New Tax Measures: Finance Law 2026

Modernizing our tax system to ensure optimal and sustainable development of Cameroon

Philosophy & Direction of Finance Law 2026

The 2026 Finance Law marks a decisive shift in Cameroon's tax policy, moving from a tolerant system to one built on rigorous compliance and automated enforcement.

Systemic Efficiency

Focus on strengthening discipline, efficiency, and reliability, rather than simply creating new taxes.

Rigor & Compliance

Transition from informal practices and negotiations to strict, time-bound obligations and systematic compliance.

Centrality of Declaration

Declarations are now legal acts; mandatorily timely, sincere, and complete, with direct consequences for non-compliance.

Preventing Evasion

Provisions actively combat strategic non-declaration, abusive practices, and artificial compliance behaviors.

Automated Sanctions

Increased use of fixed, automatic, and non-remissible penalties reduces subjectivity and encourages voluntary adherence.

This law institutionalizes tax discipline, expecting both taxpayers and professionals to adapt to a new era of accountability.

Reconfiguration of Taxation Regimes (2026)

The 2026 Finance Law, under **Article 93 ter**, significantly reorganizes Cameroon's taxation regimes. It clearly defines taxpayer categories based on annual tax-exclusive turnover and the nature of their activity, streamlining compliance and enforcement.

1

Exempting Tax Regime

~~Suppressed~~ by the 2026 Finance Law. Taxpayers previously benefiting from exemption are no longer covered by a specific exempt regime.

2

Integrated Synthetic Tax (IGS)

Designed for smaller businesses and professionals, with specific turnover thresholds.

3

Real Regime

Applies automatically to larger entities and specific high-value sectors, or by derogation.

4

Non-Profit Organization

Dedicated regime for non-profit entities, reflecting their unique operational structure.

5

Non-Professional Taxpayer

A regime established for individuals engaging in non-professional income-generating activities.

Conditions for IGS and Real Regimes

Article 93 quater details the application criteria for the Integrated Synthetic Tax (IGS) and Real Regimes, ensuring clear distinctions for all taxpayers.

Integrated Synthetic Tax (IGS) Regime

Applies to taxpayers engaged in commercial, industrial, artisanal, agro-pastoral, and non-commercial activities, provided their annual tax-exclusive turnover is below:

- **50,000,000 FCFA** for commercial, industrial, artisanal, and agro-pastoral activities.
- **30,000,000 FCFA** for liberal professions.

Taxpayers below these thresholds are now mandatorily under the IGS regime.

Real Regime

Applies automatically based on turnover, or regardless of turnover for specific sectors and circumstances:

- Turnover equal to or greater than **50,000,000 FCFA** for individual businesses and legal persons, or **30,000,000 FCFA** for liberal professions.
- New taxpayers in critical sectors: oil, mining, gas, credit, microfinance, insurance, mobile telephony.
- New taxpayers with specific investment incentives (Ordinance n° 2025/002).
- Holders of notarial offices.
- New taxpayers admitted by express derogation from the Director General of Taxes, with a validated investment program or an order exceeding **100,000,000 FCFA**.

Exceptions & Specific Regime Adjustments

Sub-Section II introduces targeted adjustments to simplify and clarify tax application for certain activities:

- **Interurban Passenger Transport (Article 93 septies):** The simplified regime previously available for certain minibus and coach operators (minibuses and coaches of less than 50 seats operating a maximum of 5 vehicles) is now deleted, removing their specific treatment.
- **Gambling and Entertainment Companies (Article 93 octies):** The simplified regime for operators of table football machines, pinball/video games, and slot machines is also deleted, withdrawing their eligibility for this regime.
- **Determination of Taxable Profit (Article 93 nonies):** For individuals under the real profit regime, taxable profit will now be determined using the same methodology as Corporate Income Tax, standardizing computation rules.

