of taxpayer is established, otherwise, 100% of tax due. In case of corruption or opposition to tax audit, penalty is 200%
- late payment of tax due: 5% per month or part thereof limited to a minimum of 50% of tax due if taxpayer acted in good faith, otherwise, 100% of tax due
- omission or inadequacy in monthly returns: 2% per month of between 10% and 50% of evaded tax if the taxpayer has acted in good faith, 100% if taxpayer has not acted in good faith or 200% for fraudulent acts
- declaration of existence filed late or not filed: loss of the deduction right for undeclared period and XAF200,000
- late declaration or no filing of changes in the conditions of conduct of profession: XAF200,000 per month
- sales without issuing invoices: 200% of tax due or 400% in case of a second offence
- fabricated invoices: 200% of tax due
- failure to reply to queries: assessed at 25% with a minimum of 1% of revenue
- obstruction of audit or failure to produce records: automatic assessment
- failure to translate records into French: XAF2 million
- a taxpayer still not complying with requirements after being notified to do so may be penalized with further actions such as seizure, sale, suspension of business licences, exclusion from public contracts and a prison term of 5 to 15 days.

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| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | The standard rate of VAT is 18%. Additional tax, for advantage of local communities, is payable at 5% of the VAT amount payable. |
| | Does a reverse charge mechanism apply? | Yes. If services are supplied by a supplier situated outside of the Congo and not VAT registered to a taxable person established in the Congo, the recipient of such services must account for the VAT when the invoice is paid. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Yes, there are tax incentives on VAT as follows: A reduced VAT rate of 5% is applicable on some primary consumption goods and 0% on export and international transportation. The 0% rate on exportation is only applicable for goods declared and approved by customs. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Informal advance rulings are issued after a tax audit. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: — customs duty — rates from 5–30% — excise duty — transfer duty — stamp duty. |



Democratic Republic of the Congo (DR Congo or DRC)

| General | Type of indirect tax (VAT/GST) | VAT. |
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| | What is the standard VAT/GST rate? | 16%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>The zero-rate only applies to exports.</p> <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — sales of used materials — sales made by legal NGO (non-governmental organization) — acquisition and sales made by the state — sales and importation of stamped paper — importation of bank bill or banknote or of equipment for their fabrication made by institute that is allowed to do it — sales and importation of agricultural equipment — sale of building made by non-property developer — importation and delivery of human organs and blood from medical institutes — importations and sales of fishing nets and mosquito nets — importation and acquisition of medicines (pharmaceutical products) made by an pharmaceutical industries or acquisition of medical materials — importation and acquisition of equipment, materials, reagent or chemicals for prospection, exploration, research, construction or developing of mining or petroleum project before exploitation — samples without commercial value — private property of a person who comes to stay in the DRC (the DRC becomes their country of residence) — goods received by succession, by a person who at their death date lived in the DRC — reward given to a resident in the DRC — coffin packaging with death and funeral urn containing ashes — products for trial runs — donation, legacy or materials given for free to state and provincial governments — luggage of passenger is non-taxable per custom legislation — sales of original works of an artist — importation and sales of coffins — importation of wheat, maize, wheat flour and corn flour — sales of wheat, bread, maize, wheat flour and corn flour. |

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| General (continued) | What are the general and specific place of supply rules, if applicable? | VAT is levied on all goods and services consumed in the DRC, no matter where the supplier is based. |
| VAT/GST registration | Who is required to register for VAT/GST? | All persons with an annual turnover equal to or more than 80 million Congolese francs (CDF) (+/-USD90,000). |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | No. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly. |
| | Can returns be filed and payments be made electronically? | Returns to be filed manually and payments to be made electronically. |
| | What are the exchange rate rules in your country? | Transactions can be invoiced both in local currency and USD. Government encourages invoicing in CDF, the local currency. Where USD is used, the rate is published by commercial banks. For tax payments, the exchange rate is published by the tax administration. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on the following: <ul style="list-style-type: none"> — expenditure on housing, catering, hospitality, entertainment, passenger vehicle leasing and transport of persons excluding expenses incurred for the purposes of making taxable supplies, tourism professionals and catering services — goods and services acquired by the company but used by third parties, leaders or company personnel, excluding working or protective clothing, premises and equipment assigned to the collective satisfaction of the needs of staff and free housing on the workplace for salaried employees specifically responsible for the supervision or custody of these places — petroleum products, except fuel for resale by wholesalers or acquired for production of electricity for resale or for being used as combustible by manufacturing firm — goods and services delivered for free or at a price less than cost. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | Until 31 December of the year following period in which entitlement arose. |

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| VAT/GST recovery (continued) | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | In general, refunds are utilized as credit against future payments. Refunds are, however paid out to certain companies: <ul style="list-style-type: none"> — an exporting specialized company where output VAT cannot be compensated by collections — a petroleum or mining company in development or research phase — a company realizing heavy investments on new equipment. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Yes. It is possible but not mandatory. |
| | Is it possible to issue recipient-created tax invoices? | Yes. |
| Audits | Do tax audits take place on a regular basis? | Yes. A minimum of once per year. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | Penalty of 25% for late, wrong or incomplete declarations (may increase to 50% or 100% in case of assessment or recurrence). Interest of 4% per month (starting on the day following legal deadline payment date). |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | VAT on bad debts can't be claimed as a deduction. |
| | Does a reverse charge mechanism apply? | Yes. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Yes. From time to time, the government will publish some tax holidays. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Yes. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — customs and excise duties. |



Equatorial Guinea

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 15%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>The reduced rate of 6% applies to basic consumables and books.</p> <p>Zero-rated supplies include exports and certain medical products and equipment.</p> <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — raw farming goods — medical services — listed staple goods — education and school and university books — newspapers and periodicals — rental of unfurnished houses — social, educational, sports, cultural, philanthropic or religious services or operations — payments by the Treasury to the Central Bank and proceeds in connection with the issue of banknotes — the following, provided it is subject to specific taxes: <ul style="list-style-type: none"> — products from soil and subsoil extraction — real estate, real estate rights and goodwill subject to asset transfer tax — interest — travellers importing goods not exceeding XAF500,000 — banking, insurance and reinsurance — international traffic operations including commercial ships or vessels on the high seas and salvage or rescue ships. |
| What are the general and specific place of supply rules, if applicable? | <p>A transaction shall be deemed to have been carried out in Equatorial Guinea:</p> <ul style="list-style-type: none"> — where, in case of sale of goods, the goods are delivered in Equatorial Guinea — where, in case of other transactions, the service provided, the rights transferred or the object hired is used or operated in Equatorial Guinea. | |

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| VAT/GST registration | Who is required to register for VAT/GST? | Individuals and legal entities engaged in economic activity, regardless of the nature or output, which are classified as taxpayers (or their representatives) pursuant to the tax code, must register with the tax administration and obtain a tax identification number. |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | Yes (a solvent and accredited representative). |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly returns are due before the 15th of the next month. |
| | Can returns be filed and payments made electronically? | Returns must be filed in hard copy at the Tax Center. Payments are made through bank transfer. |
| | What are the exchange rate rules in your country? | Exchange rates are determined by national financial institutions. The exchange rate for the EUR and XAF is fixed: XAF655,957=EUR1. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that the output tax be charged before input tax can be claimed? | Yes. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on the following: <ul style="list-style-type: none"> — private vehicles (including parts and repairs) — if the invoice does not reflect client's name — after 2 years — where it relates to exempt supplies. |
| | For what period of time may input tax not previously claimed be claimed? | The right to deduction may be exercised until the end of the second financial year following the one in which the VAT fell due. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | VAT credits are generally deductible from what is due. Where there is a remainder after the deductions, it is refunded after a quarterly accumulation. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Yes, it is possible. |
| | Is it possible to issue recipient-created tax invoices? | No. |

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| Audits | Do tax audits take place on a regular basis? | Yes. The accuracy of declarations is verified and audits may then be conducted at any time. Verification audits are conducted examining documents, books, invoices, electronic files, bank accounts and all other documents required by the tax authority or necessary to fix taxes due up to the end of 5 years following that under which the tax fell due. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | Penalties (and interest) ranges depend on the administrative correction procedure: — contradictory procedure: penalty is between 50% to 100%, interest is 10% — unilateral procedure: 100% penalty and 10% interest. Both correction procedures can be followed if there is any shortfall, inaccuracy, omission or concealment in the tax calculation. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. The recipient is responsible for withholding and paying the VAT. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes. But such agent must be accredited by the tax administration and the banks. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | There are no tax incentives provided in the tax legislation. However, depending on the nature of activities of investors, the state can authorize reduced rates or total exemption from the payment of taxes. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | There is no legal disposition providing advance rulings. However, in practice, like stated in general principles of fiscal law, an investor can seek the opinion of the tax authority on the tax system applicable on a specific operation. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: — special duty tax — import duties ranging from 5 to 30%. |



Gabon

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 18%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>The reduced rate of 10% applies to:</p> <ul style="list-style-type: none"> — building tiles, nails, reinforcing concrete steel — the following foodstuffs: <ul style="list-style-type: none"> — canned fruits and vegetables and tomato purée — imported meat, chicken, salad oil and peanuts — sugar — fishing equipment — mineral water produced in Gabon — outboard motors — raincoats — replacement parts for cars and car axles — washing powder — water and electricity consumption. <p>The reduced rate of 5% applies to:</p> <ul style="list-style-type: none"> — cement — water and electricity for social housing. <p>The zero-rate applies to exports and international transport.</p> <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — farming and fishing goods — importation of new materials and tools to develop vacant properties in urban zones and construction by public and private promoters of socio-economic residences — quarry products — insurance, reinsurance and insurance intermediation — intangible movable goods and immovable goods subject to registration duties — renting of undeveloped land and unfurnished premises — newspapers and reviews — fiscal stamps — payments by the state to the Central Bank — welfare, education, competitive, cultural, religious or philanthropic supplies by non-profit organizations to members |

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| General (continued) | Are there any reduced rates, zero rates or exemptions? (continued) | <ul style="list-style-type: none"> — bread, sugar, rice, eggs, academic books and milk — imports of exempt products under the customs code — second-hand goods — import of products for use in mining operations — agricultural and breeding devices (except forestry and fish sectors) — construction, materials and supplies of services relating to tourism when new investments exceed XAF300 million — real estate loans less than XAF50 million granted to individuals to acquire or construct a residence in Gabon. |
| | What are the general and specific place of supply rules, if applicable? | No specific place of supply rules. Territoriality concept is stressed: Import, delivery of goods or provision of services carried out, used or enjoyed in Gabonese territory are subject to VAT. |
| VAT/GST registration | Who is required to register for VAT/GST? | All persons located in Gabon and carrying on operations in Gabon with taxable turnover exceeding or expected to exceed XAF60 million (XAF500 million for forestry exploiters). |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | No: If an overseas company with no permanent establishment has a VAT liability, its client must withhold VAT and pay it over to the tax authorities. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly, due by the 20th day of the following month. |
| | Can returns be filed and payments be made electronically? | Yes. |
| | What are the exchange rate rules in your country? | All invoices must be in French and reflect the currency in XAF and indicate VAT registration numbers of both supplier and client at the exchange rate prevailing on the invoice date. |

