



Optimization of Tax Revenue in Cameroon

Progress, challenges and prospects

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Part 01

Introduction:

Situation at hand and challenges



Cameroon: A socio-economic snapshot

CEMAC Hub: Strategic Central African location for trade and transit

Diversifying Economy: Beyond oil/gas (agriculture, timber, services); commodity vulnerability remains.

GDP (Current US\$): 49.28 billion (2023)

GDP Growth Rate (Annual %): 4.5%

Population, Total: 28.37 million (2023)

Population Growth (Annual %): 2.6% (2023)

Literacy Rate Among Persons Aged 15-24 Years: 83.3% (2022)



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Vision and objectives of the Cameroonian Tax Administration



Main Objective

Modernize the DGT through **ICT to mobilize more resources and improve the business climate.**



Optimal Mobilization

Increase tax revenues to finance **national development.**



Socio-economic Promotion

Support **economic growth** and social development.



Business Climate

Create a favorable tax environment for investments.





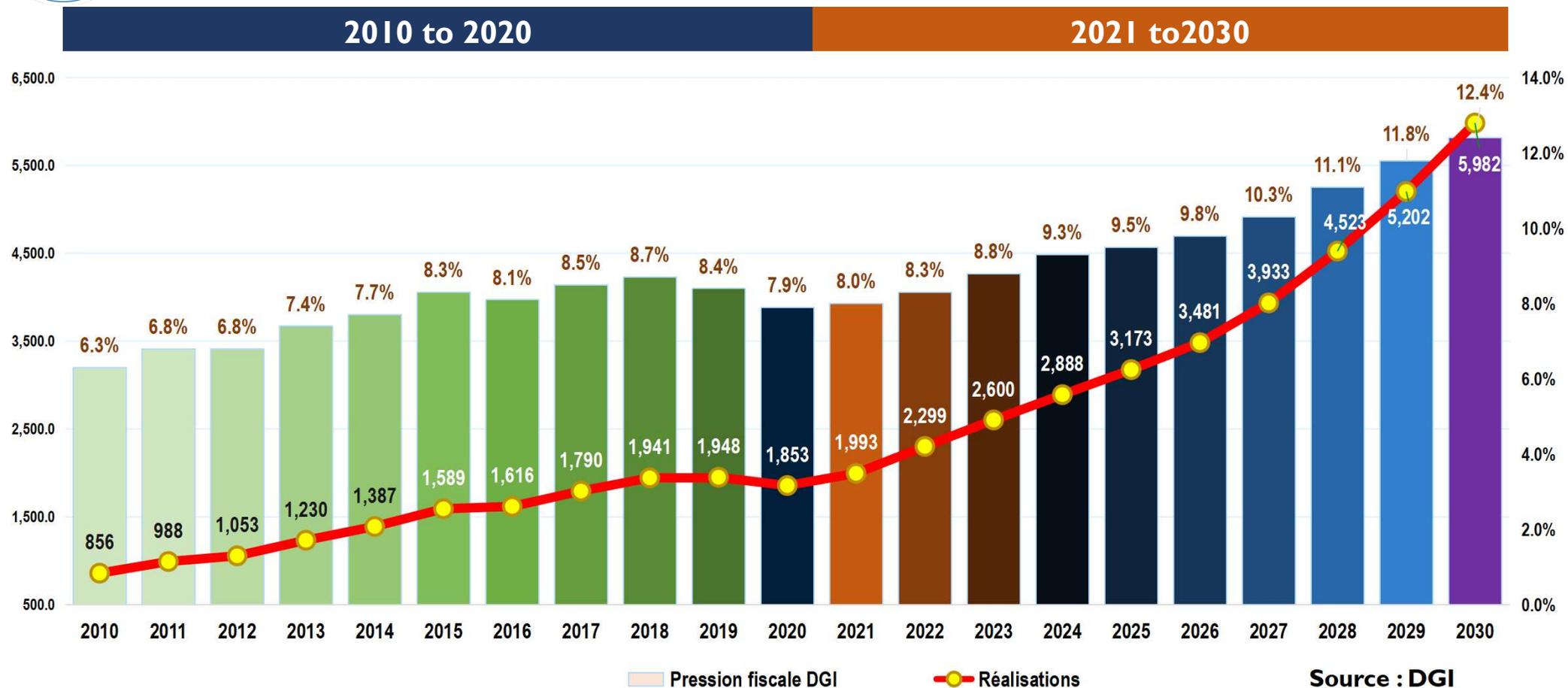
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Tax modernization pillars





