

Global Mobility Services: **Taxation of International Assignees - Gabon**

*Taxation issues &
related matters for
employers &
employees 2018*



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This document was not intended or written to be used, and it cannot be used for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

Country: Gabon

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Additional Country Folios can be located at the following website:
Global Mobility Country Guides

Introduction:

PwC is the world's leading provider of professional services. The People and Organisation group work together with their clients to find solutions for the challenges they encounter when transferring people from one country to another.

This summary is intended to inform foreign nationals and their employers about high level tax,

social security and immigration issues.

This guide is not exhaustive and cannot be regarded as a substitute for professional advice addressing individual circumstances.

Nevertheless, answers will be found to most of the questions raised by an expatriate or his/her employer.

More detailed advice should be sought before any specific decisions are made about these issues.

More information can be obtained from our offices specializing in People and Organisation, Global Mobility.

Step 1:

Income tax summary

	Question	Answer
	Basic information	
1	The date of the tax year end	31st December.
2	Types of income that are liable to tax	<p>All benefits or incomes are liable to tax. Please note that the Personal Income Tax (PIT) concerns the global annual income of the taxpayer.</p> <p>Taxable income includes:</p> <ul style="list-style-type: none"> • incomes from properties ; • wage, salary, emolument, pension ; • investments incomes; dividends ; • capital gains, • benefits of commercial, industrial or craft activities; • benefits of non-commercial profession and similar incomes; • benefits of farm business.
3	How are residents and non-residents treated differently for tax purposes?	<p>Please note that according to the provisions of the article 74 of the General Tax Code, and without any other rule from a double taxation treaty signed with the republic of Gabon, tax resident individuals in Gabon are subject to PIT in Gabon on their worldwide revenue whereas nonresidents are subject to Gabonese PIT only for revenues originating from Gabon.</p>
4	Do spouses file tax returns jointly or as individuals?	<p>The spouses file tax returns jointly except for some specific cases where they are in situation of separation of property and/or bodies.</p>
5	Method of determining domestic tax residence	<p>According to article 74 of the Gabonese tax code individuals are considered to have habitual residence in Gabon when:</p> <ul style="list-style-type: none"> • they have a house at their disposal in Gabon as owners, users or tenants; or • they have their principal stay or the centre of their interest or business in Gabon; or

	Question	Answer
		<ul style="list-style-type: none"> they reside at least six months in the year in Gabon.
6	Provide some details of the exchange controls in this jurisdiction	Applicable as per the CEMAC exchange regulation (various authorizations and requirements) – but not always applied in practice.
	Tax rates, allowances and credits	
7	Personal Income tax rate (Global taxable revenue constituted by salaries, Wages, pensions, emoluments, property revenues, benefits of commercial, non-commercial, craft and industrial activities...)	<p>Except other provisions of any double taxation treaty:</p> <ul style="list-style-type: none"> PIT: rate is applied on a graduated scale on taxable annual income as set out below. Complementary salaries tax: 5% of salaries and wages.
8	Personal Income tax allowance amount	<p>PIT: 20% of the annual taxable salaries and wages capped at XAF 10 000 000 per employee per year.</p> <p>Complementary salaries tax: XAF 1 800 000 per employee per year</p>
9	Capital gains tax rate (Taxable profit constituted by net profit from sales of good and assets)	<p>Except other provisions of any double taxation treaty:</p> <p>20%</p>
10	Capital gains tax allowance amount	15% of taxable profit
11	Distribution tax rate (Investment incomes, dividends...)	<p>Except other provisions of any double taxation treaty:</p> <p>Revenues from bonds with a minimum of 5 years of maturity: 10%</p> <p>Interests from bank notes: 15%</p> <p>Other investment revenue and dividends: 20%</p>
12	Distribution tax allowance amount	None
13	Rate of employer social security	<p>Preliminary please note that in Gabon the social security system is governed by two bodies, the CNSS which is in charge of the occupational hazards and pensions and the CNAMGS which is in charge of the health.</p> <p>Thus the global employer's rate is 20.1%, broken down as follows:</p> <ul style="list-style-type: none"> 16% of the monthly wage, capped at XAF 1 500 000, for the CNSS' contributions ; 4.1% of the monthly wage, capped at XAF 2 500 000, for the CNAMGS' contributions.

