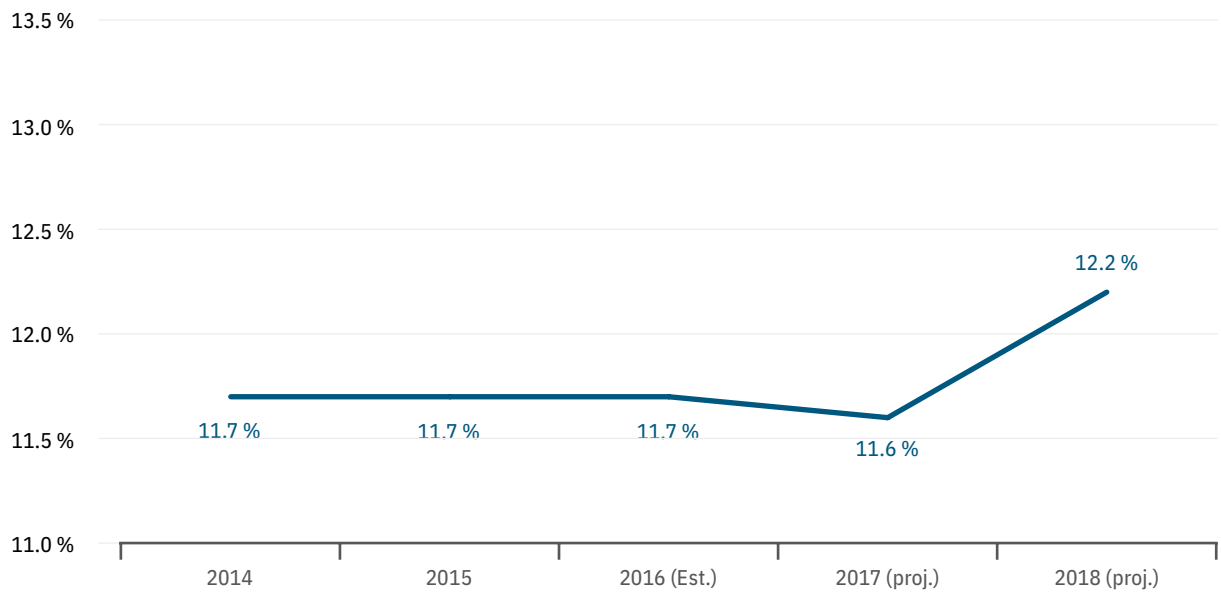




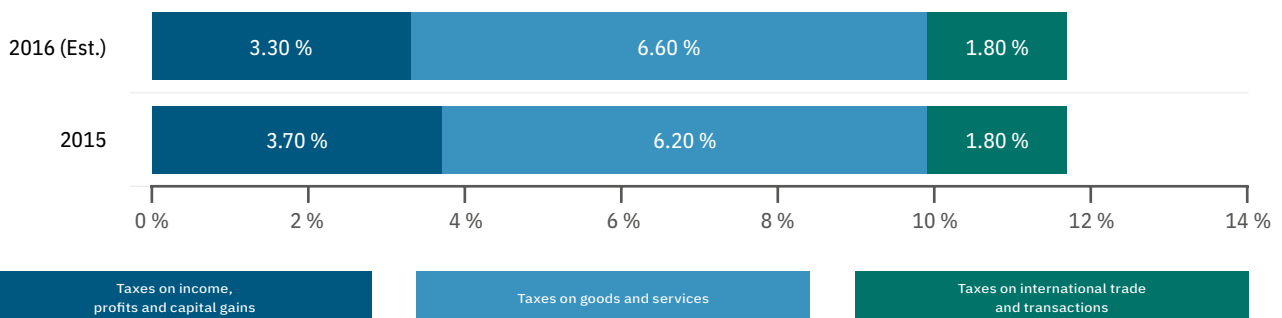
Cameroon

Stepping up domestic revenue mobilisation



Tax revenues (% of GDP) (2014-2018) (est. 2016-2018)

Source: 2017 IMF Article IV Consultation Report (2014-2018)



Tax revenues, by sources (% of GDP) (est. 2016)

Source: 2015 IMF Article IV Consultation Report (2013-2014), 2017 IMF Article IV Consultation Report (2015-2018)

Public Expenditure and Financial Accounting (PEFA)

2017 (2016 framework)

D+ Revenue administration

B+ Accounting for revenue

*A = internationally-recognised level of good performance
D = performance is below the basic level*

Doing Business, Ease of Paying Taxes 2017 (DB 2018), values from 2016 (DB 2017) in parentheses

| Payments (number per year) | Time (hours per year) | Total tax rate (% of profit) | Postfiling Index (0-100) |
|----------------------------|-----------------------|------------------------------|--------------------------|
| 44 (44) | 630 (630) | 57.7 (57.7) | 49.31 (48.4) |

| Overall ranking |
|-----------------------|
| 183 / 190 (180 / 189) |

Global Competitiveness Report (2017-2018), values from 2016-2017 in parentheses

| Effect of taxation on incentive to work |
|---|
| 4.4/7: Rank 33/138 (4.4/7: Rank 34/138) |

| Effect of taxation on incentive to invest |
|---|
| 3.1/7: Rank 107/137 (3.2/7: Rank 105/138) |

Recent reform steps

The main measures that Cameroon has taken recently to strengthen domestic revenue mobilisation are as follows:

- Gradually **adjusting the special tax on petroleum products**;
- Introducing certain taxes (tourist tax, specific excise duty on non-returnable packaging for liquid products);
- Introducing a **corporation tax and VAT liability** on furnished rentals;
- Introducing a special **tax on gambling and entertainment** for games organised via telephone companies;
- Applying high **penalties** for taxpayers not found in the taxpayer records;
- **Strengthening cooperation** between the tax and customs authorities.

Progress achieved

Since 2017, a number of progress areas have been observed because of the DRM reforms introduced. These include:

- More than one million USD have been mobilised through the introduction of the tourist tax.
- 114,137 natural persons and 5,537 legal persons registered by customs, who previously did not appear in the Tax Directorate file of active taxpayers and who are now being monitored by the tax authorities.
- Taxpayers have been receiving their receipts scanned by a secure electronic transmission system.
- The yield of the special tax on petroleum products has increased by 15.5% annually following its revision in 2017.

Outlook: DRM priorities in 2019

On the tax administration side, the organisation of services and digitisation of reporting procedures to reduce the cost of and improve tax compliance have been identified as major priorities for 2019. This procedure has been extended to the business tax and to certificates evidencing collection and debt clearance. In addition, tax inspections shall be optimised and tax recovery shall be strengthened by implementing new methods for collecting motor vehicle stamp duty and taxes on the implementation of the state budget.

On the tax policy side, tax expenditure shall be controlled and tax rates and tariffs shall be reviewed.

| <i>Priority activities</i> | <i>Expected outcomes</i> |
|--|---|
| <ul style="list-style-type: none">• Raise taxpayers' awareness of the importance of timely payment to avoid the inconvenience of forced recovery | <ul style="list-style-type: none">▶ Reduced cost of tax compliance▶ Simplified procedures and revenue protection |
| <ul style="list-style-type: none">• Computerise resource centres | <ul style="list-style-type: none">▶ Reduction in tax expenditure by XAF 188 billion, which is equivalent to 0.85% of GDP |
| <ul style="list-style-type: none">• Rationalise tax expenditure | |