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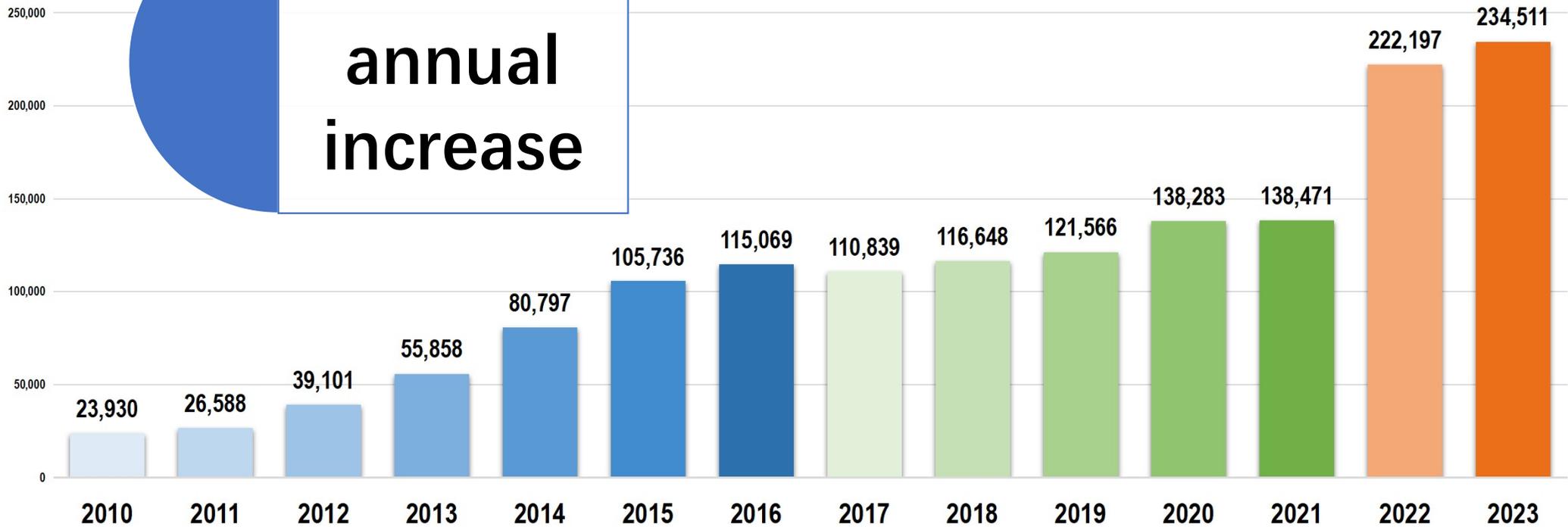


From 2021 to 2030, non-oil tax revenues collected by the DGT are expected to increase from 2,000 billion to nearly 6,000 billion, and the tax collection rate from 8.0% to 12.4%.



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Evolution of the taxpayers index



Source : DGI

The generalization of e-filing has made it possible to register and retain new taxpayers, significantly increasing the active taxpayers index