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| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. The company needs to be a VAT vendor as defined by the tax code. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | Yes. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on: <ul style="list-style-type: none"> — entertainment, accommodation and catering — import of goods that are then re-exported without any modification — petroleum products, except if used as combustible or manufacturing element in industrial companies — passenger vehicles, except if used for staff transport (>10 seats) and fixed assets of vehicle hire and public passenger transport companies — goods supplied for no consideration or at a price less than its value. Where VAT incurred relates to the making of both exempt and taxable supplies, input VAT should be apportioned. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 12 months. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | A VAT refund request has to be submitted with the relevant return. Once claimed, the refund can no longer be utilized as credit against future payments. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | No. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | Yes. Audits are conducted randomly at the discretion of the tax authority. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |

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| Audits (continued) | What penalties can arise from non-compliance? | <p>The following non-compliance penalties are levied:</p> <ul style="list-style-type: none"> — 10% for the month in which payment is due and not paid and 3% for the months thereafter — 1.5% per month of delay for omissions, with a maximum penalty of 50% of the evaded rights or reassessments — 150% of evaded rights for incorrect input claims — XAF100,000 on late submissions where no payments are due. <p>A 5% interest amount is levied for late payment.</p> |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | <p>No.</p> <p>Where a non-resident has a VAT liability, its debtor in Gabon should withhold VAT at source as reverse VAT charge and declare it to the tax authorities on behalf of its offshore supplier.</p> |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | <p>There is a specific regime for petroleum activities, oil exploration companies, oil production companies and the wood sectors.</p> <p>There is also a specific exemption regime under conditions applicable in a special economic zone.</p> |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | <p>Yes, other indirect taxes include:</p> <ul style="list-style-type: none"> — import duty — excise duty — registration duties — stamp duty. |



Ghana

| General | Type of indirect tax (VAT/GST) | VAT. |
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| | What is the standard VAT/GST rate? | 17.5% (standard VAT rate of 15% + national health insurance levy of 2.5%). |
| | Are there any reduced rates, zero rates or exemptions? | <p>Reduced rates include:</p> <ul style="list-style-type: none"> — VAT flat rate scheme (VFRS) which was introduced on 1 September 2007: This allowed authorized persons to apply a flat 3% on the value of all taxable supplies for each sale transaction — the new 2013 VAT Act does not make mention of this scheme. The Commissioner-General has, however, authorized persons under this scheme to continue charging and accounting for VAT in such manner until otherwise advised. <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods and services — goods shipped as stores on vessels and aircrafts leaving Ghana — transfer of a going concern: supply of goods as part of transfer of business as going concern by one taxable person to another taxable person — services directly related to land, personal property situated outside the country and intellectual property right for use outside the country — services consumed outside the country — freight and insurance directly attributable to the export of goods. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — all live animals bred and raised in Ghana — animal products in their raw state produced in Ghana — agricultural and aquatic food product in its raw state produced in Ghana — certain medical and pharmaceutical products — basic food items usually in their raw state — textbooks and supplementary readers approved by Ministry of Education and newspapers produced locally |

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| General (continued) | Are there any reduced rates, zero rates or exemptions? (continued) | <ul style="list-style-type: none"> — crude oil and hydrocarbon products — immovable property, excluding the sale of immovable property by estate developer — life insurance and reinsurance — civil engineering public works — land used or to be used for agricultural purposes — medical and education services — financial services, excluding financial services rendered for a fee, commission or similar charge — goods for exclusive use by disabled — machinery and parts of machinery specifically designed for certain activities such as dredging, manufacturing, railway, tramway, etc. — domestic transportation, excluding the supply of haulage or the rental or hiring of passenger and other vehicles — domestic use of electricity up to a certain maximum level — water, excluding bottled and other packaged water — specified fishing equipment — specified agricultural inputs — postage stamp, mosquito nets and salt for human consumption. <p>Special relief applies for supplies:</p> <ul style="list-style-type: none"> — to the president — for Commonwealth, foreign embassy, mission or consulate personnel or a permanent member of such service (VAT relief on imported goods) — for use by an international agency or technical assistance scheme where exemption from domestic taxes has been granted by the government — emergency relief items approved by parliament — VAT-registered manufacturers for raw materials at importation. |
| VAT/GST Registration | Who is required to register for VAT/GST? | <p>Persons making taxable supplies of goods must register if the following turnover thresholds are met:</p> <ul style="list-style-type: none"> — 120,000 Ghanaian cedi (GHS) at 12-month period or less; or — if there are reasonable grounds that GHS120,000 threshold will be met at the end of any month. |

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| VAT/GST registration (continued) | Who is required to register for VAT/GST? (continued) | <p>Despite the above, a taxable person shall register if:</p> <ul style="list-style-type: none"> — turnover is GHS30,000 at the end of any period of 3 months; and — there are reasonable grounds that supplies made and to be made will exceed the GHS120,000 threshold during the next 9 consecutive months. <p>Persons making taxable supplies of services must register — there is no threshold.</p> <p>Voluntary registration for a business with a turnover below the registration threshold is possible.</p> <p>Unregistered, non-resident persons who provide telecommunication services and electronic commerce for enjoyment or use in Ghana, other than through a VAT-registered agent, must register for VAT provided the person meets the threshold (clarification on implementation still to be provided by authorities).</p> <p>Irrespective of the threshold rule, a promoter of public entertainment; an auctioneer; or a national, regional or other authority or body which carries on any taxable activity shall apply for registration.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | <p>No.</p> <p>An overseas company must have a permanent establishment and make taxable supplies to register.</p> <p>Clarification on how non-resident providers of telecommunication services and electronic commerce should register and pay VAT still to be provided by authorities.</p> |
| | Does an overseas company need to appoint a fiscal representative? | <p>As stated above, an overseas company must have a permanent establishment and engage in taxable supplies to register. Where this is the case, the managers of the permanent establishment will act on behalf of the permanent establishment to discharge all VAT compliance obligations.</p> |
| | Is VAT/GST grouping possible? | <p>Yes.</p> <p>A group of taxable persons may, with the approval of the Commissioner-General, be treated as one designated taxable person. However, each member of the group shall be jointly and severally liable for any liability or contravention under law.</p> |

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| VAT/GST registration (continud) | What are the general and specific place of supply rules, if applicable? | <p>Generally, the place of supply of goods is where the goods are delivered or made available by the supplier or, if the delivery or making available of goods involves it being transported, the place where the goods are when the transportation commences.</p> <p>The place of supply of services is the location of the place of business of the supplier from which the services are supplied.</p> <p>Specific place of supply rules include the following:</p> <ol style="list-style-type: none"> a. in case of a service connected with movable goods, the place where the service is physically carried out b. in case of a service connected with immovable property, the place where the property is situated c. in case of telecommunication services, where the facility or instrument for the emission, transmission re reception of the service, in respect of which the invoice for the supply is issued, or is to be issued, is ordinarily situated in Ghana d. in case of cultural, sporting, artistic, educational or similar activities, the place where the service is physically carried out. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | <p>Monthly, due by the last day of the following month to which the returns relate.</p> |
| | Can returns be filed and payments be made electronically? | <p>Returns cannot be filed electronically but payment can be made through direct transfer of funds into Ghana Revenue Authority's bank account.</p> |
| | What are the exchange rate rules in your country? | <p>Invoicing a local company in foreign currency is only permissible with prior approval from the Bank of Ghana.</p> |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | <p>No.</p> |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | <p>No.</p> <p>However, where input tax is claimed in a tax period where no output tax is declared, the input tax credit will be carried forward to the next tax period.</p> |

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| VAT/GST recovery (continued) | <p>Are there any exemptions with the right to recover or deduct input VAT?</p> | <p>Input VAT cannot be deducted on the following:</p> <ul style="list-style-type: none"> — entertainment, except if in the entertainment business — motor vehicles or spare parts, except if dealing in or hiring vehicles or selling vehicle parts — expenses for making exempt supplies. <p>Input VAT on goods acquired by a newly-registered person cannot be claimed if the goods were acquired more than 4 months before the effective date of registration and, in the case of capital goods, more than 6 months before the effective date of registration.</p> <p>Input VAT on capital goods acquired by a newly-registered person cannot be claimed if the capital goods were acquired more than 6 months before the effective date of registration.</p> <p>Where expenses incurred are used in the making of both exempt and taxable supplies, the input VAT claim is determined by the ratio of taxable supplies to total supplies.</p> |
| | <p>For what period of time may input tax not previously claimed be claimed (i.e. prescription)?</p> | <p>Six months after date input tax deduction accrued.</p> |
| | <p>Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments?</p> | <p>Refunds are used as credit against future payments. A taxpayer is entitled to a refund where it is outstanding for 3 or more months and exports exceed 25% of total supplies for the specific tax period.</p> |
| Invoices | <p>Is a business required to issue tax invoices?</p> | <p>Yes.</p> |
| | <p>Is it possible/mandatory to issue invoices electronically?</p> | <p>It is possible. Permission can be obtained from the Commissioner-General to issue electronic invoices.</p> |
| | <p>Is it possible to issue recipient-created tax invoices?</p> | <p>No.</p> |

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| Audits | Do tax audits take place on a regular basis? | Yes, usually on a 2- to 3-year cycle. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | <p>The following non-compliance penalties are charged upon summary conviction:</p> <ul style="list-style-type: none"> — GHS500 for late submission of a return — GHS10 for each day the return is not submitted — GHS1,000 for deliberately failing to register and GHS500 for any other reason* — failure to issue a tax invoice makes a person liable on summary conviction to a fine not more than GHS200 or to a term of imprisonment of not more than 6 months or to both — GHS200 to GHS1,000 for falsifying or altering documents* — up to GHS1,000 for not keeping proper records* — up to three times the tax for tax evasion* — GHS50 to GHS500 or up to 1-year imprisonment or both for obstruction of a Revenue officer <p>There is a general provision for fines not exceeding three times the revenue involved where an offence is committed for which no penalties are provided for under the Act.</p> <p>*These penalties may be levied or imprisonment may be imposed for up to 5 years or both the penalties and imprisonment may be applied.</p> |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | Included in the overall VAT rate is a 2.5% national health insurance levy used to provide basic health care services. |
| | Does a reverse charge mechanism apply? | Yes. |

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| Special indirect tax rules (continued) | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | <p>Reverse charge does not apply on imported services where the services are used by the taxable person in making taxable supplies.</p> <p>A person only making exempt supplies is required to pay VAT on imported services. The VAT paid, however, is not recoverable by the person.</p> <p>For a taxable person who engages in mixed supplies, VAT paid on imported services is claimable to the extent that the expense on which the reverse VAT is accounted for is used for taxable purposes. Where exempt supplies are less or equal to 5% of total supplies, reverse charge VAT is claimed in full.</p> |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No; however, exemptions may be granted when negotiated for, and approved by, the Parliament of Ghana. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes, for a formal ruling. An informal ruling is not provided for in the VAT law. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. Rulings are only binding on the person who requested the ruling. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | <p>Yes, other indirect taxes include:</p> <ul style="list-style-type: none"> — import duty — excise duty — stamp duty. |



Kenya

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 16%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods and taxable services — supplies to: <ul style="list-style-type: none"> — Commonwealth and other governments, diplomats, and first arrival persons, donor agencies with bilateral or multilateral agreements — international and regional organizations, War Graves Commission — National Red Cross Society, St. John Ambulance — export processing zones — ship stores to international sea and air carriers — goods imported by passengers arriving from places outside Kenya (some conditions) — relief goods for emergency use — coffee and tea for export to auction centers — transportation of passengers by air carriers on international flight — taxable services to international sea or air carriers on international voyage or flight — transfer of business as going concern — natural water (excluding bottled water) by government for domestic or industrial use. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — financial and insurance services — education (including conference services for this purpose) — medical, veterinary, dental and nursing services — burial and cremation services — farming, animal husbandry and horticultural services — transportation of passengers (excluding international or hired or chartered conveyance) — sale, leasing, hiring, letting of land or residential premises — community, social and welfare services by government or charitable organizations — insurance agency and brokerage, stock and tea and coffee brokerage |

**General
(continued)**
Are there any reduced rates, zero rates or exemptions? (continued)

- entertainment services (stage play, sports, games, cultural performances) performed by educational institutions
- accommodation and restaurant services by educational and medical institutions, and canteens operated by employers for employee benefit
- car park services by government or employers to employees
- airtime provided by persons other than cellular mobile or wireless telephone services
- betting, gambling and lottery
- hiring, leasing and chartering of aircraft
- unprocessed farming and animal products, live animals, fertilizers and farming pest control products
- some medicine
- helicopters and airplanes
- sanitary towels and tampons
- bread
- equipment to disabled persons
- certain plant and machinery
- supplies (excluding motor vehicles) for use in construction of power generating plant (as approved by government)
- supplies (excluding motor vehicles) for use in geothermal, oil or mining prospecting or exploration (as approved).

