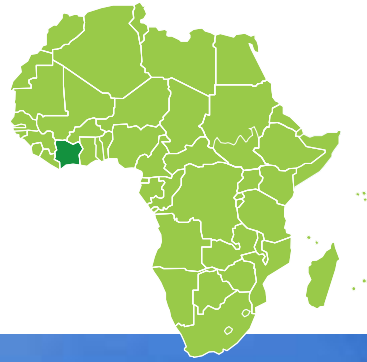


Ivory Coast



	+225 20 250 283	Charles Gogoua	cgogoua@deloitte.com
	+225 07 009 316	Marc Vincens Wabi	mwabi@deloitte.fr
	+33 1 40 88 28 12	Bruno Messerschmitt*	bmesserschmitt@deloitte.fr

* Head of Tax – French Africa Cluster

Ivory Coast

Income Tax

Residents

Residents are subject to tax on worldwide income.

National Contribution Rates for Resident Individuals (monthly basis)		
Taxable Income as exceeds	But does not exceed	Rate
XOF	XOF	%
0	50 000	0%
50 000	130 000	1.5%
130 000	200 000	5%
200 000 +	0	10%

Notes:

1. Basis – Habitual residents are taxable on worldwide income. Non-residents are subject to tax only on Ivory Coast-source income.
2. Residence – Habitual residents are individuals with a permanent home available for their use in the Ivory Coast or who are employed by a resident corporation.
3. Rates – Non-commercial profits (fees) are generally subject to withholding tax (WHT); an effective rate of 7.5%. WHT is applied to Ivory Coast-source investment income at the rates described below (under "Withholding Taxes"). Additionally, 80% of employment income, including fringe benefits, is taxed at 1.5%. A national contribution is also charged at effective rates up to 10%. The general income tax is imposed at scheduler rates ranging from 2% to 36%. An individual in business may opt to be taxed at a flat rate of 20% and become exempt from the general income tax.
4. Taxable income – Individuals are taxable on the same schedules of income as companies, and on employment income. All income is pooled and subject to a general income tax.
5. Deductions and allowances – Expenses deductible from general income include: life insurance premiums (subject to certain limits and conditions), loan interest, and subsistence allowances paid to dependent parents or a spouse, and the general income tax itself.



6. Filing status – Spouses are generally taxed separately. Children are usually taxed with one of their parents but may be taxed separately if they have employment income.
7. Relief from double taxation is available through tax treaties (DTAs) to which Ivory Coast is a signatory.

Non-Residents

Non-residents are subject to tax on Ivory Coast-source income only.

Companies

Income Tax Rates for Companies	
	Rate of Tax
Standard corporate tax rate	25%

Ivory Coast

Notes:

1. Residence – An entity incorporated in the Ivory Coast is resident for tax purposes.
2. Basis – A resident corporation is subject to tax on income from movable capital on a worldwide basis. Other types of taxable income are taxed at source.
3. Rate – The corporate tax rate is 25%. However, in the case of losses, taxpayers must pay a minimum tax of 0.5% in instead of Corporate Income Tax (CIT) (reduced for financial institutions, insurance and petroleum companies) of the year's turnover. The minimum tax must fall between XOF3 million and XOF35 million.
4. Taxable income – Income is taxed under separate schedules for industrial and commercial profits, non-commercial profits and income from movable capital, land and agriculture. A non-commercial schedule is mainly used for professional income, royalties and know-how and for non-resident corporations. Business costs and expenses are deductible if they are strictly related to the business. Management fees, royalties and similar payments to parents companies, are deductible if they are reasonable and in total do not exceed 5% of turnover, or 20% of general expenses.
5. Losses – Losses generally may be carried forward five years. Losses may be carried forward indefinitely to the extent they arise from capital allowances. The carryback of losses is not permitted.
6. Dividends – Dividends received are subject to the 25% CIT rate, but only on 50% of the total amount received if tax has been previously withheld on the dividends. However, subject to certain conditions, dividends received by a parent company are taxed at a rate of 5%.
7. Foreign tax credit – None, unless a tax treaty provides otherwise.
8. Holding company regime – Subject to certain conditions, dividends received by a parent company are taxed at a rate of 5% and reduced rates apply to capital gains derived from the disposal of shares and for WHT on interest.