The Challenge Ahead

3,200B	3,600B	+400B	7.2%
2025 Target	**2026 Target**	**Revenue Gap**	**Nominal Growth**
FCFA revenue goal	FCFA revenue goal	12.5% increase needed	GDP 4.2% + 3% inflation

This gap can only be bridged through the efficiency and adaptability of tax authorities

Seven Strategic Pillars

01

Business Climate Improvement

Easing and clarifying taxation to encourage investment and employment

02

Broadening the Scope

Increase tax base by including new taxpayers and activities

03

Securing Receipts

Ensure effective collection through new mechanisms and tools

04

Promoting Tax Compliance

Strengthen voluntary compliance through incentives and obligations

05

Combating Fraud

Equip administration to counter abusive practices

06

Socio-Economic Support

Support vulnerable populations and purchasing power

07

Ecological Transition

Green taxation for environmentally friendly behavior

Pillar 1

The first strategic pillar of the Finance Law 2026 is dedicated to **improving the business climate**, fostering an environment where enterprises can thrive through clearer, more predictable, and equitable tax regulations.

MEASURES FOR YOUTH EMPLOYMENT PROMOTION

The Finance Law 2026 introduces significant provisions to stimulate youth employment through various incentives for companies and individuals.

1

Article 105: Company Incentives

- **Tax & Employer Charge Exemption:** Companies under the real tax regime are exempt from taxes and employer charges (excluding social contributions) on salaries paid to young Cameroonian graduates (under 35) for their first job (indefinite, fixed-term, or pre-employment internship).
- **Eligibility:** This applies to companies under the real tax regime or members of an Approved Management Center.
- **Duration:** Benefits last for three (03) years from the contract signing or internship start date.
- **Additional Tax Credit:** Companies receive a 20% tax credit on expenses incurred for training, supervision, and professional integration of these young graduates.

2

Article 105 bis: Individual Incentives

- **Donation Tax Credit:** Cameroonian tax residents receive a tax credit for cash or in-kind donations to approved structures supporting the training, supervision, or integration of young people (under 35).
- **Credit Value & Limit:** The tax credit is 20% of the donation value, up to an annual limit of 25 million CFA francs per taxpayer. It is deductible from the Personal Income Tax (IRPP).

Article 65 bis: Exceptional Income Tax Treatment

The new Finance Law introduces a crucial mechanism to address the taxation of **exceptional or non-recurring income**, aiming to prevent excessive tax pressure that previously might have pushed taxpayers into higher brackets. This provision seeks to ensure equitable taxation, moving beyond a simple application of existing rates like a flat 25% for such income, by considering its unique, non-annual nature.

Scope of Application

Applies when exceptional income is:

- Not recurring annually.
- Exceeds the average net income of the previous three fiscal years.

Covers artisanal, industrial, commercial, agricultural, and non-commercial profits.

Income Smoothing (Default)

For moderate exceptional income, only one-quarter (¼) is added to the overall net taxable income. The resulting additional tax is then multiplied by four (4).

This simulates taxation over four years, mitigating the progressive PIT effect.

High Exceptional Income Rule

If exceptional income exceeds the marginal PIT rate threshold, the spreading mechanism is abandoned. Tax is calculated on overall net taxable income plus the net exceptional income, after a **35% flat deduction**.

This article acts as a protective mechanism, ensuring fairness for taxpayers with one-off windfalls, rather than treating it like ordinary income.

Rental Tax Adjustments: A Simplified Approach

The Finance Law 2026 introduces a significant adjustment to the taxation of gross rental income, aiming to simplify the process and reduce the burden on property owners. This pivotal change involves a reduction in the withholding tax rate and clearer guidelines for its application.

1	2
Previous Rate	**New Rate**
15%	**10%**
Withholding Tax on Gross Rental Income	Withholding Tax on Gross Rental Income

This reduction, detailed in Article 87, means a lower immediate tax deduction at source, potentially improving cash flow for landlords.

Who Withholds the Tax?

Withholding tax is exclusively carried out by:

- Administrations and Public Establishments
- Legal entities and individual businesses subject to the real regime
- Synthetic general tax regime entities
- Certain non-profit organizations (NPOs) specified by regulation

Exemptions from Withholding Tax

The following are exempt from this withholding tax:

- Rents paid to entities authorized by the Minister of Finance to withhold tax at source.
- Rents paid by taxpayers under the General Synthetic Tax (IGS) regime to landlords under the real regime.