What are the general and specific place of supply rules, if applicable?

- A supply of goods is in Kenya if it was:
- delivered or made available in Kenya;
 - installed or assembled in Kenya; and
 - delivered outside Kenya, but was in Kenya when transportation commenced.
- A supply of services is in Kenya if the supplier's place of business, from which services are supplied, is in Kenya.
- If the supplier's place of business is not in Kenya, services supplied shall be deemed to be made in Kenya if the recipient is not a registered person and:
- services are physically performed in Kenya by a person who is in Kenya at the time of supply
 - services are directly related to immovable property in Kenya
 - services are radio or television broadcasting services received at an address in Kenya
 - services are electronic services delivered to a person in Kenya at the time of supply, or
 - the supply is a transfer or assignment of, or grant of a right to use, a copyright, patent, trademark, or similar right in Kenya.

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| VAT/GST registration | Who is required to register for VAT/GST? | Suppliers of taxable goods and services (including sole proprietorships, limited liability companies and corporations) whose turnover exceeds or is expected to exceed 5 million Kenyan shilling (KES) per annum should register for VAT. |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes, if it has a branch in Kenya. The overseas entity has to appoint a local representative to account for tax on its behalf. This is mainly for internet supplies. Implementation mechanisms still to be finalized. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | There is a provision for group registration in the legislation. However, no guidelines have been published yet. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly on the 20th day of the following month. |
| | Can returns be filed and payments be made electronically? | Yes. Returns are required to be filed electronically through I-Tax. |
| | What are the exchange rate rules in your country? | Invoices can be issued in a currency other than KES but must be converted to KES for purposes of recording and accounting in the VAT returns and records. Daily and monthly average exchange rates may be obtained from the Central Bank of Kenya's website. Other prominent exchange rate sites may also be used, but should be done consistently. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. A taxpayer can still claim input VAT in the VAT return even though there is no output tax charged for the period. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on the following: <ul style="list-style-type: none"> — passenger cars and minibuses (including repairs, spare parts, lease and hire charges) and all other motor vehicles unless used for making taxable supplies — entertainment, restaurant and accommodation services unless if provided in ordinary course of business and not to employees, or if provided to an employee away from home for business. Where VAT incurred relates to the making of both exempt and taxable supplies, input VAT should be apportioned. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | For 6 months, from date of invoice. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | The taxpayer is only entitled to payment of a VAT refund where the refund is attributable to the supply of zero-rated supplies. All other refunds are to be set-off against future tax liability. |

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| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | No. All tax invoices have to be generated through an Electronic Tax Register (ETR) or an Electronic Signature Device (ESD). This means that a physical invoice has to be generated. |
| | Is it possible to issue recipient-created tax invoices? | Yes, but difficult to implement in practice due to requirement to process the invoices through the supplier tax register. |
| Audits | Do tax audits take place on a regular basis? | Audits are generally done every 3 years unless a risk of revenue leakage or fraud exists. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. Audits are done through physical verification, although documentation can be submitted to the revenue authority electronically. |
| | What penalties can arise from non-compliance? | <p>The following non-compliance penalties apply:</p> <ul style="list-style-type: none"> — KES200,000 or up to 2 year's imprisonment for failure to register when required — the higher of KES10,000 per month or 5% of tax due for late or non-submission of a return — KES100,000 or up to 6 months' imprisonment for failure to comply with payment notice or to produce books or information and between KES10,000 and KES200,000 for failure to keep proper books — double the tax for falsifying information and fraudulent claims — KES400,000 or an imprisonment of 2 years for an individual or KES1 million for knowingly and without lawful authority gaining access to or attempting to gain access to any tax computerized system — KES800,000 or an imprisonment for a term not exceeding 3 years for falsifying any record or information stored in any tax computerized system or damaging the system — KES100,000 or an imprisonment of 3 years for a person who is required to produce any records, books of account, statements of assets and liabilities or other documents and fails to do so — general penalty of KES1 million or imprisonment for a term not exceeding 3 years or both. <p>Interest at 2% per month, compounded, is levied on late payments. The interest is capped at 100% of the principal tax.</p> |

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| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | Hotel and restaurant services are subject to VAT at 16% effective from June 2006. Such services are also subject to a catering, training and tourism development levy (CTTDL) of 2%. Hence, the cumulative rate applicable to hotel and restaurant services is 18%. |
| | Does a reverse charge mechanism apply? | Yes. Reverse VAT is payable on the portion of imported services that relates to exempt supplies. Persons who are registered for VAT and only make taxable supplies are exempted from reverse VAT. Where the taxpayer supplies both taxable and exempt supplies, the VAT is limited to the proportion of exempt to total sales. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | No. Reverse VAT is payable on the portion of imported services that relates to exempt supplies and is not claimable. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | There is a requirement for appointment of local agents that is largely restricted to internet sales. However, the appointments are not designed to replace reverse VAT but target persons selling to the final consumers. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. The Act provides for both private and public rulings. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Yes. Public rulings are published in the daily newspapers or on the tax authority's website http://www.kra.go.ke . |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — import duty — excise duty — stamp duty. |



Madagascar

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 20%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>The zero-rate applies to the export of goods and services.</p> <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — interest — insurance — medicine and health services — international transportation — sport event tickets organized by non-professional clubs — scholarships for technical, professional and general studies — first 10m³ and 100kwh of domestic consumption of water and electricity, respectively — newspapers, stamps and currencies having legal tender, school books and correcting lenses — farming inputs, breeders, paddy and rice, agricultural machineries and equipment, equipment for the production of renewable energy — supplies to foreign diplomatic representatives, if reciprocal treatment — salaries — operations of the Central Bank of Madagascar and the 'Caisse d'Epargne' — contributions to the assets of a Malagasy company. |
| What are the general and specific place of supply rules, if applicable? | <p>Goods are supplied in Madagascar if delivered in Madagascar.</p> <p>Services are supplied in Madagascar if executed or invoiced to a recipient established in Madagascar.</p> | |

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| VAT/GST registration | Who is required to register for VAT/GST? | <p>Legal entities or individuals carrying on taxable operations where the annual turnover exceeds 200 million Malagasy ariary (MGA) are required to register for VAT.</p> <p>Voluntary registration for a business with a turnover below the registration threshold is possible provided that the accounting records are certified by an auditor and authorization from the Ministry of Finances is obtained.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | All services supplied in Madagascar are subject to VAT. It follows that non-residents must pay VAT even if turnover < MGA200 million. If the non-resident is not registered, the resident company to whom the services are provided must withhold and pay the VAT due. |
| | Does an overseas company need to appoint a fiscal representative? | <p>Yes.</p> <p>If a domiciled representative in Madagascar is not appointed, the resident company to which services were provided should withhold and pay the VAT due on behalf of the non-resident company.</p> <p>The taxpayer or representative must have a bank account in Madagascar.</p> |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly on the 15th day of the following month. |
| | What are the exchange rate rules in your country? | There are no rules; however, it is common practice to use the exchange rate relevant at the date of the transaction. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT cannot be deducted on the following:</p> <ul style="list-style-type: none"> — purchase or import of motor vehicles other than those exclusively used for rental or paid transport — restaurant expenses — buildings, excluding those relating to industrial, handcraft, trading, hotel, restaurant or catering, agriculture and mining activities — fixtures and fittings except for hotels and catering activities — domestic supplies of energy and some petroleum products (car fuel), except if used for fixed equipment and installation — VAT on food products not for business purposes. <p>Where VAT incurred relates to the making of both exempt and taxable supplies, input VAT should be apportioned.</p> |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 6 months. |

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| VAT/GST recovery (continued) | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | Refunds are offset against future payments except for: <ul style="list-style-type: none"> — free-zone enterprises and exporters where the refund is the result of export activities — refunds exceeding MGA20 million and as a result of significant investments. In these cases, a refund claim must be submitted with the relevant VAT return. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Electronic invoices may be issued, however, only original invoices have a legal value. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | No. Audits take place at the discretion of the tax administration. All documentation including sales and purchase invoices, bank statements, tax returns, etc., may be required. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | The following penalties are charged: <ul style="list-style-type: none"> — non-submission of VAT returns: MGA100,000 — non-submission of VAT return and under-declarations: 40% of tax due — sale without regular invoicing: 150% of tax due — fictitious invoice: 150% of amount of invoice — embezzling: 80% of tax due — opposition to a tax verification: 150% of the elements in the tax administration's possession — late payment of VAT: 1% per month of the tax payable. Criminal penalties may also be imposed. Penalties can be mitigated in certain circumstances. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | The tax administration has a 3-year prescription period for output tax and claims. An invoice can only be cancelled within 6 months from the date of issue. |
| | Does a reverse charge mechanism apply? | There is nothing in terms of the tax codes, however, in practice, this is accepted. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No. |

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| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Yes, these rulings can be viewed on the following link: www.impots.mg . |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — import duty — excise duty — royalties — special tax and duty on alcoholic drinks, tobacco and gambling. |



Malawi

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 16.5% |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — exports of goods and services — goods shipped as stores on foreign-going aircraft and vessels — fertilizers, laundry soap — pharmaceutical and miscellaneous chemical products, military equipment — certain farming, horticultural, forestry and harvesting machinery — building materials for factories and adjoining warehouses — motor vehicles for transport of goods, buses accommodating > 45 persons, cycles and motorcycle ambulances — goods for use in tourism — sheath contraceptives — exercise books — salt. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — live animals and animal products — vegetable products in a raw state and ordinary bread — water, excluding non-mineral or aerated water without additives — petroleum products, petroleum and oils — mosquito nets — coins — mechanical appliances for projecting, dispersing or spraying liquids or powders — certain vehicles — medical equipment — educational, banking, life insurance, postal (excluding courier services), funeral, medical and export transport services — residential property rental and sale — retting and gaming — printed matter: books and newspapers. <p>The lifting, handling, loading or unloading machinery and crane lorries, mobile drilling derricks and concrete-mixer lorries are also exempt from import VAT.</p> |