Withholding Taxes (WHTs)

The WHTs are set out below. For non-residents the WHT is a final tax:

WHT Rates			
	Note	Residents	Non-Residents
Dividends	1	15%	15%
Interest	2	18%	18%
Royalties	3	n/a	20%
Management/ professional fees	4	n/a	20%
Leasing equipment from non-residents	5	n/a	20%
Branch remittance tax	6	n/a	6%

Notes:

1. Dividends – Dividends paid to residents and non-residents are taxed at a rate of 10% for distributions paid by listed companies and 15% on distributions that are exempt from the tax on industrial and commercial profits; otherwise, the rate is 15%.
2. Interest – Interest paid to residents and non-residents is taxed at 25% on bearer bonds, 10% on long-term government bonds and 5% on other bonds. The rate applicable to other interest and similar payments is normally 18%.
3. Royalties – Royalties paid to a non-resident are subject to a 20% WHT based on a 25% tax on 80% of the gross income. Royalties paid to a resident are not subject to a WHT. The revenue concerned must be taxed to CIT (for companies) or general income tax (for individuals).
4. Management and professional fees – Royalties paid to a non-resident are subject to a 20% WHT based on a 25% tax on 80% of the gross income.
5. Leasing equipment from non-residents – Royalties paid to a non-resident are subject to a 20% WHT based on a 25% tax on 80% of the gross income.
6. Branch remittance tax – A branch of a foreign company is subject to a remittance tax regardless of actual amounts transferred. 50% of the branch's profits are treated as though they have been remitted as a dividend (subject to a 6% rate).

Ivory Coast

Maximum WHT Rates once DTA is applied

WHT on payments to countries with which Ivory Coast has a DTA are as follows:

Type of Income	France	Italy	Switzerland	UK	Germany	Belgium	Canada	Norway	OCAM	WAEMU
Dividends	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Interest	15%	15%	15%	15%	15%	16%	15%	16%	18%	15%
Royalties	10%	10%	10%	10%	10%	10%	10%	10%	0%	15%
Management and professional fees	0%	0%	0%	10%	0%	0%	0%	0%	0%	0%
Leasing equipment from non-residents	10%	10%	10%	10%	10%	10%	10%	10%	0%	15%



Capital Gains Tax (CGT)

Companies

Capital gains arising from the disposal of fixed assets and shares are normally included in taxable income. Rollover relief for gains is granted where the taxpayer invests a sum equal to the amount of the gain in the acquisition of a similar asset within three years of the sale. For shares, the relief applies only to significant long-term holdings. Subject to certain conditions, capital gains arising from a merger, or partial business transfer, are exempt.

Individuals

Capital gains from the disposal of assets are exempt from tax. Capital gains from the disposal of shares are taxable only where the individual had a long-term significant shareholding and was employed in the business.

Anti-avoidance

Transfer Pricing

Profit transfers included in payments between resident corporations and non-resident affiliates, may be adjusted so that arm's length conditions apply for tax purposes.

Thin Capitalisation

Interest may be disallowed where it arises on shareholder loans having a duration of more than five years or in excess of the Central Bank Interest Rate plus 3 points.

Value Added Tax (VAT)

VAT	Rate
Standard rate	18%

Notes:

- VAT is imposed on production activities, the distribution of goods and the rendering of services in the Ivory Coast. VAT is also applied to imported goods and services.
- The standard rate is 18% and there is a 10% for fees and commissions charged by financial institutions (interest is exempt).
- Taxpayers must register with local tax authorities.
- VAT returns and payments are due monthly by the 10th of the following month.

Ivory Coast



Miscellaneous Taxes

Stamp Duty

Stamp duty is 2.5% of the secured amount (i.e. the value of the asset or the amount of the debt provided by the lenders) without a cap. There is also a fixed XOF500 stamp duty per page of the security documents.

Transfer Tax

A stamp duty of XOF18 000 is charged on the transfer of shares. A transfer tax of 6% is applicable to real property. Business transfers are also charged at 10%. Registration fees may apply.

Capital Duty

Capital contributions are subject to duty at 0.3% (0.1% on amounts over XOF5 billion), or 6% where derived from the capitalisation of a reserve.

Real Property Tax

Property taxes are charged on the actual or potential rental income of landlords (4%) and their ownership interests (11%). Property owned and used by the same legal entity, pay an ownership charge based on 15% of the market rental value. The charge is reduced for unoccupied or undeveloped property.

Payroll Tax

Employers must pay 12% of expatriate staff gross payroll and 2.8% of local staff payroll.

Other

A company, or individual, carrying on a trade in the Ivory Coast, must also pay a business licence duty, subject to certain exemptions. The duty is based on 0.5% to 0.7% of turnover, plus 16% to 18.5% of the rental value of the professional premises, depending on the location. Insurance premiums are subject to a levy at rates from 0.1% (export credit) to 25% (fire).

Social Security

Employers are required to make social security contributions based on an employee's gross wages (pension benefits (7.7%); family allowance (5.75%); and work injuries (2% - 5%)). Contributions payable by an employee are withheld by the employer at a rate of 6.3% of gross salary.