Adjustments to Withholding Tax on Services

Building on efforts to streamline tax procedures, the Finance Law 2026 revises withholding tax rates for specific services and formalizes mechanisms for professional fees, ensuring a more structured collection process.

Revised Withholding Rates (Article 91)

The advance payment withholding tax rate is now set as follows, including a 10% communal additional cents (CAC) surcharge:

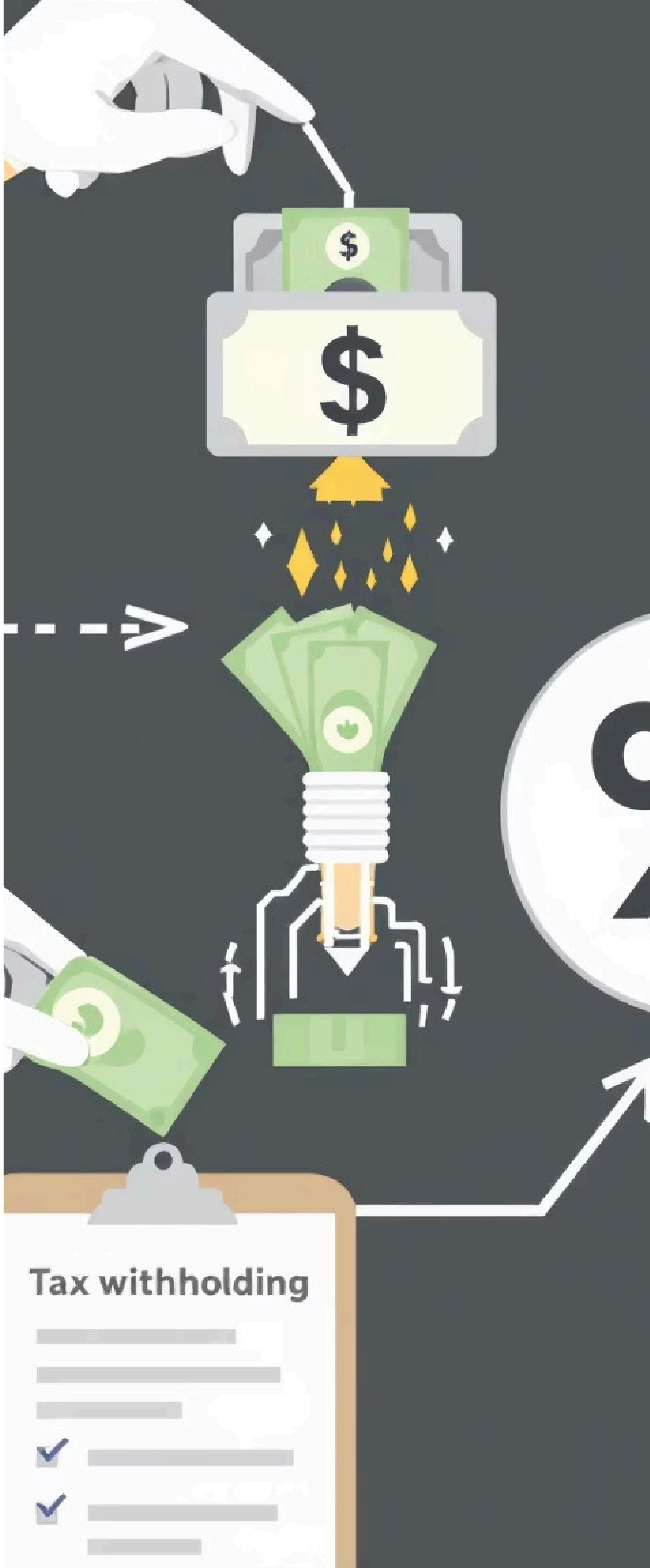
- **5% + 10% CAC:** For public procurement invoices under 5 million FCFA, irrespective of the provider's tax regime.
- **2% + 10% CAC:** For taxpayers operating under the Integrated Synthetic Tax (IGS) regime.

