



**Côte d'Ivoire**

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**The 2022 fiscal year began in Côte d'Ivoire with the entry into force of Law No. 2021-899 of December 21, 2021, on the State Budget for the year 2022.**

Developed with the objective of consolidating the recovery of the economy, the Tax Act includes 25 articles.

**Among the important measures of this law, we have:**

- The subjection to VAT of online sales platforms and digital services not established in Côte d'Ivoire. Henceforth, the commissions perceived by the operators are taxable in Côte d'Ivoire as soon as the operator of the digital platform, the salesman of the good or the purchaser, the supplier of the service or the user are on the Ivorian territory at the time of the sale of the good or the execution of the online service.

A simplified tax registration procedure has been introduced so that these platforms can register. They are required to submit a declaration by the 15th of each month indicating the turnover in Côte d'Ivoire, the rate, and the amount of tax due.

- Regarding the sums paid to foreign companies belonging to the same group for services, VAT and Withholding Tax are also due as soon as the sums appear in accountancy after a period of two (2) years without payment of the service.
- The obligation to disclose in the statement of international intra-group transactions, the expenses recorded and not only the amounts paid, as well as a description of the transfer pricing method used by the taxpayer to value the transactions concerned.
- Transposition into domestic law of the provisions of Directive No. 02/2011/CM/UEMOA of 24 June 2011 on the harmonization of taxation applicable to fixed capital investment companies within the WAEMU.

Are considered as fixed capital investment companies, the companies which usually contribute, with their own resources or similar, to the reinforcement of the equity capital and similar of other companies and which have obtained a license to operate from the competent authorities.

Own resources and similar means capital, reserves, investment subsidies and regulated provisions and similar funds.

**Closed-end investment companies include, by way of limitation:**

- Venture capital financial institutions.
- Venture capital companies.
- Equity capital financial institutions.
- Equity capital investment companies

Any fixed capital investment company must have a minimum of 50% of the net value of the overall portfolio composed of shares of unlisted companies.

Companies that meet the above conditions are eligible for a 15-year exemption from corporate income tax and dividend tax as well as an exemption from registration fees on certain deeds.

- Tax adjustments applicable to small and medium-sized companies (companies with a turnover of less than XOF 200,000,000 (€304,800)). The flat tax rate applicable to companies with a turnover between XOF 50,000,000 (€76,200) and XOF 200,000,000 (€304,800) is reduced by 1 point to 6%.

A preferential rate of 4% is applicable for taxpayers belonging to management centers approved by the State and those followed by a chartered accountant signing an agreement with the State.

- In addition to the provisions of this law, various administrative notes have clarified hesitations and points that may be sources of confusion for taxpayers. Among others:

Regarding the Tax on wages, the administrative note No. 01221/MBPE/DGI/DLCD/04-2022 of April 12, 2022, has specified the tax treatment of mixed expenses.

The term “mixed expenses” refers to the amounts or means made available to employees by employers which are used both for the operation of their activities and which also constitute elements of salaries for the beneficiaries when they are partially used by them for private purposes. The note specifies that, with respect to mixed expenses, the portion of the expenses used for private purposes by the employee must be subject to tax on wages. In the absence of a precise estimate to distinguish between private and professional elements, one third of the total amount should be subject to tax on wages.

- Regarding the tax on advertising, the administrative note No. 01492/MBPE/GDI/DLCD/04-2022 dated May 4, 2022, specifies that the tax basis is the amount excluding tax of the advertising message.
- Regarding VAT, the administrative note No. 01136/MBPE/DGI/DLCD of April 6, 2022, specifies the modalities of declaration and payment of VAT by special Treasury checks.

Special treasury checks is a mechanism for deferred payment of VAT and/or customs duties set up instead of exemption from VAT on contracts totally or partially financed by the Ivorian Government. Thus, the VAT burdening the portion of the State in these projects, is paid by way of special checks from the treasury

- Regarding stamp duty, the administrative note no. 01837/MBPE/DGI/DLCD-SDL/tc/05-2022 specifies that cash flow agreements concluded between a parent company and its daughter are subject to a proportional stamp duty of 1%. Advanced payment on export invoices granted by a parent company to its daughter are subject to the same proportional duty of 1%, when they are made within the framework of a treasury agreement.
- Regarding Corporate Income Tax, the administrative note no. 01696/MBPE/DGI/DLCD/SDL/ski/05-2022 specifies that for the determination of the end-of-year adjustment, the cumulative amount of professional

taxes to be considered for the comparison with the microenterprise tax is composed of Corporate Income Tax and Business License Tax.