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| VAT/GST registration | Who is required to register for VAT/GST? | Any person making taxable supplies of goods or services and having a business turnover of 10 million Malawian kwacha (MWK) or which exceeds or is expected to exceed this amount per annum must register. Prior to 1 July 2013, the threshold was MWK6 million. |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes, only if it has a permanent establishment in Malawi and deals in taxable supplies of goods and services. |
| | Does an overseas company need to appoint a fiscal representative? | Yes, only if it has a permanent establishment in Malawi and deals in taxable supplies of goods and services. |
| | Is VAT/GST grouping possible? | Yes (requires approval). |
| | What are the general and specific place of supply rules, if applicable? | <p>There is no specific place of supply rule for the supply of goods, but Malawi follows a destination based principle.</p> <p>The place of supply for any service shall:</p> <ul style="list-style-type: none"> — in the case where services are supplied to a recipient outside Malawi, be the place of business of the recipient where the services are supplied — in the case of cultural, sporting, artistic, educational or similar activities, be the place where the services are physically carried out — in the case of services connected with movable goods, be the place where the services are physically carried out — in the case of services connected with immovable property, be the place where the property is situated, or — in the case of telecommunication services, be where the facility or instrument for the emission, transmission or reception of the services in respect of which the invoice for the supply is issued, or is to be issued, is ordinarily situated in Malawi. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly, on the 25th of the following month. |
| | Can returns be filed and payments be made electronically? | Yes, but only for large taxpayers. Implementation for smaller taxpayers will only be some time in the future. |
| | What are the exchange rate rules in your country? | The revenue authority applies weekly averages of exchange rates issued by the Reserve Bank of Malawi. |

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| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. Although VAT legislation requires that input tax be claimed against output tax, registered businesses are allowed to claim input tax in the month following purchases made. |
| | Are there any exemptions with the right to recover or deduct input VAT? | VAT paid in respect of the following cannot be deducted as input tax: <ul style="list-style-type: none"> — motor vehicles or spare parts, unless in the business of dealing in or hiring of these vehicles for purposes of business — entertainment, unless in entertainment business — to the extent purchases were made partly for personal use — if the expense relates to exempt supplies — after the expiration of 12 months from the date of the right to the deduction accrued. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | Within 4 months for capital goods. Within 12 months for all other goods and services. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | Refunds are used to offset against future payments if most of the goods in trade are taxable in nature. Where the credit occurs for more than 3 months and it is evident that the situation may take some time to reverse, the taxpayer is allowed to lodge an application for a refund. |
| Invoices | Is a business required to issue tax invoices? | Yes. The Malawi Revenue Authority is in the process of implementing electronic fiscal devices (EFDs) which will be used to issue tax invoices and monitor all sales transactions. |
| | Is it possible/mandatory to issue invoices electronically? | It is mandatory since the EFDs have been implemented. |
| | Is it possible to issue recipient-created tax invoices? | Yes. |
| Audits | Do tax audits take place on a regular basis? | Yes, every 3 to 4 months per requirement. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. However, this is likely to be done in future once the EDFs have been implemented. The authorities are recommending the use of mobile electronic tax registers, standard desktop electronic tax registers, and medium to large business electronic tax registers, electronic fiscal printers and signature devices. |
| | What penalties can arise from non-compliance? | Penalties vary from MWK20,000 to MWK10 million depending on the nature of the offence and, at times, the defaulter is imprisoned after conviction. |

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| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. |
| | Can VAT reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable supplies? | Yes, but it is only applicable to registered VAT persons who submit monthly VAT returns. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Certain investment types (for example, the mining industry) may be granted pre-approved tax holidays on a case-by-case basis, although there are no tax holidays in Malawi. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | No. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No, as tax matters are treated as confidential. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — import duty (charged at different rates) — excise duty (charged at different rates) — import VAT at 16.5% — stamp duty is charged at MKW1,000. |



Mauritius

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 15%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods and services — certain food items (edible oil, wheat flour and sugar) — pharmaceutical products — educational material — transport of passengers and goods by sea or air — electricity and water. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — basic food stuffs (bread, rice) — educational, insurance and financial services — health and medical services — public transport. |
| | What are the general and specific place of supply rules, if applicable? | VAT is charged on any taxable supply of goods or services made, performed or utilized in Mauritius, in the course of furtherance of any business. |
| VAT/GST registration | Who is required to register for VAT/GST? | <p>Persons making taxable supplies in the course or furtherance of business with annual taxable turnover exceeding or where it is expected to exceed 6 million Mauritian rupees (MUR).</p> <p>Irrespective of the threshold, certain businesses or professions must register for VAT: accountants, auditors, advertising agents, advisers, architects, attorneys, barristers with more than 2 years standing at the Bar, clearing and forwarding agents, consultants (including legal, tax and management), customs house brokers, engineers, estate agents, land surveyors, marine surveyors, motor surveyors and quantity surveyors, notaries, opticians, project managers, property valuers, sworn auctioneers, solicitors, airline general sales agents and agents in the importation of second-hand motor cars or other motor vehicles. Certain banks, insurance agents, brokers and management and credit card service providers also have to register.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes, provided goods or services are supplied in Mauritius. |
| | Does an overseas company need to appoint a fiscal representative? | No, however, the company should be able to meet all its registration obligations. |
| | Is VAT/GST grouping possible? | No. |

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| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly if turnover exceeds MUR10 million or otherwise quarterly. |
| | Can returns be filed and payments be made electronically? | Yes. |
| | What are the exchange rate rules in your country? | The value of any taxable supply must be expressed in MUR at the time of the supply. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT may be recovered provided it is incurred towards a taxable supply.</p> <p>Input VAT cannot specifically be deducted on certain items, including:</p> <ul style="list-style-type: none"> — passenger vehicles (transporting not more than nine people) — hotel accommodation or lodging and catering services — entertainment — petroleum oil (except for resale and used in stationary engines) and petroleum gas used for running motor cars and motorcycles. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 36 months from the date the invoice was issued. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | <p>Refunds are carried forward to be offset against future payments. Amounts may, however, be refunded, subject to certain conditions being met (i.e. business mainly has zero-rated supplies, etc.).</p> <p>It is also possible that part of the refund may be claimed as refund and the remainder may be carried forward to be offset against future payments.</p> |
| Invoices | Is a business required to issue tax invoices? | Yes, VAT invoices. |
| | Is it possible/mandatory to issue invoices electronically? | Yes it is possible. |
| | Is it possible to issue recipient-created tax invoices? | No. |

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| Audits | Do tax audits take place on a regular basis? | Audits are carried out regularly in Mauritius and the frequency of the audit depends upon the type of company. Every company is audited at least once every 4 years. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | The following penalties are levied: <ul style="list-style-type: none"> — MUR2,000 per month or part of the month for non-submission of VAT returns (limited to MUR20,000) — 5% fixed penalty for late payment. 1% interest per month or part thereof is also levied on the late payment of VAT. Where an assessment is raised, the amount of tax claimed in the assessment shall carry a penalty not exceeding 50% and such penalty shall be deemed to be part of the tax claimed. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. It applies to taxable services supplied by a non-resident to a Mauritian registered taxpayer. The recipient of the services must account for VAT. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes, however, deductibility of input tax depends on the proportion of taxable supplies to total supplies. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Rulings and decisions issued are available when published in the government Gazette. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — customs duties — excise duties — taxes on gambling and transportation — registration duty — stamp duty — land transfer tax. |



Mozambique

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 17%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — exports and international transport — certain basic foodstuffs (maize, bread, etc.) — illuminating paraffin and jet-fuel — products from activities of production of rations for animal feed for human consumption — farming goods and services for sugarcane production — goods to be used as raw material in alimentary oil and soap industry — mosquito nets, common bicycles and condoms. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — banking, financial, insurance and reinsurance — medical, sanitary, garbage removal, educational, funeral and ambulance transport services — education and related goods — non-profit organizations or public entity services and goods (including social assistance, sports and cultural activities, guide services at museums and state-owned parks) — goods for the disabled — human organs and blood — milk — medicine and other pharmaceutical products — supplies for nurseries, homes for abandoned or disabled children and the aged, rehabilitation centers, and similar public and non-profit entities — services by the state or non-profit entities — cultural, educational or technical newspapers, magazines and books — supply of staff by religious or philosophical entities — stamps — gaming and betting — alimentary oil and soaps — sugar and certain sugar industry products — acquisition of related drilling services, research and construction of infrastructures in the framework of mining and petroleum activities at prospecting and research phase. |

**General
(continued)**

What are the general and specific place of supply rules, if applicable?

The place of supply of goods is where the transport or dispatch to the acquirer begins or where the goods are when the supply takes place.

The place of supply upon the importation of goods is deemed to be Mozambique. Whenever supplies are made by import and eventual subsequent supplies of goods are transported or dispatched from a foreign territory, such supplies are deemed to take place prior to importation into Mozambique.

The general rule for the place of supply of services, or where a supply of services is made in national territory by a supplier with headquarters, permanent establishment or residence in Mozambique, is deemed to be Mozambique.

The place of supply shall:

- for services relating to immovable property, be the place where such property is located
- for work performed on movable corporeal property and evaluation, be the place where the services are physically carried out
- for scientific, sporting, recreational, educational or services of similar nature (including activities of organizers of such services), be the place where it is physically carried out
- for transportation, be the place where the transport takes place, proportionally in terms of distances covered.

The following services, rendered by a supplier without headquarters, permanent establishment or residence in Mozambique, are subject to VAT in Mozambique when the recipient is a taxable person:

- transfer or right of use copyrights, licences, trademarks and similar rights
- advertising and telecommunication services
- services of consultants, engineers, lawyers, economists and accountants, consultancy bureau in all fields, including organization, research and development
- data processing and supply of information
- banking, financial insurance and reinsurance transactions
- supply of staff
- abovementioned services provided by agents
- leasing of movable corporeal property, including the financial leasing thereof.

The abovementioned services will, however, not be taxable if the supplier of such services is a resident of Mozambique and the recipient is not a resident.

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| VAT/GST registration | Who is required to register for VAT/GST? | The following persons are required to register: all corporate or individual entities, including non-residents carrying out taxable economic activities, importers and persons who have incorrectly included and charged VAT on their invoices. |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly, on the last day of the following month. |
| | Can returns be filed and payments be made electronically? | Electronic payments are allowed, however, the VAT returns together with the proof of payment have to be submitted at the tax authority's offices. |
| | What are the exchange rate rules in your country? | Invoices should be issued in Mozambican currency; however, it may be issued in a dual currency (i.e. Mozambican currency and any other currency). The sale exchange rate provided by the Mozambican Central Bank should be used. Local bank rates are also accepted. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT cannot be deducted on the following:</p> <ul style="list-style-type: none"> — passenger vehicles, pleasure boats, helicopters, aircrafts and motorcycles — fuel used for cars and 50% of diesel fuel (diesel for tractors used for farming purposes and large vehicles transporting passengers and goods is fully deductible) — business expense trips — entertainment, including lodging, food, drink and tobacco — telephone communication costs, except if related to fixed company telephones. <p>Where VAT incurred relates to the making of both exempt and taxable supplies, input VAT should be apportioned.</p> |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | Input tax should be claimed within 90 days from the invoice date. |