Withholding on Professional Fees (Article 92 bis)

A new 5% advance payment is mandated for fees, commissions, and emoluments paid to liberal professionals. This withholding is carried out by:

- The State and decentralized territorial communities.
- Public administrative establishments and public/private-owned companies.
- Certain non-profit organizations (NPOs) as specified by regulation.

This measure also applies to remuneration for occasional or non-occasional services rendered by individuals or legal entities in Cameroon under the general synthetic tax regime.



Simplified Tax Regimes: The New Synthetic General Tax (CGS)

Finance Law 2026 introduces a groundbreaking Synthetic General Tax (CGS), streamlining the tax payment process for numerous taxpayers. This new regime aims to simplify compliance by offering a final discharge for several taxes, fostering ease of doing business while ensuring transparency.

Comprehensive Coverage

The CGS acts as a final discharge for payments related to:

- Business License
- Value Added Tax (VAT)
- Personal Income Tax (PIT) on Industrial & Commercial Profits (BIC)
- Personal Income Tax (PIT) on Agricultural Profits (BA)
- Personal Income Tax (PIT) on Non-Commercial Profits (BNC)

Ongoing Obligations

Taxpayers under the CGS remain responsible for:

- Service taxes and fees
- License contributions
- Withholding taxes on invoicing to authorized entities
- Tax and employer social security contributions for salaried personnel
- Annual reporting as per Article 74 of the General Tax Code

Additionally, income tax prepayments levied on CGS taxpayers' invoicing are creditable against the tax due in the following year, providing further financial flexibility.

Incentives for Management Centers

Promoters of Approved Management Centers (CGAs) with at least 100 active members receive significant advantages:

- **50% Tax Reduction:** On Corporation Tax or PIT derived from CGA activities (not below minimum collection).
- **CGS Promoters:** Reduction applies directly to the annual Synthetic General Tax amount.

Employee Benefits

These CGAs also benefit from:

- **Salary Exemptions:** Exemption from tax and social charges on salaries paid to CGA employees, further promoting employment within these structures.

Payment of Tax: Key Adjustments

The Finance Law 2026 introduces several crucial adjustments to tax payment procedures and withholding mechanisms, aiming to enhance efficiency and clarify obligations for various taxpayer categories.

Corporate Tax Payment

Corporate tax is paid spontaneously by the taxpayer no later than the 15th of the following month, with specific conditions:

- **General Synthetic Tax (CGS):** 2% of monthly turnover + 10% Communal Additional Cents (CAC).
- **Non-Resident Digital Companies:** 3% of gross income generated on Cameroonian territory.

Withholding Tax Triggers & Rates

New provisions mandate withholding tax collection for:

- **Imports:** Carried out by traders, including those under CGS.
- **Unlisted Companies:** Operations by companies not in the active taxpayer file.
- **Digital Services:** Purchases of goods/services by distributors, partners, and service providers of telephony, digital, and similar operators.

Withholding Rates:
5% for CGS merchants.
2% for real profit regime merchants.
10% for non-professional purchases deemed for resale.

Telecom Sector Adjustments

Telephony and related digital service companies now pay their monthly corporate tax installment based on the **actual cash receipts collected** during the month, providing a more direct link between revenue and tax obligations.

These targeted adjustments aim to simplify compliance for some while ensuring broader coverage and clarity in tax collection for specific sectors.

Deductibility & Exemptions

Finance Law 2026 refines key deductibility rules, particularly for rents paid to majority associates and the treatment of unrecoverable debts, aiming for a more balanced and transparent tax framework.

Rent Deductibility for Associates

The rules for deducting rents paid to an associate holding a significant stake in a company have been updated:

- The ownership threshold for associates is now **25% of capital** (previously 10%).
- Partial deduction is allowed, capped at **2.5% of the fiscal profit** (before this deduction).
- This prevents abuse (e.g., excessive self-rental) while permitting reasonable expense allocation.
- Shares held by a spouse, ascendant, or descendant are considered part of the associate's stake.