Evolution of the tax to GDP/ratio from 2010-2021

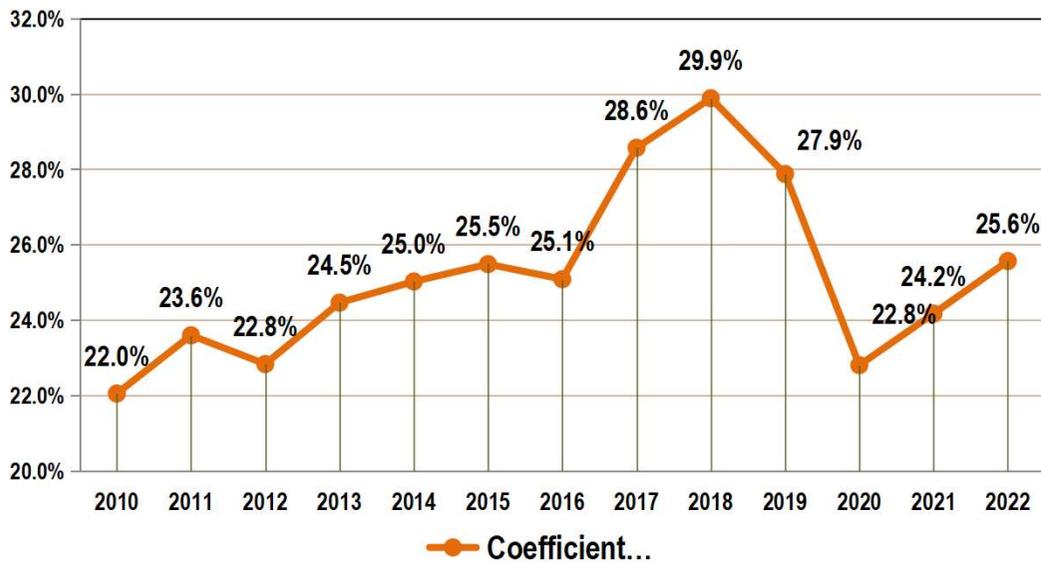
	2010	2011	2012	2013	2014	2015	2016	2020	2021	2022	2023	2024
Cameroun	11,5	12,5	13,0	13,6	13,8	14,1	13,7	14,0	14,2	13,9	13,8	14
Côte d'Ivoire	11,9	11,1	12,8	12,7	12,2	12,6	13,0	13,1	12,9	12,9	13,1	13,9
Ghana	10,8	11,8	12,0	11,3	11,9	12,9	13,1	13,4	13,7	13,2	13,1	14,1
Senegal	15,9	16,0	16,1	15,4	16,2	16,4	17,0	16,7	17,3	18,7	18,6	18,7
Uganda	8,3	8,4	8,5	9,0	9,3	10,5	11,0	11,4	11,7	12,1	11,1	12,2
RDC	8,3	8,7	10,5	9,6	9,1	9,4	8,3	6,7	7,6	7,6	7,3	9,1
Tunisia	25,9	27,7	27,7	28,3	29,3	28,5	27,9	29,2	29,9	32,1	32,5	32,5

- **Cameroon exhibits a positive growth comparison with nations at a similar development stage, recording a 1.8% growth rate between 2010 and 2021.**
- **The government's objective is to raise the tax-to-GDP ratio to 15% in the medium term, with an aspirational target of 20%.**
- **Realizing these objectives will demand considerable dedication from the tax administration.**



Zoom into the major tax revenue streams : VAT and PIT

VAT: Significant Potential for Revenue Growth



Cameroon's VAT efficiency ratio of **25.2%** (2010-2022 average) lags behind the **35%** international benchmark, indicating significant revenue leakage. Addressing tax evasion, avoidance, and streamlining tax expenditures are essential to capture this lost potential.

Personal income tax: An untapped potential

	OCDE	Africa	Cmr
PIT	24%	17%	7%
Company tax	10%	19%	14%
Social security	26%	8%	8%
VAT	20%	28%	32%
Other taxes on goods and services	12%	24%	28%
Others	8%	4%	11%
Total	100%	100%	100%

- Unlike developed economies (where the PIT is a primary revenue driver), PIT in Cameroon contributes a minimal share of total tax revenue.
- Property and property income taxes contributed **less than 7 %** of total tax revenue in 2024, underscoring systemic underutilization.



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Major Challenges of the Tax System



Predominance of the informal sector

Reduction of the effective tax base



Low contribution from individuals

Imbalance in revenue structure



Weight of tax expenditures

Impact on potential revenue



Digitalization of the economy

New forms of economic activities



Close to 20% of total collection

Other challenges include taxation of extractive resources and strengthening environmental taxation.



