

Profile——Democratic Republic of the Congo (DRC for short)

I. Jurisdiction Background

The Democratic Republic of the Congo (DRC for short) is a country in Central Africa, sharing borders with nine countries: the Central African Republic and South Sudan to the north; Uganda, Rwanda, Burundi, and Tanzania to the east; Zambia and Angola to the south; and the Republic of Congo and the Atlantic Ocean to the west. The DRC is Africa's second-largest country, divided into 26 provinces, with Kinshasa as its capital and French its official language. Ever increasing activity in the mining sector, the source of most export income, has boosted the DRC's fiscal receipts and GDP growth.

II. Organizational Structure

Direction Générale des Impôts (DGI, Directorate General of Taxation), an operational body of the Ministry of Finance, is responsible for the tax administration in DRC. Headed by the Director General with assistance of two Deputy Director Generals, the DGI includes Central Administration Department, Large Enterprises Department, Urban Department in the City of Kinshasa as well as Provincial Department in each province with tax centers. It also has the Inspector of Services under the direct authority of the Director General. Various divisions are under the Central Administration Department respectively in charge of human resources, budget management and general services, IT, legislation, tax base, research and cross-checking, collections and study, statistics, and communications, etc.

III. Current Tax System

Major types of tax in DRC include corporate income tax (CIT), personal income tax (PIT) and value added tax (VAT). Income tax is imposed on a territorial basis. Simplified taxation regime applies to micro and small sized companies. There are also other taxes and duties such as excise duties, tax on rental income and property tax, etc.

IV. Overview of Tax Preference Policies

The DRC provides various tax incentives under its Investment Code and Mining Code.

◆ Incentives under the Investment Code

Approved projects through the National Agency for Investment Promotion (ANAPI) and Ministry of Finance can benefit from exemptions on import duties for machinery and equipment, profit taxes, property taxes, and ad valorem duties for setting up or expanding companies. The duration of these benefits varies by region: three years in Kinshasa, four years in Kongo Central and major cities, and five years in other regions. Qualifying projects must meet requirements, including being a Congolese legal entity, a minimum investment of USD 200,000 (or USD 10,000 for SMEs) adhering to environmental and labor regulations.

◆ Incentives under the Mining Code

Tax preferential features of the Mining Code mainly include a reduced 10% withholding tax rate for dividends, exceptional tax for expatriates' remuneration set at 12.5% for the first ten years of the project and 25% for the remaining period, and a possibility to deduct some specific provisions.

V. Tax Collection and Administration

The tax collection and administration are managed based on the type of the taxpayer. The Large Enterprises Department of the DGI is responsible for the management of all tax operations of large taxpayers with annual turnover above CDF 2,000,000,000; other taxpayers are managed by the Tax Centers under the Urban Department in the City of Kinshasa and Provincial Department in each province. Specifically, Tax Centers, established in the City of Kinshasa and the capital of each province, are responsible for the management of all tax operations of medium-sized taxpayers with annual turnover between CDF 80,000,000 and CDF 2,000,000,000, and Synthetic Tax Centers, located in the municipalities and territories depending on the local tax potentials, for small taxpayers with annual turnover of no more than CDF 80,000,000. Regular audits are performed to ensure tax compliance.

The DGI also rolled out the standardized invoice (e-invoicing) and electronic tax device mandate in 2024, aiming to strengthen the efficiency of the tax system and

provide a secure and automated framework for companies to manage the tax obligations.

VI. Taxpayer Services

The DRC has made progress in the modernization of the tax system by developing taxpayer services, including online services, to enhance accessibility and streamline compliance. For those with limited digital access or who prefer face-to-face assistance, local tax offices in major cities and some provincial locations provide in-person support. To facilitate the implementation of the e-invoicing, the DGI has approved the use of “e-UF” devices for businesses without invoicing software and “e-MCF” devices for those with e-invoicing software. A dedicated team of DGI offers assistance and training to the selected businesses during the transition.

VII. Tax Legislation Process

The legislation of income taxes was established by Ordinance Law in 1969, which has been amended and supplemented to date. There are also numerous decrees and departmental decrees and orders. Codes for particular areas such as Investment Code and Mining Code also provide tax regimes in those regards. In terms of recent regulations, the Finance Law for 2020 has introduced a change regarding the annual progressive scale of personal income tax; and the Finance Law for 2024 reduced the number of CIT instalments from 4 times to 3 times, with changes in their rates and deadlines.

VIII. Future Tax Reform Plan

The DRC has initiated the Reform and Modernization of the Tax Administration in late 1980's and implemented a global strategy plan in 2000, with a long-term vision of the reforms to be undertaken. A strategic approach has been adopted including mobilization of in-house expertise, political commitment, consultation with economic operators. The DRI is working to further improve the tax system as well as making further progress of the digitalization of the tax administration.

IX. International tax cooperation

The DRC has signed tax treaties with Belgium and South Africa. It is also a member of the Inclusive Framework of OECD/G20 on BEPS and the Global Forum on Transparency for Information Exchange. It is also a Council Member of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM).

X. Others

None.