

Summary of the taxes applicable in Togo

The Togolese General Tax Code comes from Law No. 83-2. of December 30 1983 establishing a "Tax Code regulating the direct and indirect taxes, registration fees and stamp duties, tax control and collection".

The new Code was substituted to the following :

- Law No. 65-13 of July 2. 196. on the codification of direct taxes ;
- Law No. 66-1. of December 8 196. on codification of indirect taxes ;
- Resolution No.. / CP / ATT of December 17 195. codifying the registration and stamp duties. .

It has been updated in accordance with the tax provisions :

- Law No. 2013-00. of January 3 2013 regarding finance and management law, 2013
- Law No. 2014-00. of January 8 201. finance and management law, 2014

Table 1 : Corporate taxes

	Corporate taxes
Taxable persons	<p>Are liable to corporation tax regardless of their purpose :</p> <ul style="list-style-type: none"> • Public Limited Companies, • Single-member Public Limited Companies, • Limited stock partnerships, • Limited liability companies, • Singe-member limited liability companies where the sole shareholder is a corporation, • cooperative societies and associations, and other legal persons engaged in business or profit-making operations. <p>Are also subject to the tax on companies even when they do not take on one of the forms mentioned in the previous paragraph, civil societies when they engaged in business or operations whose results fall within the category of industrial and commercial benefits if they were made by a natural person.</p>

	Corporate taxes
	<p>Partnerships, limited partnerships, sole proprietorships with limited liability, when the sole shareholder is an individual and joint ventures are subject to corporate income tax if they opt for their subjection to this tax. The same option can be exercised by civil partnerships other than those subject of right to the corporate income tax under the provisions of paragraph. above, including farming groups in common.</p> <p>Companies of people from the previous transformation of capital companies without creating a new legal entity may not opt for the capital companies plan except if the option is concurrent to the process.</p> <p>Even without option, the corporate tax is applicable in limited partnerships and joint ventures including financial unions, the share of profits for the rights of the sponsors and those of other partners as unlimited liability or whose names and addresses were not listed in the Administration.</p> <p>Subject to the exemptions, public institutions other than scientific, educational and assistance as well as associations and not subject to tax authorities on companies under another provision are subject to that tax due to :</p> <ul style="list-style-type: none"> - Leasing of developed and undeveloped property they own ; - The exploitation of agricultural and forestry property ; - The investment income they have, with the exception of dividends of Togolese companies, where such income does not fall within the application of withholding tax. <p>For the purposes of these provisions, the investment income is counted as taxable income on a gross basis.</p>
Exemption	<p>Are exempt from corporation tax :</p> <ul style="list-style-type: none"> • Production, transformation, conservation and agricultural products sales cooperative civil societies and their civil unions, other than for some commercial operations such as: sales in an outlet distinct from the main establishment, product and derivative products transformation operations, other than those intended for human or animal consumption or usable as raw material for agriculture or industrial purposes or operations carried out with non-members ;

Corporate taxes

- cooperatives and procurement and purchasing, agricultural unions operating in accordance with the provisions governing them ;
- Consumer Cooperatives Companies that simply group the orders of their members and to distribute in their consignment stores foodstuffs, products or goods which have been the subject of such orders ;
- mutual agricultural credit banks ;
- companies, organizations, cooperatives and associations recognized of a public interest responsible for rural development or agricultural promotion ;
- Mutual benefit societies and unions ;
- offices, public and semi-public companies and the unions of these offices, institutions and companies responsible for the development and construction of low-rent housing and subdivision operations and their land sale for the construction of economic houses or urban development operations ;
- building cooperative societies; mixed economy societies and groups who carry nonprofit subdivision and sale of land belonging to them ;
- public offices and building societies and their unions for economic construction financing ;
- education mutuels ;
- Local authorities, municipalities and their services boards ;
- chambers of commerce, industry, handicrafts, agriculture and trades when they do not engage in commercial activities ;
- gains from the sale of equity securities by holding companies if the portfolio of such companies is composed of at least 60% equity in companies whose headquarters are located in one of the Member States of the Union ;
- revenue bonds issued by public authorities and their agencies when their duration is more than ten (10) years ;
- the savings collection and credit distribution operations by Mutual Savings and Credit Cooperatives (IMCEC) provided that such ancillary operations or activities fall within the framework provided by the law governing the sector.
- This is true also for the members of these institutions for shares, income from savings and interest payments on loans they obtained from the institution.
- However, any operations or activities of these institutions outside the framework provided by the law governing the sector are subject to the common law ;
- profits made by non-profit organizations governed by the law of July 1, 1901, organizing with the support of the State, Prefectures and Municipalities, public events corresponding to the object defined by their