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| VAT/GST recovery (continued) | <p>Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments?</p> | <p>A VAT refund may be requested or carried forward to be utilized against future payments.</p> <p>One of the following requirements must be met when applying for a refund:</p> <ul style="list-style-type: none"> — 12 months subsequent to the tax period in which the excess began, the taxpayer still has a credit of more than 50,000 Mozambican metical (MZN) — the taxpayer ceases to carry on the business — the business is changed to exclusively perform operations which do not give rise to the right of deduction, or an election is made for a taxation scheme different from the normal taxation scheme — tax credit exceeds MZN50,000 — tax credit exceeds MZN5,000 if requested by: <ul style="list-style-type: none"> — exporters or taxable persons undertaking similar operations — taxable persons undertaking exempt transactions which give rise to deduction, and represent 75% of the total sales within the tax period. <p>A refund request usually triggers a tax inspection by the tax authority.</p> |
| Invoices | <p>Is a business required to issue tax invoices?</p> | <p>Yes. All invoices should be in Portuguese. It is acceptable if English wording is alongside the Portuguese wording.</p> <p>The general rule to issue an invoice by an individual or corporate person is:</p> <ul style="list-style-type: none"> — the individual or corporate person must be a resident and carry on a profitable or non-profitable economic activity, on an independent and regular basis — residents or non-residents that carry on any taxable transaction subject to individual or corporate income tax (IRPS or IRPC), on an independent basis. <p>In addition, the invoice should contain certain features to be considered valid.</p> |
| | <p>Is it possible/mandatory to issue invoices electronically?</p> | <p>Yes, but it is not mandatory.</p> |
| | <p>Is it possible to issue recipient-created tax invoices?</p> | <p>No.</p> |

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| Audits | Do tax audits take place on a regular basis? | <p>Audits take place on a regular basis.</p> <p>Requests for refunds will generally be subject to an audit. During audits, support documentation and VAT deduction timing are reviewed.</p> |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | <p>A penalty of double the tax, limited to MZN2.5 million will be levied for late or non-payment.</p> <p>Interest at the Maibor rate plus 2% will be levied on outstanding VAT due.</p> |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | <p>VAT is only chargeable on the gross margin of tour operators acting in their own name.</p> <p>All land in Mozambique is state-owned. Entities can therefore only obtain a right to use land for a specified period of time.</p> <p>The following special VAT regimes exist for small businesses:</p> <ul style="list-style-type: none"> — exemption regime — applicable to entities not subject to formal bookkeeping or that have import/export transactions and with annual turnover not exceeding USD25,000. Input VAT cannot be deducted — simplified regime — applicable to entities not subject to formal bookkeeping or that have import/export transactions and with annual turnover between USD25,000 and USD85,000. Input VAT cannot be deducted. Entities must pay 5% on turnover except on gains from sale of tangible assets. <p>A simplified tax regime is applicable for small taxpayers (defined by law) with annual turnover not exceeding USD85,000. These entities pay 3% tax on turnover and do not have to pay any other taxes (VAT, CIT, PIT, etc.).</p> |
| | Does a reverse charge mechanism apply? | Yes. |

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| Special indirect tax rules (continued) | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes. Where VAT incurred relates to the making of both exempt and taxable supplies, input VAT should be apportioned using the pro rata method or direct allocation method. Last mentioned can only be applied with prior approval from the tax authority. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes, non-residents without a permanent establishment may appoint a representative for VAT purposes. The Mozambican tax system does not foresee a registration only for VAT purposes. The appointment of an agent would be seen as an appointment for all taxes and the non-resident would be considered to be registered as such, triggering additional fiscal obligations. If an agent is not appointed, the recipient will have to account for VAT. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | There is an exemption of VAT on the import of certain equipment under the tax benefits regime applicable for foreign investment in Mozambique. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — import duty — specific consumption tax — property transfer tax — stamp duty. |



Namibia

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 15%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods — international transport — certain foodstuffs: <ul style="list-style-type: none"> — maize meal and mahango — flour and bread — sunflower cooking oil — beans — milk and sugar — erection and extension of buildings and sale of land for residential purposes — funeral undertaking services — goods or services supplied to an export processing zone enterprise of a person or an export processing zone management company in an export processing zone — supply of parts or services, or both, rendered in pursuance of any guarantee given in respect of new goods — petrol (leaded and unleaded). <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — financial services — education — public transport services — fringe benefits — supplies to heads of foreign states — medical and paramedical services — rooms or services by a registered hospital, clinic, maternity home, convalescent home, nursing home or hospice. |
| | What are the general and specific place of supply rules, if applicable? | Namibia does not have place of supply rules. |

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| VAT/GST registration | Who is required to register for VAT/GST? | A business making taxable supplies in excess of 200,000 Namibian dollars (NAD) or more per year is obliged to register. The threshold will increase to NAD500,000 at a date to be announced. |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes, if turnover is below NAD200,000. Generally, an entity would need an income tax registration and be registered with the Ministry of Trade as a subsidiary or external company. 'Special' VAT registrations are allowed where an entity does not have an income tax filing obligation but is required to register for VAT. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Two-monthly, 25 days after the end of the tax period. Tax periods are allocated by Inland Revenue. Category A VAT vendors submit returns on uneven months for prior 2 months and Category B VAT vendors submit returns on even months for prior 2 months. Farmers may elect a tax period of 2, 4, 6 or 12 months. Import VAT returns are due 20 days after the end of the month of import. |
| | Can returns be filed and payments be made electronically? | VAT returns cannot be filed electronically but payments can be made electronically. |
| | What are the exchange rate rules in your country? | All amounts have to be expressed in Namibian currency. However, where foreign currency is used, the appropriate exchange rates should be used at the time such amount is required to be taken into account under the VAT Act. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on: <ul style="list-style-type: none"> — entertainment — passenger vehicles — club subscriptions of a sport, social or recreational nature. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | For 3 years from date of entitlement. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | The refund will be paid to the taxpayer once it has been confirmed by Inland Revenue, usually after an audit has been conducted. No refund is paid out unless the taxpayer is in good standing on all tax accounts. |

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| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Possible, not mandatory. |
| | Is it possible to issue recipient-created tax invoices? | Yes (with prior approval from the Commissioner of Inland Revenue). |
| Audits | Do tax audits take place on a regular basis? | Yes. There is no limit for the number of VAT audits that can be conducted. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | A penalty of NAD100 per day will be levied for any outstanding VAT returns in addition to 10% of the outstanding VAT per month or part of a month. Interest is levied at the rate of 20% per annum on any unpaid VAT calculated from the first day after the date from which payment was due until the date payment of the unpaid tax was made. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. VAT is levied on imported services to the extent that such services are used for purposes other than making taxable supplies. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Not applicable. The Namibian recipient will only be liable to reverse charge VAT/ VAT on imported services to the extent that the imported services are acquired for non-taxable purposes. Thus, no input VAT credit may be claimed. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Supplies made to an entity in an export processing zone is zero-rated. |
| | Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? |
| Are rulings and decisions issued by the tax authorities publicly available in your country? | | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes. Customs and excise duties. |



Nigeria

| General | Type of indirect tax (VAT/GST) | VAT. |
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| | What is the standard VAT/GST rate? | 5%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — non-oil exports — commercial aircraft and spare parts imported for use in Nigeria — machinery and equipment imported for use in the solid minerals sector — purchases by diplomats — purchases for use in humanitarian donor-funded projects. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — exported services — basic food stuffs — medical, pharmaceutical products and medical services — books and educational material — plant, machinery and goods imported for use in the export processing zones or free trade zone — plant, machinery and equipment for use of gas in downstream petroleum operations — fertilizers, tractors, ploughs, farming equipment and implements purchased for farming purposes — services by community banks, people's banks and mortgage institutions — proceeds from disposal of short-term Nigerian federal government securities and bonds — proceeds from disposal of short term, local government and corporate bonds (including supranational bonds) for a period of 10 years from the date of the order — baby products — plays and performances by educational institutions as part of a learning program. |
| | What are the general and specific place of supply rules, if applicable? | <p>There are no specific place of supply rules. Generally, goods are deemed to be supplied in the country in which they are situated at the time of supply. Services supplied in Nigeria are subject to VAT in Nigeria.</p> |

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| VAT/GST registration | Who is required to register for VAT/GST? | All resident and non-resident businesses doing business in Nigeria are required to register with the Federal Inland Revenue Service (FIRS) within 6 months of commencement of business. There is currently no registration threshold. |
| | Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)? | Yes. Registration for VAT by non-resident companies is mandatory. Such companies must use the address of the person with whom it has a subsisting contract for purpose of corresponding with the tax authority. There is no threshold for VAT registration. |
| | Does an overseas company need to appoint a fiscal representative? | Yes (the resident company should withhold the VAT). |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly. The VAT return must be filed on the 21st day of the month following the month it relates to. Electronic filing is not allowed. |
| | Can returns be filed and payments be made electronically? | Payments can be made electronically but returns have to be filed at the tax office. |
| | What are the exchange rate rules in your country? | Invoices in foreign currency are converted to Nigerian naira (NGN) at the exchange rate applicable on the date of the invoice. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | Yes. |
| | Are there any exemptions with the right to recover or deduct input VAT? | VAT paid in respect of the following cannot be deducted as input tax: — overheads, service and general administrative business costs — capital expenditure. Where VAT incurred relates to the making of both exempt and taxable supplies, input VAT should be apportioned. |
| | For what period of time may input tax not previously claimed be claimed? (i.e. prescription)? | No time limit. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | It may be used as credit against future payments or the taxpayer can apply for a refund (subject to an audit). |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Possible but not mandatory. |
| | Is it possible to issue recipient-created tax invoices? | Yes. |

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| Audits | Do tax audits take place on a regular basis? | Yes, at the discretion of the tax authority. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | In the event of non-compliance, the following penalties are charged: <ul style="list-style-type: none"> — NGN10,000 for non-registration the first month and NGN5,000 for each subsequent month not registered — NGN5,000 per month for late submission and outstanding returns — 5% and interest at the prevailing commercial lending rate (currently about 21% per annum) for non-payment of VAT — 50% of cost of goods or services for which tax invoices were not issued — 150% of VAT not collected by a registered person and 5% interest above the Central Bank rate. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. The recipient of a VATable supply made by a non-resident is required to self-assess and account for VAT on imported services. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | No, reverse VAT charges relate to imported services. Claiming input VAT is restricted to VAT on goods purchased for resale or those which form part of raw materials required to produce a final product on which (output) VAT is charged (i.e. making of taxable supplies). |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Yes, for companies operating in the free/export trade zone. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Only general rulings are available to the public. These are available on http://www.firs.gov.ng/ . |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — import duty — stamp duty. |



Senegal

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 18%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — exports — banking, insurance and reinsurance (specific taxes apply) — international transport — health care — farming activities — education — employment activities — materials financed through Islamic Finance — butane gas for domestic use — deliveries and services made on behalf of the holder of the mineral substances and oil exploration permit. <p>No zero-rate applies. Exporters may deduct input VAT and obtain a reimbursement of the corresponding credit, provided certain conditions are met.</p> <p>The reduced rate of 10% applies to accommodation and catering provided by a tourist accommodation establishment.</p> |
| | What are the general and specific place of supply rules, if applicable? | There are no specific place of supply rules. |
| VAT/GST registration | Who is required to register for VAT/GST? | <p>Companies carrying out economic activities must be registered. The tax identification number will be valid and used for all taxation purposes.</p> <p>Voluntary registration is permitted for businesses specializing in fishing or farming activities.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | No. |

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| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly (on the 15th day of the following month). |
| | What are the exchange rate rules in your country? | Invoices in foreign currency are converted at the exchange rate applicable on the date of the invoice. |
| | Can returns be filed and payments be made electronically? | No. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT cannot be deducted on the following:</p> <ul style="list-style-type: none"> — passenger vehicles — restaurant and housing expenses — supplies for no consideration or for less than its normal price (except if the value doesn't exceed 20,000 CFA franc (XOF)) — advertising costs of goods and services where advertising is prohibited — furniture (except office furniture) — foreign services where the beneficiary of the payment is not liable for income tax in Senegal on such revenue. <p>Input VAT has to be apportioned if the expense was incurred for the making of both exempt and taxable supplies.</p> |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 2 years. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | Taxpayer is required to utilize the refund as a credit against future payments. |
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| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | No. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | Audits take place at the discretion of the tax administration. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | <p>For late or non-submission of returns: a penalty of XOF200,000.</p> <p>For late or non-payment of tax due: a penalty of 50% of amount to be paid.</p> |