Deductible Losses on Debts

Adjustments have been made to the deductibility of unrecoverable debts:

- Debts deemed unrecoverable require all amicable or forced recovery means to be exhausted.
- However, doubtful debts below **FCFA 500,000** (provisioned for at least 5 years) are now automatically deductible.
- Higher automatic deduction thresholds apply to financial institutions:
  - **FCFA 3,000,000** for credit institutions.
  - **FCFA 1,000,000** for microfinance institutions.

These measures (Article 7 of the CGI) ensure fairer treatment of expenses and simplify the process for minor unrecoverable debts, promoting business clarity.

Pillar 2
Élargissement de l'assiette fiscale

Taxation of Non-Resident Digital Companies

Finance Law 2026 introduces a significant shift in tax policy, ensuring non-resident digital companies operating in Cameroon contribute equitably to the national economy, even without a physical presence.

Principle of Liability

Non-resident digital companies generating business in Cameroon are now subject to Corporate Income Tax (IS), irrespective of a physical establishment. This includes: streaming, online advertising, marketplaces, cloud services, and data monetization.

Significant Economic Presence

A foreign digital company is deemed to have taxable activity if, in a fiscal year, it meets ONE of these criteria:

- Annual turnover ≥ **FCFA 50 million** from Cameroonian clients/users.
- Number of users/customers ≥ **1,000** located in Cameroon.

Localization is determined by IP address, geolocation, banking details, or billing address.

Applicable Tax Regime

Base Regime: Minimum Corporate Tax

- **Rate:** 3% of gross turnover generated in Cameroon.
- **Nature:** This is a minimum collection, serving as a final and definitive tax for the related income.

Option for General Law Regime

Companies can opt for the standard **30% IS rate** on actual profits, determined by general tax rules.

- **Notification:** Must be submitted to the tax administration.
- **Irrevocability:** Option is binding for five (05) fiscal years.
- **Documentation:** Requires comprehensive documentation, including transfer pricing reports.

In all cases, the tax due cannot be less than the 3% minimum.

Declaration and Payment Procedures

Finance Law 2026 mandates a fully digitized process for compliance:

Online Registration

Non-resident companies must register on a dedicated digital portal.

Monthly Declaration

Monthly declaration of turnover realized in Cameroon through the online platform.

Timely Payment

IS due must be paid no later than the 15th of the following month.

Legislator's Objectives

This new framework aims to achieve several strategic objectives:

Capture Economic Value

Ensure taxation of value created by the digital economy within Cameroon.

Restore Tax Equity

Level the playing field between local businesses and foreign digital operators.

Increase Fiscal Revenue

Secure and boost tax revenues from a rapidly growing sector.

Adapt to Digital Models

Modernize the Cameroonian tax system for new digital economic models.

Key Takeaway: The Finance Law 2026 establishes an innovative and structured tax framework for non-resident digital companies, based on **significant economic presence**, moving beyond traditional physical establishment requirements and aligning Cameroon with international digital economy taxation standards.

Progressive Property Tax

Finance Law 2026 introduces a progressive property tax, designed to ensure a more equitable contribution from high-value property owners and optimize revenue collection from the real estate sector.

Base Rate (0.1%)

Applies to individual properties or total holdings valued **up to FCFA 500 million**.

Mid-Tier Rate (0.2%)

For values **between FCFA 500 million and FCFA 1 billion**, a rate of 0.2% is applied.

High-Tier Rate (0.3%)

Properties valued **beyond FCFA 1 billion** will incur a tax rate of 0.3%.

Ensuring Compliance

To reinforce property tax collection and ensure fiscal discipline, new provisions link real estate transactions directly to tax payment verification:

- Acts involving mortgage, transfer of ownership, or property use require **proof of regular property tax payment** for registration.
- Any registration in the land conservation register is conditional upon presenting a **property tax payment receipt** or a **fiscal compliance certificate** from the tax department.

Assessment Penalties: Non-Declaration

Finance Law 2026 introduces stringent measures for taxpayers failing to file declarations, aiming to reinforce compliance and ensure fiscal transparency. These penalties address both absence of declaration and submission of declarations with zero tax or credit after formal notice.

Failure to Declare (Article L. 97)

Taxpayers who fail to file a declaration after a formal notice face an official assessment with a **100% increase**, escalating to **150% for repeat offenders**.