Part 01

Recent Policy Reforms



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Tax Policy in Cameroon : Three Pillars

Socio-economic promotion

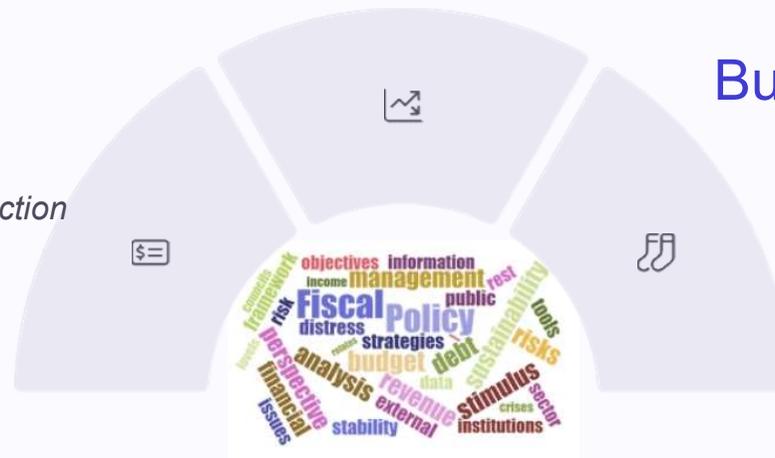
Tax incentives to stimulate priority sectors

Business climate improvement

Simplification of procedures and reduction of compliance costs

Resource mobilization

Broadening the tax base and improving collection





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Broadening the tax base: new revenue streams



<i>Sector</i>	<i>Implemented Reforms</i>	<i>Effective Date</i>	<i>Revenue</i>
ICT	Excise duties 2%	2016	+ 40 billion
Digital Economy	VAT on e-commerce	2021	+ 3 billion
Money Transfers	MoMo Tax	2022	+ 46 billion
NGOs	Taxation of commercial activities	2022	+ 20 billion

Broadening the tax base: Taxation of goods/services with negative externalities

Alcoholic beverages

Dual taxation system (specific and ad valorem excise duties) introduced in 2015.

Tobacco products

Minimum excise duty increased from 2,600 to 5,000 FCFA per 1,000 cigarette sticks

Non-returnable packaging

Specific excise duty of 5 FCFA per packaging unit (Finance Law 2017).

Gambling

Introduction of excise duties on gambling and entertainment games (Finance Law 2018).





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Fighting International Tax Fraud



Transfer Pricing Principles

Internalization of key transfer pricing principles to control transactions between related entities.

Automatic Exchange of Information

Adoption of the Automatic Exchange of Information (AEOI) standard with voluntary disclosure mechanism.

Country-by-Country Reporting

Implementation of country-by-country reporting for large multinational companies.

Anti-Evasion Measures

Non-deductibility of charges paid to tax haven residents and introduction of the beneficial owner standard.



Socio-economic development

General Incentives

Law of April 18, 2013 establishing incentives for private investment in the Republic of Cameroon.

Tax reductions for investments that create jobs and add value.

Sectoral Incentives

- *Agriculture, livestock and fishing*
- *Agro-industry*
- *Stock market sector*
- *Social housing*
- *ICT, research and innovation*

Specific Incentives

Special economic zones, COVID-19 measures, special transactions.

Targeted benefits to address specific challenges or stimulate certain activities.



Part 03

Tax administration reforms



Data-Driven Administration: Three Pillars

Data Collection

Gathering comprehensive tax-related data from various sources to build a robust database.

Data Analysis

Analyzing collected data to identify trends, patterns, and areas for improvement in tax administration.

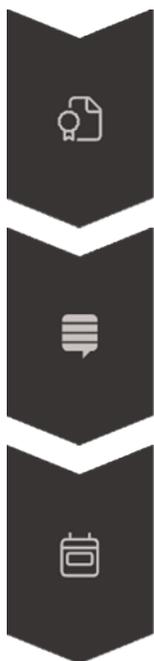
Data Evaluation

Evaluating the impact of tax policies and procedures based on data analysis to ensure effectiveness and compliance.



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Automation and Information Exchange



Automation of certificates

Automated issuance of withholding tax certificates, reaching its maturity phase in the second half of 2024.

Information exchange

Implementation of an automated data exchange system with DGB, DGTCFM, DGD and ARMP for an integrated fiscal vision.