	Corporate taxes
	<p>statutes and with the point of economically significant interest to the Region, the Prefecture or the Municipality ;</p> <ul style="list-style-type: none"> • non-profit organizations legally constituted and whose management is disinterested, for social services, educational, cultural or sports rendered to their members ; • private clubs and circles for their activities outside the bar, restaurant and games ; • war veterans and former combatants associations recognized to be of public interest ; • investment companies with fixed capital operating on the territory of the Member States of the Economic and Monetary Union of West Africa (UEMOA), for a period of twelve (12) years from the company's creation date ; • income generated by the funds deposited for management for a minimum of three (03) years with venture capital firms operating in the territory of the Member States of the UEMOA.
Rate	<p>For the calculation of the tax, any portion of the taxable income of less than 1,000 francs is neglected.</p> <p>The rate of corporation tax is set at 29% of taxable income.</p>
Minimum lump corporate tax	<p>The companies and other legal entities subject to corporation tax are subject to a minimum flat tax.</p> <p>The rate is 1% of the total turnover including tax, excluding the value added tax (VAT), of the last financial year.</p> <p>The annual amount of that tax is set at fifty thousand (50,000) CFA francs for companies with turnover of less than five million (5,000,000) CFA francs.</p>

	Corporate taxes
	<p>It is limited to five hundred million (500,000,000) CFA francs for any company with annual annual sales exceeding fifty billion (50 billion) CFA francs.</p> <p>The turnover corresponds to that of all transactions made by the Company in the performance of its current job.</p> <p>However, these same corporations marketing products of which the permissible gross margin is set at a specific amount per quantity or unit of product sold under a decree of the Minister of Commerce, the basis is constituted by that margin.</p>
Minimum flat tax for individuals	<p>Individuals liable to income tax because of their industrial, commercial or non-commercial activities are subject, regardless</p> <p>of the results of operations, to pay the minimum tax after the base and the rate set out in Article 163.</p> <p>The annual amount of that tax is set at fifty thousand (50,000) CFA francs for companies with turnover of less than five million (5,000,000) CFA francs.</p> <p>It is limited to five hundred million (500,000,000) CFA francs for any company with annual annual sales exceeding fifty billion (50 billion) CFA francs (50 000 000 000) CFA francs.</p> <p>However, for these same individuals marketing products of which the permissible gross margin is set at a specific amount per quantity or unit of product sold under a decree of the Minister of Commerce, the basis is that margin.</p>

Table 2 : tax on personal income

	Tax on personal income
Taxable persons	<p>There shall be a single annual income tax on individual income designated by the name of tax on income that affects the overall net income of the taxpayer</p> <p>That total net income consists of the total net income of the following categories:</p> <ul style="list-style-type: none"> - Salaries, wages, allowances, emoluments, pensions and annuities ; - Property income ; - Industrial, commercial and craft profits ; - Benefit of farms ; - Benefits for non-commercial professions and related revenues ; - Investment income ; - Remuneration paid to directors and associates of some companies ; - Gains on disposal for consideration of certain goods or certain rights * <p>are liable to tax in income on their whole income whether it is of Togolese source or</p> <p>of foreign source :</p> <ul style="list-style-type: none"> - Togolese or foreign natural persons who have their tax residence in Togo ; - The sole member of a single-member limited liability company domiciled in Togo, in the case of a natural person. <p>2- Subject to the application of international tax treaties, individuals of Togolese or foreign nationality who do not have their tax domicile in Togo, are liable to income tax in Togo if they have income of a Togolese source or if they have in Togo one or more dwellings.</p> <p>3- are also liable to income tax, individuals of Togolese or foreign nationality having their tax domicile in Togo or not if they acquire income or benefits of which the taxation is attributed to Togo by an international agreement relating to double taxation.</p>