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| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | Small retailers, whose turnover does not exceed XOF50 million for the supply of goods or services, can pay a fixed tax rate in full discharge of other taxes. A specific tax is levied in respect of a stay in a hotel: XOF1,000 per day per night. |
| | Does a reverse charge mechanism apply? | Yes. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | VAT on reverse charges can be claimed as input tax if the following two conditions are satisfied: <ul style="list-style-type: none"> — the payment made to the non-resident for the services provided is liable to withholding tax in Senegal, and — there is proof that payment has been made to the tax authorities in respect of the reverse charge. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Yes. The non-resident can appoint a local agent for the VAT payment. If a local agent is not appointed, the local recipient is required to make the VAT payment. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Not in general. However, some sectors such as oil and gas and mining companies are eligible for a VAT holiday subject to certain conditions. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Yes, these rulings can be viewed on the following link: http://www.impotsetdomaines.gouv.sn/fr/espace-documentation . |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — import duty — excise duty — tax on financial activities. |



South Africa

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 14%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — exports of goods — sale of a business as a going concern — certain foodstuffs — supply of goods to a non-resident for on-supply to a South African (SA) vendor — international transport services — services rendered to non-residents under certain circumstances. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — certain financial services — supply of residential accommodation — education and training — supply of land situated outside SA — transport services to fare paying passengers — certain supplies made by associations not for gain. |
| | What are the general and specific place of supply rules, if applicable? | <p>SA does not have general or specific place of supply rules.</p> <p>The aim is, however, to tax consumption in SA (destination-based principle), with exports being zero-rated.</p> |
| VAT/GST registration | Who is required to register for VAT/GST? | <p>Any person who continuously or regularly carries on an enterprise or activity in or partly in SA where goods or services are supplied for a consideration and where the value of taxable supplies exceeds or is expected to exceed 1 million South African rand (ZAR) in any period of 12 months.</p> <p>Any person from an export country that supplies 'electronic services' and whose total value of taxable supplies exceeds ZAR50,000 will be liable to register at the end of the month in which the threshold was reached.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes, a person can apply for voluntary registration where the value of taxable supplies already made exceeded ZAR50,000 in the preceding 12-month period. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | No. |

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| VAT/GST compliance | How frequently are VAT/GST returns submitted? | <ul style="list-style-type: none"> — 2-month tax period. — 1-month tax period: turnover exceeds or is likely to exceed ZAR30 million in any 12-month consecutive period. — 6-month tax period: solely for farming activities with a turnover of less than ZAR1.5 million per consecutive period of 12 months. — 12-month tax period: only vendors with certain activity codes (letting of fixed property, rental of goods to connected parties or management of connected parties). |
| | Can returns be filed and payments be made electronically? | Yes. |
| | What are the exchange rate rules in your country? | If an invoice is issued in a foreign currency and the supply is standard rated, the ZAR equivalent must be determined using the appropriate exchange rate on the date on which the invoice is issued and reflected on the invoice. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | VAT may be recovered only in respect of goods that are subsequently exported from SA. A refund may be claimed from the VAT refund administrator. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT cannot be deducted on the following:</p> <ul style="list-style-type: none"> — purchase or hire of a motor car (subject to certain exceptions) — entertainment (subject to certain exceptions) — membership subscriptions to clubs of sporting, social or recreational nature — medical or dental goods or services provided by a benefit fund. <p>Where VAT incurred relates to the making of both exempt and taxable supplies, input VAT deductions should be apportioned.</p> |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 5 years. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | Refunds are usually paid out. The South African Revenue Service (SARS) does, however, allow a vendor to utilize a refund as a credit against future payments if requested in writing. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Possible, not mandatory. |
| | Is it possible to issue recipient-created tax invoices? | Yes. |

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| Audits | Do tax audits take place on a regular basis? | Yes. Audits are conducted on a random or risk assessment basis. VAT refunds are audited regularly. Tax invoices and other supporting documents are verified for compliance and correct technical application in terms of output and input taxes. Authorized persons from the tax authority conduct the audits. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | Yes, via the SARS e-filing system and other software. |
| | What penalties can arise from non-compliance? | Penalties: — percentage-based penalty for late payment of 10% — understatement penalties (0%–200%). A range of other offenses related to VAT can result in fines or imprisonment for a period < 24 months. Interest is charged per month or part thereof on late payments. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | Yes. Some financial services are subject to VAT, including fee-based services and short-term insurance, which is not often found in other VAT systems. |
| | Does a reverse charge mechanism apply? | Yes. VAT is levied on imported services to the extent that such services are used for purposes other than making taxable supplies. The recipient must account for the VAT payable. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Not applicable. Reverse VAT charges are only levied to the extent of making non-taxable supplies and, thus, no input tax can be claimed. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available in your country (e.g. reduced rates, tax holidays)? | No. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Only certain rulings are publicly available. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: — customs and excise duties — fuel and road accident fund levies — environmental tax — estate duty (20%) — donations tax (20%) — securities transfer tax (0.25%) — stamp duties — skills development and unemployment insurance levies — transfer duty. |



Swaziland

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 14%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — goods or services exported — international transportation of goods or passengers or connected goods or services — maize meal, maize, beans, milk, brown bread, samp, rice, fresh fruit and vegetables and fresh eggs, vegetable oil except olive oil, paraffin and animal feeds — farming input such as fertilizers, seeds (excluding flower seeds) and pesticides — prescription drugs and medicines — school textbooks — petrol, diesel and liquid gas. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — financial and insurance services — postage stamps — land and buildings not used for commercial and industrial purposes — lease or letting of immovable property — education, burial, cremation, medical, dental, nursing and social welfare services — betting and gambling — goods supplied as part of the sale of a business as a going concern — precious metals and other valuables supplied to the Central Bank of Swaziland for the Treasury — passenger transportation services, excluding those provided by registered tour operators — electricity, tap water and sewage services — services and goods linked to welfare and social security work, including those supplied by old people's homes, bodies governed by public law or other social well-being bodies — sporting activities by amateur sporting organizations — non-profit making cultural activities and services — goods and services supplied in a charity arrangement. |
| What are the general and specific place of supply rules, if applicable? | <p>The place of supply of goods is where it is delivered or made available to the recipient. If the goods are in Swaziland when allocated, the supply is in Swaziland. If the goods are supplied to a recipient outside Swaziland, the place of supply is not in Swaziland (exports).</p> | |

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| General (continued) | What are the general and specific place of supply rules, if applicable? (continued) | The supply of services normally takes place where the services are rendered. The supply of a number of services takes place where the recipient of the services obtains the advantage of the services. This includes advertising, consulting, engineers, lawyers, accountants, telecommunication, electronically supplied and radio and television broadcasting services. |
| VAT/GST registration | Who is required to register for VAT/GST? | All business with an annual turnover of taxable supplies exceeding 500,000 Swazi emalangeni (SZL) or that expects to attain this threshold. |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes (at the discretion of the Commissioner-General). |
| | Does an overseas company need to appoint a fiscal representative? | Yes. The nominated person (equivalent to a public officer) must be a resident individual. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | <ul style="list-style-type: none"> — Monthly tax periods if turnover exceeds SZL20 million. — Three monthly tax periods (if monthly periods do not apply). |
| | Can returns be filed and payment be made electronically? | Yes. |
| | What are the exchange rate rules in your country? | Where an amount is expressed in a currency other than SZL, the amounts shall be converted into SZL at the average daily selling exchange rates of the previous month for the currency concerned. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input tax cannot be deducted on the following:</p> <ul style="list-style-type: none"> — passenger vehicles except if person is in the business of dealing in, or hiring of, passenger vehicles and that vehicle was acquired for the purposes of that business — entertainment — a limit of the VAT incurred on mobile telephone services. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 5 years. |
| Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | An election can be made to be refunded or to offset the credit against other taxes or future VAT payments. | |

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| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Yes. |
| | Is it possible/mandatory to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | Yes. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | Fines up to SZL15,000 and/or up to 3 years imprisonment for non-compliance. Late submission and payment: 2% interest of tax payable. Additional tax of 200% in case of non-tax compliance. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. Reverse charge VAT applies when a non-resident provides services to a resident in Swaziland to the extent that the services are acquired for purposes other than to make taxable supplies. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Not applicable. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: — customs and excise duty — transfer duty. |



Tanzania

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 18%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods and services — a supply of immovable property located outside Tanzania — a supply of leased goods used outside Tanzania — intellectual property rights for use outside Tanzania — inter-carrier telecommunication services — services connected with temporary imports — supply of goods and services to non-resident warrantor — goods for use in international transport — goods used to repair temporary imports. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — agricultural implements — agricultural inputs — livestock, basic agricultural products and foods for human consumption — fisheries implements — bee-keeping implements — dairy equipment — medicines or pharmaceutical products, not including food supplements or vitamins — articles designed for people with special needs — education materials — health care — immovable property — education services — intermediary services (supply of financial services) — petroleum products — supply of water, except bottled or canned water or similarly presented water |

**General
(continued)****Are there any reduced rates, zero rates or exemptions? (continued)**

- supply of air charter services
- games of chance
- funeral services
- supply of tourist guiding, game driving, water safaris, animal or bird watching
- supply of arms and ammunitions to the armed forces
- transportation of person by any means of conveyance other than taxi cabs, rental cars or boat charter
- supply of solar panels, modules, solar charger controllers, solar inverter, solar lights
- import of baggage or personal effects exempt from customs duty under the fifth schedule of *East African Customs Management Act, 2004*
- import of goods given, otherwise than for a purpose for sale, as unconditional gift to the state
- import of goods shipped or conveyed to Tanzania for transshipment or conveyance to any other country
- firefighting equipment
- import of goods by non-profit organization for the provision of emergency and disaster relief, and where such goods are capital goods, the goods shall be handed to the National Disaster Committee upon completion or diminishing of the disaster
- import of aircraft, aircraft engine or parts by a local operator or air transportation
- import of railway locomotive, wagons, tramways and their parts and accessories by a registered railways company, corporation or authority
- import of laboratory equipment and reagents by education institutions for use for educational purposes
- import of goods that are exempt under the agreement between the government of Tanzania and another government or an international agency.

What are the general and specific place of supply rules, if applicable?

Place of supply/taxation for goods is in Tanzania if the following applies:

- for local supplies — if delivered or made available in Tanzania
- for imports — if cleared for home consumption, and
- for inbound and outbound goods — if it is transported or dispatched from Tanzania.

In case of immovable property, the place of taxation is where the property is located.

For services, place of taxation is where the service provider is located.