Universal declaration

Restoration of the universal income declaration for individuals with a deadline set for November 30, 2024.

These automation measures represent a crucial step in modernizing the tax system. They will reduce processing times and improve the quality of service offered to taxpayers while ensuring better coordination between the various financial administrations.





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Reorganization and compliance

Record reorganization

Systematic updating and verification of taxpayer information to ensure accuracy and completeness of the tax database.

Prerequisite condition

Being registered in the taxpayer records becomes a prerequisite for conducting customs operations and accessing public procurement.

Tax optimization

Revision of procedures for taxing business restructuring operations to better adapt to current economic realities.

The reorganization of taxpayer records constitutes an essential lever for broadening the tax base and improving tax compliance. This approach aims to ensure that all economic entities equitably participate in the financing of public services, while facilitating the identification of potential taxpayers.



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Support for Small Taxpayers and *eCommerce*

Approved Management Centers

Deployment of a network of AMCs offering technical assistance to small taxpayers for their tax, accounting, and administrative obligations.

These centers act as intermediaries between the tax administration and small businesses, thus facilitating their formalization and tax compliance.

eCommerce

Implementation of a tighter monitoring system for electronic commerce operations to ensure their fair taxation.

Development of specific tools for the identification and traceability of digital transactions, adapted to the particularities of online commerce.

Integrated Tax Partner

Consolidation of the integrated tax partner reform to facilitate the taxation of the informal sector and broaden the tax base.

This collaborative approach aims to reduce reluctance and establish a relationship of trust with informal economic actors.

Recovery of Tax Arrears



Special tax settlement

Continuation of the exceptional settlement procedure for claims issued before December 31, 2022, offering favorable conditions to taxpayers willing to regularize their situation.



Individualized monitoring

Implementation of a personalized tax claim monitoring strategy, adapted to the risk level and specific profile of each debtor.



Clearance of public debts

Priority processing of tax debts from public entities and VAT on externally funded contracts through the budgetary coverage mechanism.



Multi-year agreement

Development of a long-term settlement agreement to address a significant portion of public entities' debts, in collaboration with the General Budget Directorate.



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Revenue Security and Electronic Payment



Widespread implementation of electronic payment

Large-scale deployment of electronic payment solutions for all types of taxes, facilitating taxpayer procedures while securing financial flows.



Electronic monitoring of operations

Implementation of a digital traceability system for economic transactions enabling real-time control and better understanding of taxable matter.



Security of tax documents

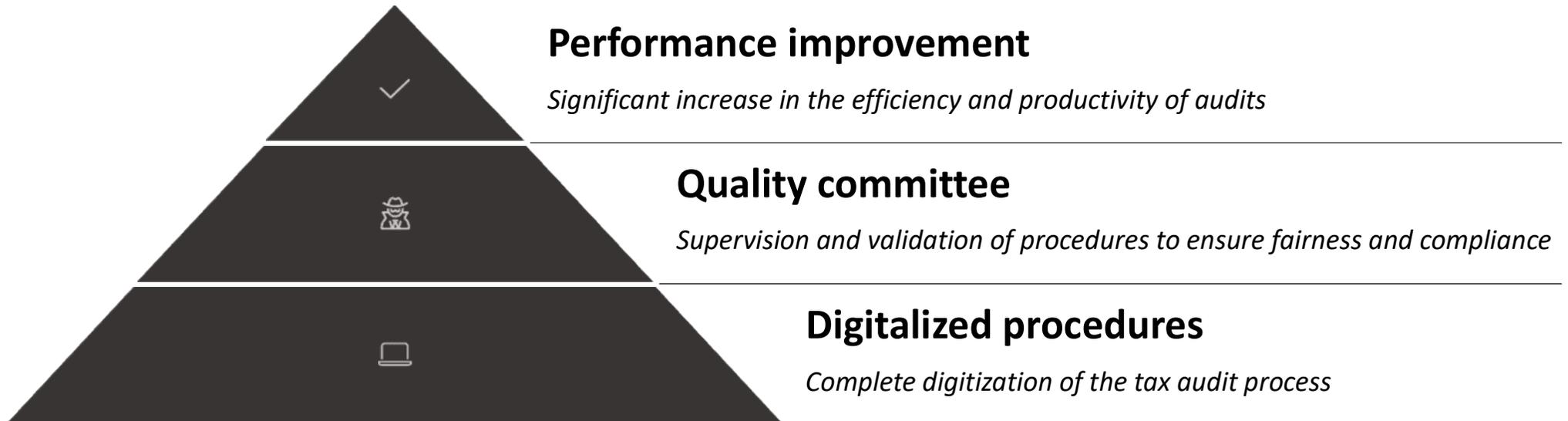
Strengthening of security protocols in the electronic issuance of Tax Compliance Certificates and payment receipts to prevent document fraud.