	Tax on personal income																		
Exemption	<p>Are exempt from the tax on income :</p> <p>1 - individuals whose total net income does not exceed the inter professional guaranteed minimum wage ;</p> <p>2 - Ambassadors and Diplomatic Agents, Consuls and Consular Agents of foreign nationality under reciprocal conditions.</p> <p>This exemption, however, affects only the official salaries of the interested and private income of a foreign source perceived by them.</p>																		
Rate	<p>Net taxable income is equal to gross income minus deductions made by the employer (pensions, retirement, employee premiums, benefits in kind), 10% deducted for business expenses. On the result obtained, 15% is finally subtracted (5% for amounts exceeding 10 million CFA francs per year).</p> <p>I. Deductible dependents</p> <p>The determined total net income is reduced by a fixed amount per dependent.</p> <p>This amount is equal to a sum of seventy-two-thousand (72,000) CFA francs per dependent. It is capped at four hundred thirty-two thousand (432,000) CFA francs per year.</p> <p>I. Scale by income groups and rates</p> <p>After the reduction, the total net income in thousand francs rounded to a thousand franc less is the subject of the application of the scale in increments of income and progressive rates below :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;"><i>From</i></td> <td style="text-align: center;"><i>0</i></td> <td style="text-align: center;"><i>to</i></td> <td style="text-align: center;"><i>900 000</i></td> <td style="text-align: center;"><i>Exemption</i></td> </tr> <tr> <td style="text-align: left;"><i>From</i></td> <td style="text-align: center;"><i>900 001</i></td> <td style="text-align: center;"><i>to</i></td> <td style="text-align: center;"><i>4 000 000</i></td> <td style="text-align: center;"><i>7%</i></td> </tr> <tr> <td style="text-align: left;"><i>From</i></td> <td style="text-align: center;"><i>4 000 001</i></td> <td style="text-align: center;"><i>to</i></td> <td style="text-align: center;"><i>6 000 000</i></td> <td style="text-align: center;"><i>15%</i></td> </tr> </table>				<i>From</i>	<i>0</i>	<i>to</i>	<i>900 000</i>	<i>Exemption</i>	<i>From</i>	<i>900 001</i>	<i>to</i>	<i>4 000 000</i>	<i>7%</i>	<i>From</i>	<i>4 000 001</i>	<i>to</i>	<i>6 000 000</i>	<i>15%</i>
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Tax on personal income				
<i>From</i>	<i>6 000 001</i>	<i>to</i>	<i>10 000 000</i>	<i>25%</i>
<i>From</i>	<i>10 000 001</i>	<i>to</i>	<i>15 000 000</i>	<i>30%</i>
<i>over</i>			<i>15 000 000</i>	<i>35%</i>

Table 3 : Business tax - related taxes

Business tax - related taxes	
Taxable persons	<p>The business tax is payable each year by natural or legal persons regularly carrying on self-employment not subject to the exemptions provided for in Article</p> <p>Business tax is established according to the tax capacity of the obliged calculated according to economic criteria based on the importance of activities by them in the territory of Togo.</p>
Exemption	<p>Are exempt from business tax :</p> <ul style="list-style-type: none"> • the state ; • local communities as well as public institutions and organizations for their activities of general utility of an essentially cultural, educational, health, social, sport or tourism nature. (However, are taxable under business tax, public institutions and public businesses constituted as companies whose business has an industrial or commercial character) • autonomous ports as well as ports and airports managed by public authorities, public institutions or semi-public companies, with the exception of marinas ; • farmers and individual farmers or legal persons, whatever the taxation of their income, but only for the sale and handling of crops and fruits from land owned or operated by them and for the sale of livestock that they will raise, maintain or gain weight ; • agricultural cooperatives, agricultural companies and public interest organizations with an exclusively agricultural object ; • fishermen, maritime registered owners or not their boat, only for operations relating to the fisheries and provided that they engage personally in this activity as well as the sea or river fishing ;