Fixed fines also apply based on enterprise size:

- Large Enterprises: **200,000 F CFA**
- Medium Enterprises: **100,000 F CFA**
- Local Individual Taxpayers: **50,000 F CFA**

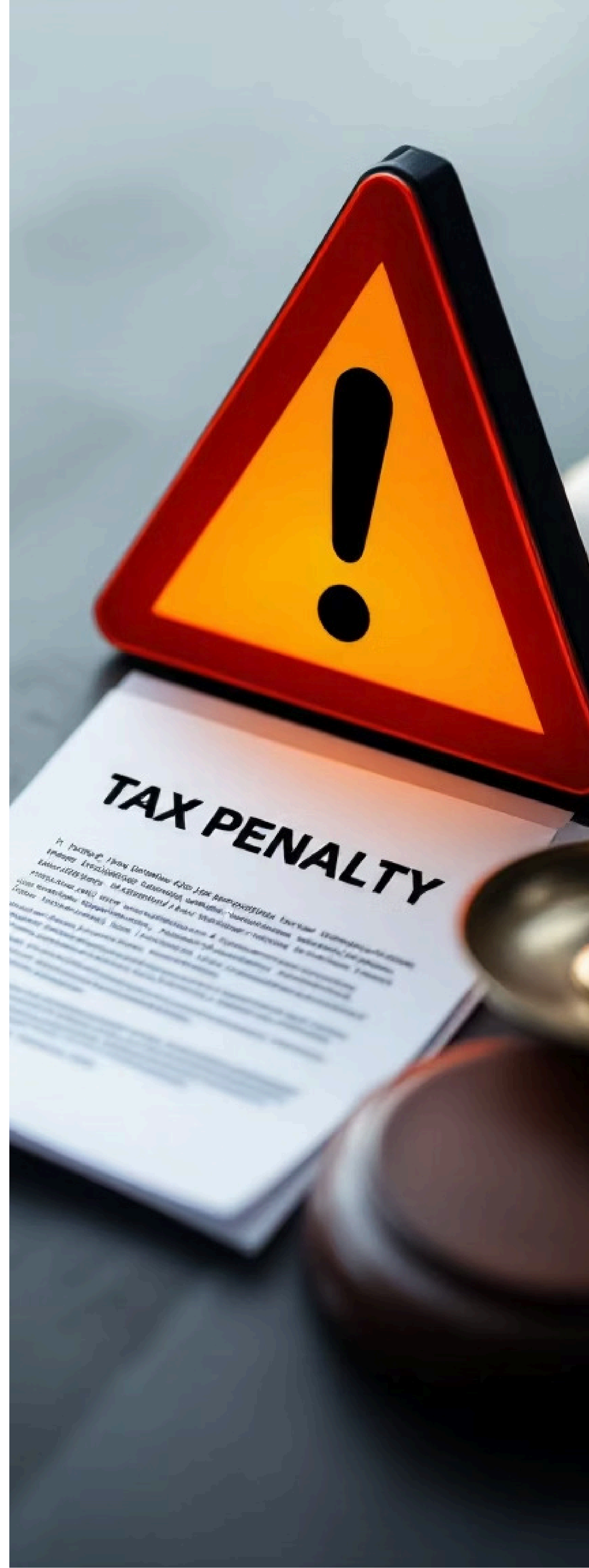
These fines are automatically generated and not eligible for remission.