The digital transformation of payment processes and issuance of tax documents represents a strategic axis to improve collection and reduce fraud risks. These technological innovations are accompanied by enhanced security measures to ensure the integrity of the tax system.



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Digitalization of Tax Audits



The complete digitalization of tax audit procedures constitutes a major advancement for the tax administration. This digital transformation not only allows for the optimization of human and material resources, but also improves the quality and relevance of conducted audits.

The establishment of a Quality Committee strengthens this system by ensuring constant supervision of procedures and guaranteeing respect for taxpayers' rights. This dual approach, combining technological modernization and quality assurance, should lead to a significant improvement in the performance of this essential tax function.



Improving the business climate

Tax for an Enabling Business Climate



Simplification of procedures

Reduction of administrative steps and processing times.



Digitalization

Transition to online procedures to reduce contact and delays.



Fast certifications

Accelerated issuance of tax certificates and attestations.



Taxpayer assistance

Strengthening of tax help and information services.



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User-Oriented Administration



Adapted Organization

Structure aligned with tax population segmentation.



Online Services

Electronic delivery of certificates and generalization of remote procedures.



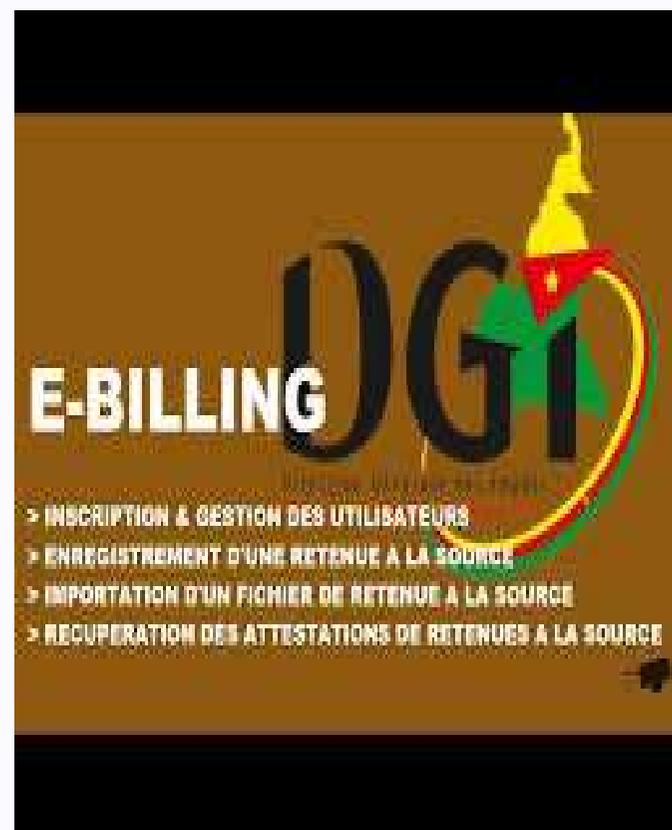
Payment Diversification

Multiplication of tax payment channels.



Alternative Conflict Resolution

Tax mediation and compliance dialogue to prevent disputes.





Part 04

Conclusion: prospects



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Electronic Invoicing

Finalization and generalization of the electronic invoicing system

Tax Innovations

Exploration of new revenue sources



Online Transactions

Optimization of digital transaction revenues

TADAT Reforms

Implementation of evaluation recommendations

The recent TADAT evaluation (03/2025) shows promising preliminary results with significant improvement since 2017.



THANKS