	Business tax - related taxes
	<ul style="list-style-type: none">• the master workers of military units regarding only the exercise of their function ;• artisans and craftsmen working alone or with only the help of a family labor,• apprentices under contract or a simple manoeuvre or physically disabled and not using facilities and equipment of such importance that it is possible to consider that most of remuneration comes from engaged capital .• Similarly, the widow who continues with the help of one worker and one or more apprentices under contract, the occupation by her husband (or wife); people carriers liable to income tax of motor carriers ;• people carriers liable to income tax of motor carriers;• cooperative societies of artisans and their associations and consumer cooperatives that simply group the orders of their members and to distribute in their homes or filing commodities, products or goods which are the subject of these commands ;• periodical publishers whose scientific literary or information part forms the body of their publications, and announcements and advertising constitutes only a part of them ;• accredited news agencies ;• mining concessionaires, lessees and sub lessees of mining concessions, mining business license holders and oil mining explorers and fuel gas for the mere extraction, handling and sale of the extracted material ;• partners, shareholders, general partners, sponsors and holders of shares of partnerships, joint ventures, public limited companies or limited liabilities companies.• painters, sculptors, engravers and illustrators considered to be artists selling only the product of their art, authors and composers, writers teachers, science and leisure arts who do not have a real business open to the public, lawyer trainees, the lyrical and dramatic artists, midwives and carers unless they host a maternity house, nursing home or care house ;• mutual companies approved by the regulatory authority ;• savings or provident funds administered for free, affordable rent housing• associations and various organizations when their activity as a whole, is exercised in<ul style="list-style-type: none">• conditions such that it can be held disinterested ;• trade or industry travelers or ushers as long as they make no operation for their own account and they are related to the houses they represent by a written contract• indicating :<ul style="list-style-type: none">• the nature of goods for sale ;• the region in which they must exercise their profession ;• proportional rebates or commissions rates ;

Business tax - related taxes		
	<ul style="list-style-type: none"> • private schools teaching the first, second, third and fourth degree, technical or higher have been the subject of a public utility recognition ; • new businesses for the first twelve (12) months of their operation ; • new firms authorized under the provisions of an investment code • for the start-up year of operation and the next four years ; • taxpayers subject to the single business tax. 	
Rate	<p>The rates by branch of activities, sales or value of the products used in the calculation of the business tax, details of which are attached to this article, are :</p>	
	<i>BRANCHES OF ACTIVITIES</i>	<i>Rate 1 element of TP</i>
	<p><i>Undertakings from agriculture, forestry and fisheries since these companies are not expressly exempt from the professional tax</i></p>	<i>5‰</i>
	<p><i>mining and quarrying</i></p>	<i>7,5 and 10‰</i>

Business tax - related taxes	
<i>Manufacturing</i>	<i>5 ; 7,5 and 10‰</i>
<i>Companies of which the main business involves the production and distribution of electricity, gas and water to the extent that these companies are not expressly exempted from business tax</i>	<i>2,5‰</i>
<i>Services</i>	<i>2,5; 5; 7,5 and 10‰</i>
<i>Other companies</i>	<i>5‰</i>
<p>The rate to be applied to the rental value of the premises, deposit courses, wharves and other locations used for the performance of taxable professions including facilities of any kind subject to the property tax is 6%.</p>	

Table 4 : Special tax on the manufacture and trade of beverages

Special tax on the manufacture and trade of beverages	
Taxable persons	There shall be a designated tax under the special tax name in the manufacture and sale of beverages. The amount is included in the sale price of the drinks.
Exemption	The special tax on the manufacture and trade of beverages is not applicable to the manufacture and marketing of non-fermented traditional beverages such as millet or corn beer, or liha, etc.

Special tax on the manufacture and trade of beverages		
Rate	<p>The fees due under the special tax on the manufacture and trade of beverages by importers and manufacturers are based on the following rates :</p> <ul style="list-style-type: none"> • Beverage Importers : 	
	<p>Group. (non alcoholic beverages)</p>	<p>bottles, flasks or similar containers with a capacity equal to or less than sixty (60)</p> <p>cl: 1. FCFA / bottle or container</p> <p>- In a container of a capacity greater than sixty</p> <p>((60) cl: 2. FCFA / bottle or container.</p>
	<p>the 2nd group (non distilled fermented beverages)</p>	<p>bottles, flasks or similar containers with a capacity equal to or less than sixty (60)</p> <p>cl: 20 FCFA / bottle or container</p> <p>- In a container of a capacity greater than sixty</p> <p>(60) cl: 2. CFA / bottle or container.</p>
	<p>the third group (other alcoholic beverages)</p>	<p>bottles, flasks or similar containers with a capacity equal to or less than one (1) liter: 50 FCFA / bottle or container</p>

Special tax on the manufacture and trade of beverages	
	<p>- Containing more than one (1) liter: 100 F CFA</p> <p>bottle or container.</p>
<p>• Beverage manufacturers :</p>	
Group. (non alcoholic beverages)	<p>bottles, flasks or similar containers with a</p> <p>capacity equal to or less than sixty (60)</p> <p>cl: . F CFA / bottle or container</p> <p>- In a container of a capacity greater than sixty</p> <p>(60) cl: 10 FCFA / bottle or container.</p>
the 2nd group (non distilled fermented beverages)	<p>- bottles, flasks or similar containers with a</p> <p>capacity equal to or less than sixty (60)</p> <p>cl: . FCFA / bottle or container</p>