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| VAT/GST registration | Who is required to register for VAT/GST? | <p>A person making taxable supplies of goods, immovable property or services in the course or furtherance of economic activity, if taxable turnover exceeds or is likely to exceed:</p> <ul style="list-style-type: none"> — 100 million Tanzanian shilling (TZS) in a 12-month consecutive period; or — TZS50 million in a 6-month consecutive period. <p>Note: Section 28(4) provides that a registration threshold for VAT shall be prescribed in the VAT regulations. However, the VAT regulations are yet to be gazetted, and therefore, the provisions of Section 95(2) of the VAT Act, 2014 which requires the continuation of use of rules, orders or notices of the VAT Act, unless revoked or amended by the regulations of the new Act.</p> <p>As per the previous VAT Act, the registration threshold was TZS40 million in a 12-month consecutive period or TZS10 million in a 3-month consecutive period.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes. |
| | Does an overseas company need to appoint a fiscal representative? | Yes, when such overseas company carries out economic activity in mainland Tanzania, without fixed place in mainland Tanzania, and make taxable supplies for which overseas company is liable to pay VAT. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly. |
| | Can returns be filed and payments be made electronically? | Yes. |
| | What are the exchange rate rules in your country? | Exchange rates to be used are issued by the Bank of Tanzania. However, recently, Tanzania Revenue Authority (TRA) have their own exchange rates on their website, which can be used when making payments to TRA. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input tax cannot be deducted on:</p> <ul style="list-style-type: none"> — entertainment, unless the person's economic activity involves providing entertainment in an ordinary course of the person's economic activity — an acquisition of a membership or right of entry for any person in a club, association or society of a sporting, social or recreational nature. |

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| VAT/GST recovery (continued) | Are there any exemptions with the right to recover or deduct input VAT? (continued) | <p>Note: The two above will not apply to acquisition or imports used to provide in-kind benefits to employees and the supply of taxable supply.</p> <p>— Passenger vehicles, unless the person's economic activity involves dealing in hiring out, or providing transport services in passenger vehicles and the vehicle was acquired for that purpose.</p> |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | For 6 months from date of tax invoice, fiscal receipt or other relevant evidence such as a single administrative document, proof of payment of tax, etc. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | A taxpayer can elect to have the amount refunded or to be utilized against future tax payments. |
| Invoices | Is a business required to issue tax invoices? | Yes, a business is required to issue a serially numbered true and correct tax invoice generated by electronic fiscal device. |
| | Is it possible/mandatory to issue invoices electronically? | Yes, but not mandatory. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | Audits are carried out to confirm the level of VAT compliance (e.g. if returns are filed on time, all input and output VAT are correctly reported in the VAT returns). Also, as per the VAT Act, 2014, claiming of VAT refund will possibly trigger TRA audits. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | <p>The following penalties are levied:</p> <ul style="list-style-type: none"> — greater of TZS50,000 or 1% of tax for first month, then greater of TZS100,000 or 2% for each further month for late submission — greater of TZS2 million or twice the amount of tax, 2 years' imprisonment, or both, for fraudulent evasion or recovery — up to TZS1 million or up to 12 months' imprisonment, or both, for falsifying statements or information — up to TZS200,000 or 2–12 months' imprisonment, or both, for late application for registration — up to TZS1 million or up to 12 months' imprisonment, or both, for failure to issue a tax invoice. <p>Interest is charged at 5% plus the Central Bank rate for late payments.</p> <p>Note: These provisions are as per the VAT Act, 1997, which has been repealed. However, as per section 95(2) of the VAT Act, 2014, the rules, orders and notices of the repealed Act will continue to be in force, unless revoked by the new Act.</p> |

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| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. Applies to all services supplied from outside Tanzania to a recipient in Tanzania and which would be taxable if supplied in Tanzania. The recipient must account for VAT on imported services. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Yes, provided input tax shall not be claimed unless the output tax has been accounted for in the same return. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. It is the recipient's responsibility to account for VAT. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | No, only under direct tax. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, this includes: <ul style="list-style-type: none"> — excise duty on locally manufactured goods and imports — import duty — stamp duty. |



Tunisia

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 18%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Reduced rates:</p> <ul style="list-style-type: none"> — 12% VAT on transport of goods (excluding farming and fishery), services by lawyers, tax advisors, other experts, and certain other supplies — 6% VAT on activities of doctors and analytical laboratories, services by hotels, medicines sold by retailers, materials and supplies for pharmaceutical products and certain other supplies. <p>No actual zero-rated supplies, but some supplies such as exports are VAT-suspended with a VAT credit.</p> <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — insurance and reinsurance — some interest — some foodstuffs and products subject to the government homologation of prices — certain IT training services — apartment buildings for residential use — books, brochures other than touristic brochures, and similar products — certain farming products and equipment — air and shipping transport, country collective transport. |
| What are the general and specific place of supply rules, if applicable? | <p>The principle of territoriality applies:</p> <ul style="list-style-type: none"> — for services: where it is used or consumed — for goods: where it is delivered | |
| VAT/GST registration | Who is required to register for VAT/GST? | <p>The following persons are liable for registration:</p> <ul style="list-style-type: none"> — persons carrying out transactions in Tunisia relating to sale operations, commercial operations other than sales, industrial and handmade operations, professional services, retail trade (annual turnover of 100,000 Tunisian dinar (TND) or more) and independent personnel services — persons incorrectly reflecting VAT on invoices |

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| VAT/GST registration (continued) | Who is required to register for VAT/GST? (continued) | <ul style="list-style-type: none"> — persons opting to be liable where: <ul style="list-style-type: none"> — operations are not within the VAT scope — exempt export activities are conducted — exempt goods or services are supplied to VAT-registered persons — entities affiliated with companies liable for VAT registration. |
| | Is voluntary VAT/GST registration possible for an overseas company? | No. |
| | Does an overseas company need to appoint a fiscal representative? | No. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | <p>Monthly (by the 28th day of the following month for companies, by the 15th day of the following month for natural persons).</p> <p>This monthly return is not specific to VAT, but it covers both direct and indirect taxes, including taxes reporting.</p> |
| | Can returns be filed and payments be made electronically? | Yes and compulsory when the annual gross turnover exceeds TND1 million. |
| | What are the exchange rate rules in your country? | Exchange rate as published by the Tunisian Central Bank should be used where applicable. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | Yes. |
| | Are there any exemptions with the right to recover or deduct input VAT? | <p>Input VAT cannot be deducted on:</p> <ul style="list-style-type: none"> — passenger cars, except if it constitutes the main activity of a business — maintenance of passenger cars. <p>If VAT was incorrectly charged by a supplier who is not liable for VAT, such deduction can also not be made.</p> <p>Input VAT can only be claimed on invoices complying with requirements</p> |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 3 years. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | The two possibilities are allowed. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Yes. |
| | Is it possible to issue recipient-created tax invoices? | No. |

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| Audits | Do tax audits take place on a regular basis? | Audits generally take place upon a VAT credit refund or upon business closure. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | The following penalties are levied: <ul style="list-style-type: none"> — late filing of nil reporting returns: Penalty ranging between TND100 and TND10,000, but not if spontaneous regularization before a tax inspection — late filing of VAT payment returns: 0.5% fixed interest per month or fraction of month of delay levied on tax due. Penalties of 0.5% to 1.25% if the payment default is identified by the tax authorities (after a tax inspection). The 1.25% can be reduced by 50% if the taxpayer makes immediate payment without making any contest or appeal. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | VAT relating to bad debts cannot be deducted or refunded. |
| | Does a reverse charge mechanism apply? | No. However, there is the withholding tax mechanism which applies when the supplier is not a resident and does not have a permanent establishment in Tunisia: VAT is withheld by the Tunisian customer and reported to the authorities. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | No, not on reverse charges. But the VAT withheld under the withholding tax mechanism can be claimed as input tax. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | Not applicable. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Yes. There are exemptions for investments covered by the Incentive Investment Code (e.g. regional development, environmental protection, technology incentives, fully exporting activities) for international trade companies and for the oil and gas sector. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Yes. Go to www.impots.finances.gov.tn/documentation/documentation.htm . |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — land registration — special insurance transaction tax — excise duties. |



Uganda

| General | Type of indirect tax (VAT/GST) | VAT. |
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| | What is the standard VAT/GST rate? | 18%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — exports and export handling services — international transport of goods and passengers — medical and pharmaceutical products — educational materials — cereals grown, milled or produced locally — seed, fertilizers, pesticides and hoes — sanitary towels and tampons and inputs in their manufacture — leased aircraft, aircraft engines, spare parts for aircraft and aircraft maintenance equipment. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — financial services and insurance — educational, medical, dental and nursing, social welfare and burial and cremation services — dental, medical and veterinary equipment, ambulances and contraceptives of all forms, diapers, maternity kits — supply of machinery, tools and implements suitable for use only in agriculture — unimproved land — sale, leasing or letting of immovable property, excluding: <ul style="list-style-type: none"> — commercial premises and hotel or holiday accommodation — for periods of 3 months or less — for parking or storing cars or other vehicles — serviced apartments — goods forming part of a going concern — precious metals and other valuables to the Bank of Uganda for the Treasury — petroleum fuels subject to excise duty, jet fuel and liquid petroleum gas — passenger transportation, excluding registered tour and travel operators |

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| General (continued) | Are there any reduced rates, zero rates or exemptions? (continued) | <ul style="list-style-type: none"> — power generated by solar — goods and services to the contractors and subcontractors of hydro-electric power projects — photosensitive semiconductor devices — veterinary, medical, dental and nursing services — betting, lotteries and games of chance — livestock, unprocessed foodstuffs and unprocessed agricultural products, except wheat grain — lifejackets, life-saving gear, headgear and speed governors — postage stamps. |
| | What are the general and specific place of supply rules, if applicable? | <p>Goods are supplied in Uganda, if it is delivered or made available in Uganda. Transported goods are supplied in Uganda if such goods were in Uganda when transportation began.</p> <p>The supply of services is in Uganda if the business of the supplier from which the services are supplied is in Uganda.</p> <p>The following services are specified to be in Uganda:</p> <ul style="list-style-type: none"> — where the services are in connection with immovable property in Uganda — radio or broadcasting services received at an address in Uganda — electronic services delivered to a person in Uganda at the time of supply. |
| VAT/GST registration | Who is required to register for VAT/GST? | <p>Anyone whose annual taxable turnover exceeds or is expected to exceed 150 million Ugandan shillings (UGX) in a 12-month period.</p> <p>Voluntary registrations where taxable turnover < UGX150 million is also possible.</p> |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes, provided the overseas company has a permanent establishment in Uganda. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly — within 15 days of the month following the end of each tax period. |
| | Can returns be filed and payments be made electronically? | Yes. |
| | What are the exchange rate rules in your country? | <p>Amounts expressed in a currency other than UGX must be converted into UGX using the weighted average selling rates of the previous month for the currency concerned. These rates are issued by the Bank of Uganda at the beginning of every month.</p> <p>Invoicing may be done in a foreign currency, however, the returns have to be filed in UGX.</p> |

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| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. |
| | Is it a prerequisite that output tax be taxed before input tax can be claimed? | Yes. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on: <ul style="list-style-type: none"> — entertainment expenses, except if for an entertainment business or meals supplied to employees by an employer on premises operated by him — passenger vehicles (including repairs, maintenance and spare parts), except motor dealers or rental businesses — 10% of telephone service charges. VAT incurred for both exempt and taxable supplies should be apportioned. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | Prescription is 3 years after the date on which the return was lodged. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | The refund is claimable by the taxpayer in cash where the refund is above UGX5 million and can be used as a credit against future payments when it is below UGX5 million. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Possible but not mandatory. |
| | Is it possible to issue recipient-created tax invoices? | Yes, for imported services. |
| Audits | Do tax audits take place on a regular basis? | The timing of audits is at the discretion of the Uganda Revenue Authority. Audits are conducted prior to refunds being released. The tax authority has a period of 5 years to review VAT records; however, in the event of fraud, the period will be longer. During an audit, VAT law compliance is confirmed, reconciliations are done between sales per VAT returns and sales per audited financial statements and import records and the VAT treatment of transactions is reviewed. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | The following non-compliance penalties are levied: <ul style="list-style-type: none"> — the greater of UGX200,000 or the compounded interest rate of 2% per month for outstanding returns — 2% interest compounded monthly for unpaid tax — double the amount of excess tax for false or misleading declarations — 100% tax of a refund amount claimed in excess of what is actually due — double the amount of tax payable for failure to register. |