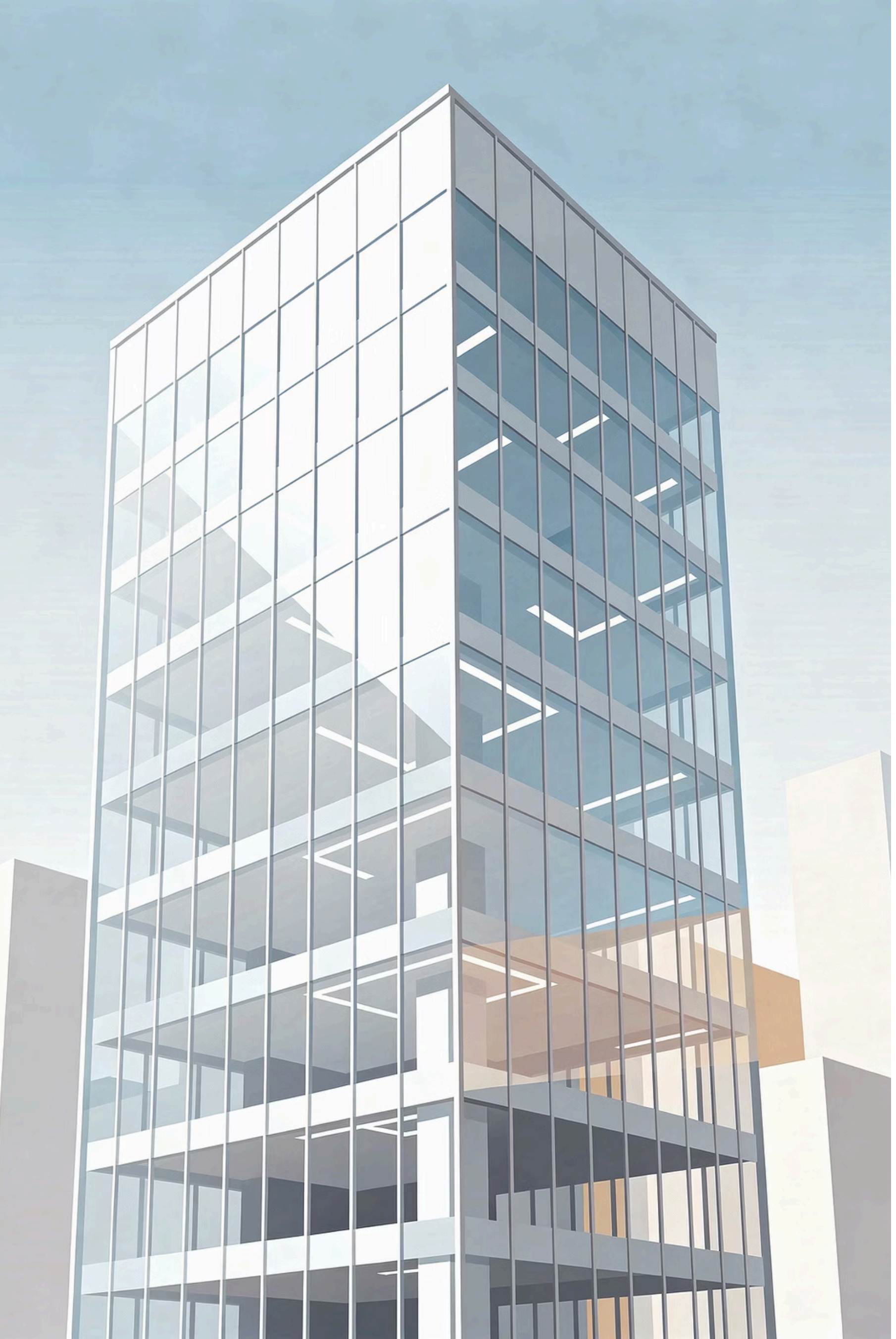
Zero/Credit Declarations (Article L. 99)

Submitting a declaration showing zero tax or a credit, after receiving a formal notice, incurs a fixed fine of **1,000,000 F CFA**.

Furthermore, failure to file the annual declaration (Article 74 bis) within legal deadlines results in a fixed fine of **100,000 F CFA**, also non-remissible.

These provisions underline the administration's commitment to ensuring timely and accurate tax reporting, with severe consequences for non-compliance.





Transparency & Accountability Measures

Publication of Taxpayer Lists

✓ **Compliant taxpayers:** Public recognition and appreciation

⚠️ **Inactive taxpayers:** File cleanup and fraud detection

Tax Review Reports

Companies with revenue > 1 billion FCFA must annex independent tax review report to DSF

Penalty: Up to 10 million FCFA for non-compliance

DSF Modification Window: 30-day correction period after annual accounts approval, without penalty. Beyond this, modifications only permitted if additional tax is due