Special tax on the manufacture and trade of beverages	
	<p>- In a container of a capacity greater than sixty</p> <p>(60) cl: 10 FCFA / bottle or container.</p>
	<p>bottles, flasks or similar containers with a</p> <p>capacity equal to or less than one (1) liter: 50 FCFA /</p> <p>bottle or container.</p> <p>- Containing a capacity greater than one (1)</p> <p>liter 100 F CFA / bottle or container.</p>
the third group (other alcoholic beverages)	
<p>The special tax on the manufacture and trade of beverages is not applicable to the manufacture and marketing of non-fermented traditional beverages such as millet or corn beer, or liha, etc.</p>	

Table 5 : Value Added Tax

Value Added Tax	
Taxable transactions	<p>A-taxable transactions</p> <p>Are subject to value added tax accrues to the general budget, the supply of movable assets and services effected for consideration by a taxable person acting as such.</p> <ul style="list-style-type: none"> • The delivery of personal property means the transfer of ownership of tangible personal property even if transfer is made in pursuance of an order of the public authority.

Value Added Tax

- The electricity, water, gas, heat, cold, telecommunications and similar goods are considered tangible personal property within the meaning of value added tax.
- Operations under an economic activity other than those defined in paragraph. above are considered services including delivery of intangible personal property, real estate work, committee operations, brokerage and sales for on-site consumption of food or drink, engineering works, research and expertise, transportation of people and goods, and in general all lease transactions of things or services, lease of industry or business contract by which a person undertakes to do so at a fixed fee or in exchange for another service, work of any order or perform activities that give rise to the perception a gain in cash or in kind.
- The exchange that amounted to double sales and consumer loan which includes restitution of delivered goods, give rise to chargeability of tax on the value added to each of the operations that constitute either: a double sale on one hand, delivery and return of goods on the other hand.
- Port and airport services unless specific statutory exemptions.

Are also subject to the value added tax unless specific exemptions :

- a. import operations made in Togo by any physical or legal person. Import means the crossing of the Customs cord ;

Accordingly, the products obtained in the free zone from local raw materials or originating from ECOWAS Member States are subject to the value added tax and all other rights and customs duties upon importation from the free zone by the customs territory. These other duties and taxes being components of the basis of calculation of the value added tax in accordance with article 317 Bis of the present code ;

- a. deliveries of goods and services used by a taxable person for their own needs or the needs of its operations ;
- b. deliveries of goods by cooperative societies and associations as well as buying groups jointly created by traders or individuals irrespective of the legal form of such groups ;
- c. operations made by cooperatives and associations thereof.

B- Taxable transactions per option

	Value Added Tax
	<p>May be subject to the value-added tax on the option of the obliged :</p> <ul style="list-style-type: none"> • sales and services performed by persons whose annual turnover is less than thirty (30) million ; • the import, production and sale of products listed in the annex to this chapter (annex VAT). <p>The option which must be issued before November 30 is exercised for a period of two (02) years from January. of the following year. It is subject to the approval of the Director general of taxes and is renewed by tacit renewal at the end of the period, unless notice of termination before November 30 of the second year.</p>
Taxable persons	<p>Sont assujetties à la taxe sur la valeur ajoutée, les personnes physiques ou morales qui effectuent d'une manière indépendante à titre habituel ou occasionnel, une ou plusieurs opérations soumises à la taxe quels que soient le statut juridique de ces personnes, leur situation au regard des autres impôts et la forme ou la nature de leur intervention, lorsqu'elles réalisent un chiffre d'affaires supérieur à 30 millions.</p> <p>Companies whose turnover falls below the limit specified in the preceding paragraph, continue to observe their filing and payment obligations for three (03) consecutive years.</p> <p>However, when during the year, the total turnover limit is reached, the liability to VAT takes effect from 1st day of the month of the realization of the condition.</p>
Rate	<p>The rate of the value-added tax is a single rate of 18% applicable to all activities and all products except those exempt.</p> <p>However, with regard to leasing operations, the rate to apply to rent is that of the property at the time of purchase.</p>