Tax Administration

Corporations

- Tax year – Calendar year.
- Consolidated returns – Consolidated returns are not permitted. Each company must file a separate tax return.
- Filing requirements – The tax return is due by 30 April, together with the balance of tax for companies with an annual turnover of more than one billion francs CFA. The due date for companies with an annual turnover of less than one billion francs CFA is 30 May. The tax is payable after the end of the year in three equal parts in April, June and September, based on the realised profits.
- Penalties – Penalties are charged at varying rates for late tax returns, failure to pay tax due and for errors and mistakes.
- Rulings – A taxpayer may seek clarification from the tax authorities on the interpretation of provisions in the tax legislation.

Ivory Coast



Individuals

- Tax year – Calendar year.
- Filing and payment – Personal income tax returns are due by 30 April. An individual receiving employment income from only one employer is not required to file a return, unless he/she is eligible for a refund. Payments of tax relating to a business are due as describe above for companies. Tax is normally withheld at source for other sources of income.
- Penalties – Penalties are charged at varying rates for late tax returns, failure to pay tax due and for errors and mistakes.

General Investment Information

Investment Incentives

General Incentives

- Regional incentives – There are no specific regional incentives. However, the new Investment Code (dated 7 June 2012) provides a longer exemption period (15 years) when the investment site is located outside the region of the economic capital, Abidjan.

Tax Incentives

- Certain tax incentives are available to all qualifying enterprises in the Ivory Coast. Enterprises may apply for a reduction in the tax on industrial and commercial profits. For the reduction to be granted, the amount invested in the Ivory Coast should be at least XOF10 million for an investment period

not exceeding three years. Ivory Coast also offers a favourable accelerated depreciation regime.

- Plant, machinery and equipment that are used exclusively in manufacturing, agriculture, transportation or storage, and that have an expected life of more than five years, may be granted capital allowances at up to twice the normal rates. Enterprises investing at least XOF10 million may apply for a reduction in the tax on industrial and commercial profits.
- Tax incentives are granted under the Mining Code and the Petroleum Code for enterprises involved in mining and petroleum activities. These Codes provide exemption from VAT and additional tax on imports and purchases to companies involved in exploration or production of oil, gas or minerals. The tax exemption applies to transactions or purchases directly and exclusively assigned to petroleum or mining activities. The Code also provides specific rules concerning calculation of corporate income for tax purposes. Exemption of VAT, and additional tax on imports and purchases accorded to oil & gas companies, are extended to their subcontractors providing petroleum-specific services. They are also granted a five-year exemption from CIT. The starting year of this exemption is the fiscal year of the effective start of production. A new Mining Code is being prepared in the Ivory Coast.
- Other incentives include five to eight-year exemption from the tax on industrial or commercial profits, business licence duty, property tax and import tax, depending on the location of the investment. Special tax incentives may be granted to enterprises involved in mining (a five-year tax exemption) petroleum and certain construction activities.

Export Incentives

- Export incentives and Free Trade Zones (FTZs) – Exemption from VAT is allowed on exported products or services.

Exchange Controls

The XOF is linked to the euro (€) at a fixed exchange rate and unlimited convertibility to the euro is guaranteed. CFA members have agreed to apply exchange control regulations modelled on those of France. Transfers within the CFA Zone are not restricted. Dividends out of revenue and capital on disinvestment may be remitted.

Ivory Coast



Expatriates and Work Permits

A visa is required to work in the Ivory Coast and is valid for a maximum of three months. An extension is required to stay longer. To get a visa, a company letter (stating a specific mission), and a confirmation of itinerary from a travel agent, must be provided. Natives from an ECOWAS member state do not need a visa to work in the country.

Trade Relations

- Memberships – *Union Economique et Monetaire Ouest Africaine* (West African Economic and Monetary Union).
- Treaties – The Ivory Coast has ratified bilateral DTAs with France, Germany, Belgium, Norway, Canada, Great Britain, Italy and Switzerland. Ivory Coast has also signed multilateral DTAs; namely, Convention of the African and Mauritian Common Organisation (OCAM), signed 29 January 1971 in N'Djamena (Chad), and Convention of the West Africa Economic and Monetary Union (WAEMU), signed on 26 September 2008.

Interest and Currency Exchange Rates

Benchmark Interest Rate

3.50% (September 2014)
(source: Trading Economics)

Currency: Communauté Financière Africaine Franc (XOF)*

*Currently used in eight West African States, including the Ivory Coast.

R1 = 46.2174 XOF (December 2014)
(source: Oanda)

US\$1 = 537.250 XOF (December 2014)
(source: Oanda)

Key Economic Statistics

GDP (approx.)

US\$32.285 billion (2014 estimate)
(source: IMF)

US\$36.089 billion (2015 forecast)
(source: IMF)

Market Capitalisation

Not available.

Rate of Inflation

2.584 (2013 average)
(source: IMF)

1.165% (2014 average)
(source: IMF)

0.00% (December 2014)
(source: IMF)

Notes:

1. The Ivory Coast is the biggest economy in the eight-member WAEMU and the world's largest producer of cocoa.