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| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. VAT is levied on imported services and is payable by the recipient of such services. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | No. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | No; however, could be available on application to the minister of finance. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: — import duty — excise duty. |



Zambia

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 16%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods — services physically rendered outside Zambia — medical supplies and drugs, including implements for medical industry — tour operator services — energy-saving appliances, machinery and equipment — books and school exercise books — goods or services supplied to a developer of a multi-facility economic zone — farming equipment and spares — ethanol-based biofuel — raw materials used in production of mosquito nets — supplies to diplomats and donor agencies — building supplies to charitable organizations — mosquito nets. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — financial services and insurance — water and sewerage, health and medical, passenger transport and funeral services — certain foodstuffs and farming products — education provided by schools — books and newspapers — sale or lease of domestic buildings and conveyance of real property, excluding lease or rental of commercial property — fees, royalty or rights to explore or remove natural resources — precious metals to a bank — domestic kerosene — gaming and betting supplies — trade union subscriptions. |

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| General (continued) | What are the general and specific place of supply rules, if applicable? | <p>The place of supply for goods is the location of the goods when allocated to a customer. If the goods are in Zambia when allocated, the supply is in Zambia. This applies to goods supplied for export as well as goods supplied to customers in Zambia.</p> <p>If goods which are assembled or built for the first time are supplied, the place of supply is where the assembly or building takes place.</p> <p>Services are supplied in Zambia if the supplier has a business or fixed establishment, including a branch or agency or usual place of residence, in Zambia (for a company where legally constituted).</p> <p>If a supplier has establishments in more than one country, the supply takes place at the location of the establishment most directly concerned with the supply.</p> <p>Where services are supplied wholly or partly in Zambia, but on or near the border between Zambia and another country and whether or not the services are paid for in Zambia, the Commissioner-General may, by notice, determine that they shall be regarded as supplied in Zambia where:</p> <ul style="list-style-type: none"> — the supplier is registered in Zambia; or — the business operates on a de facto basis in Zambia; or — the services are imported. Services are imported when performed, undertaken or utilized in Zambia or when the benefit of the supply is for a recipient in Zambia; or — other circumstances, as the Commissioner-General considers relevant, exist. <p>The place of supply of radio, television, telephone or other information, communication and technology (ICT) services, where the signal or service originates outside Zambia, is at the place where the recipient receives the signal or service, provided that a consideration is payable for receiving the service or signal.</p> |
| VAT/GST registration | Who is required to register for VAT/GST? | Any person who makes taxable supplies of goods and services exceeding 800,000 Zambian kwacha (ZMW) from 1 January 2013 (increased from ZMW200,000) in any 12 consecutive months or ZMW50,000 in any 3 consecutive months. |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | The VAT Act provides for two or more companies incorporated in Zambia to form a recognized group and apply for group registration. |

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| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly, on or before the 21st day of the following month after the end of a tax period. |
| | Can returns be filed and payments be made electronically? | Yes, it is mandatory that returns are filed electronically. Payments can also be made electronically. |
| | What are the exchange rate rules in your country? | There are no controls on the conversion and transfer of currency. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | Only if such companies are participants in the Commercial Exporters Scheme and goods are purchased for resale outside Zambia. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on: <ul style="list-style-type: none"> — purchase and hire of motor cars — business entertainment — fuel for passenger vehicles — petrol (recovery limited to 20%) — business gifts valued at more than ZMW25 — telephone and internet services — benefit incurred for directors or employees. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 6 months. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | The refund is paid to the taxpayer. |
| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Retailers are required to issue electronic invoices (use of cash registers) owing to the huge volumes of transactions. |
| | Is it possible to issue recipient-created tax invoices? | No. |
| Audits | Do tax audits take place on a regular basis? | Control audits for longer periods and credibility checks for shorter periods are conducted by the revenue authority. The type of information checked is at the discretion of the officer. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | Audits are not done electronically, but where any information or document is electronically stored, an authorized officer can ask to view the information or document and to copy or take extracts from it by electronic means or require that it be reproduced in hard copy, or copied on to computer diskette or reduced to some other portable form suitable for removal and capable of reproducing the information or document for viewing. |

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| Audits (continued) | What penalties can arise from non-compliance? | <p>Late filing penalties will be the higher of:</p> <ul style="list-style-type: none"> — 1,000 penalty units (ZMW200) — 0.5% of tax payable for each day and interest at the Bank of Zambia discounted rate plus 2%. <p>Late payment penalty:</p> <ul style="list-style-type: none"> — 0.5% of the return amount due for each day the VAT is unpaid. Interest is charged at the Bank of Zambia discounted rate plus 2% — where a repayment or nil return is made late, these penalties are still chargeable. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | <p>Yes.</p> <p>Procurement of services from a non-resident supplier by a local recipient is subject to VAT.</p> |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | <p>If the non-resident supplier appoints an agent, the recipient can claim input tax.</p> <p>If the foreign supplier has not appointed an agent and is not registered for VAT, the recipient will have to account for VAT on the supply and will not be able to claim an input tax credit.</p> |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | <p>Yes.</p> <p>The agent will take on the responsibilities and liabilities of the non-resident supplier.</p> <p>The agent will charge VAT on its services (agency fees) to the non-resident supplier which attracts VAT. This charge will not be claimable as input tax on the non-resident supplier return.</p> |

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| Special indirect tax rules (continued) | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | <p>The following tax incentives are available:</p> <ul style="list-style-type: none"> — agriculture: <ul style="list-style-type: none"> — guaranteed input tax claim for 4 years prior to commencement of production — zero-rating export of agricultural products and supplies — VAT deferment on importation of some agricultural equipment and machinery — manufacturing: <ul style="list-style-type: none"> — refund VAT on export products if part of Commercial Exporters Scheme — guaranteed input tax claim for 2 years prior to commencement of production — mining: <ul style="list-style-type: none"> — guaranteed input tax claim for 7 years on pre-production expenditure for exploration companies — guaranteed input tax claim for 4 years on pre-production expenditure for mining companies with mining right for base metals. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | Yes. Go to www.rat.org.zm . |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — import duty and excise duty. |



Zimbabwe

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| General | Type of indirect tax (VAT/GST) | VAT. |
| | What is the standard VAT/GST rate? | 15%. |
| | Are there any reduced rates, zero rates or exemptions? | <p>Zero-rated supplies include:</p> <ul style="list-style-type: none"> — export of goods except unbeneficiated chrome which is taxed at 20% — basic foodstuffs and goods used for farming services — international transport and related services — sale of business as going concern — goods to a branch in an export country — services physically rendered outside Zimbabwe — services rendered to non-residents under certain circumstances — patents and intellectual property for use outside of Zimbabwe — prescription medicines. <p>Exempt supplies include:</p> <ul style="list-style-type: none"> — financial, medical and educational services — donated goods or services supplied by an association not for gain — residential accommodation — leasehold land to be used for residential purposes — land situated outside Zimbabwe — transport of fare-paying passengers by road or rail — water and electricity for domestic use — membership contributions paid to an employee organization — most fuel and fuel products. |
| What are the general and specific place of supply rules, if applicable? | <p>There are no specific place of supply rules.</p> <p>A supply provided in Zimbabwe has its place of supply in Zimbabwe. If a supply is provided outside of Zimbabwe, it will be zero-rated.</p> | |

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| VAT/GST registration | Who is required to register for VAT/GST? | A person making taxable supplies of goods or services which exceed or are expected to exceed a turnover of USD60,000 in a 12-month period. |
| | Is voluntary VAT/GST registration possible for an overseas company? | Yes. |
| | Does an overseas company need to appoint a fiscal representative? | Yes. |
| | Is VAT/GST grouping possible? | No. |
| VAT/GST compliance | How frequently are VAT/GST returns submitted? | Monthly, if taxable supplies exceed USD240,000, otherwise, every 2 months. This will be set at the time of registration. |
| | Can returns be filed and payments be made electronically? | The Zimbabwe Revenue Authority is currently rolling out e-filing, which will allow payments and returns to be made electronically. |
| | What are the exchange rate rules in your country? | The official rate of exchange is used. The primary currency is the US dollar. |
| VAT/GST recovery | Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally? | No. To obtain a VAT refund, a VAT return should be submitted by the registered operator. |
| | Is it a prerequisite that output tax be charged before input tax can be claimed? | No. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Input VAT cannot be deducted on: <ul style="list-style-type: none"> — entertainment — sporting, social or recreational club membership fees or subscriptions — acquisition of a motor vehicle — medical costs paid by medical schemes — VAT payable on exports of unbeneficiated chrome — expenditure incurred for the purposes of making exempt supplies. |
| | For what period of time may input tax not previously claimed be claimed (i.e. prescription)? | 12 months. |
| | Where a VAT return reflects a refund due to the taxpayer, is the refund paid to the taxpayer or is the taxpayer required to utilize the refund as a credit against future payments? | Per legislation, a refund should be paid to the taxpayer, however, with liquidity issues being experienced in Zimbabwe, refunds are offset against future payments and, in some cases, against other type of tax liabilities. Refunds generally trigger audits. |
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| Invoices | Is a business required to issue tax invoices? | Yes. |
| | Is it possible/mandatory to issue invoices electronically? | Fiscal tax invoices should be issued by means of fiscal tax devices. |
| | Is it possible to issue recipient-created tax invoices? | Yes (prior written approval required). |

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| Audits | Do tax audits take place on a regular basis? | Generally, all refund claims are audited and regular compliance audits are also conducted at least on an annual basis. |
| | Are there audits done electronically in your country (e-audit)? If so, what system is in use? | No (computerized audits in planning phase). |
| | What penalties can arise from non-compliance? | The following non-compliance penalties and interest are levied: <ul style="list-style-type: none"> — up to 100% of the tax for late payment of VAT — 100% additional tax for fraud — fines may also be levied for other offences (false statement, obstruction). Interest is charged on outstanding VAT payments at 10% per annum. |
| Special indirect tax rules | Are there unique country-specific indirect tax rules that differ from 'standard' indirect tax rules in other jurisdictions? | No. |
| | Does a reverse charge mechanism apply? | Yes. VAT is levied on imported services at 15% where such services will not be used for the purpose of making taxable supplies and is payable by the recipient of such services. |
| | Can VAT on reverse charges be claimed as input tax to the extent that the expense on which the reverse charge VAT is accounted for is used for taxable purposes? | Not applicable. |
| | Can non-residents appoint local agents in order to avoid reverse charge VAT by virtue of charging standard rate VAT and accounting for such VAT through the agent? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | Limited specified cases. |
| Rulings | Is it possible to apply for formal or informal advance rulings from the tax authority? | Yes. |
| | Are rulings and decisions issued by the tax authorities publicly available in your country? | No. |
| Other indirect taxes | Are there other indirect taxes not commented on above? | Yes, other indirect taxes include: <ul style="list-style-type: none"> — customs and excise duties — transfer duty — stamp duty. |



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