	Question	Answer
14	Rate of employee social security	<p>The global employee rate is 4.5%, broken down as follows:</p> <ul style="list-style-type: none"> • 2.5% of the monthly wage, capped at XAF 1 500 000, for the CNSS' contributions ; • 2% of the monthly wage, capped at XAF 2 500 000, for the CNAMGS' contributions.
15	What types of income are exempted from tax/deductible from taxable income?	<p>According to the provisions of the article 161 of the Gabonese Tax Code, the following expenses are deductible from the global taxable income:</p> <ul style="list-style-type: none"> • the interest of loans and debts contracted by the taxpayer in order to build, buy or repair his/her main home; • the bonus of life insurance up to 5% of the gross taxable income ; • the alimony paid on court order ; • the contribution for a complementary old age pension up to 10% of the gross taxable income; • the CNSS' contributions for domestics. <p>The Gabonese Tax Code in the article 91 lists the allowances and bonus which are exempted of the taxable income under the category of salaries and wages alongside with the conditions of this exemption.</p> <p>The Gabonese Tax Code in the article 105 lists the types of revenues which are exempted of the distribution tax.</p> <p>The Gabonese Tax Code in the article 123 lists the types of revenues which are exempted of the capital gain tax.</p>

	Question	Answer
	Before arriving in the country	
16	What must an individual do in order to be able to work in the country i.e. obtain a work permit, intra company transfer visa, critical skills visa	In order to work in Gabon, an individual has to obtain: <ul style="list-style-type: none"> • a work permit ; • a visa (preceeded by the obtaining of an authorization of entry) ; • a resident card.
17	What conditions must be met to be eligible to have a work permit	<ul style="list-style-type: none"> • qualification of the candidate (diplomas); • proof of the impossibility for the employer to find local skills in the country. Please note that there is a 10% quotas of the global staff of the company for foreign employees.
18	What is the maximum period a work permit will be issued for	Two (2) years.
19	Can a work permit be renewed	Yes.
20	What would be the immigration requirements for a short term business visitor	Obtaining of a business visa before the Gabonese Embassy of his country of residence.
21	At what point/type of activity would trigger a tax liability in the country	Generally ll activities. Please note that as soon as an individual earns incomes from an activity performed in Gabon, he is liable to tax in Gabon.
	During the assignment	
22	Does an individual need to register as a taxpayer	Yes, if the employer is located outside Gabon.
23	Timeline and process for registering as a taxpayer	Approximately one (1) month.
24	Are provisional taxes required?	Yes. However these are withheld by the paying third parties.
25	If yes, on which dates?	Withheld on the date of payment
26	If yes, what are the penalties for non compliance?	10% the first mont and 3% the following months. Normally supported by the paying third party;
27	Important dates to remember during the tax year	N/A

	Question	Answer
	At the end of the tax year	
28	Tax return filing deadline	Not later than the 28 th of February.
29	Penalty for late filing	Late filing penalties vary as follows: <ul style="list-style-type: none"> • 5% of the declared duty, before the formal notice of the tax Authorities; • 10% of the declared duty, during the seven days following the formal notice of the tax Authorities; • 100% of the declared duty, after the seven days following the formal notice of the tax Authorities.
30	Tax payment deadline	Regarding the wage and salary please note that the tax is withheld monthly by the employer and paid back to the Administration before the 15 th of the following month.
31	Penalty for late payment	The late of payment gives rise to penalties amounting to 10% of the sums due the first month and 3% the following months.
	At the end of an assignment	
32	The process and actions required before leaving the country	Before leaving the country, the foreign national is required to prove the payment of taxation owed during his stay in Gabon.
	Other comments	

Step 2:

Rates of tax

Personal income tax rates for 2018

Annual fraction of the assessed income for a share* (XAF)		Application of the rate (K)*
-----	1 500 000	0% x Q – 0
1 500 001	1 920 000	5% x Q – 75 000
1 920 001	2 700 000	10% x Q – 171 000
2 700 001	3 600 000	15% x Q – 306 000
3 600 001	5 160 000	20% x Q – 486 000
5 160 001	7 500 000	25% x Q – 744 000
7 500 001	11 000 000	30% x Q – 1 119 000
11 000 001	More	35% x Q – 1 669 000

Please note that the PIT is determined according to a progressive rates scale established in accordance with the taxpayer's family charges (with a maximum of 6 dependent children) and according to income brackets. The number of shares to be taken into account is fixed by article 170 of the Gabonese Tax Code. This number enables to determine a ratio "Q" which enables to determine the income bracket of the employee as set out above.

$$Q^1 = ([\text{Taxable Income}] / \text{Number of shares})$$

The number of shares relating to the family status of the worker is determined as follows:

Unmarried, divorced or widowed person without dependent child	1 share
Person married without dependent children, or for an unmarried or divorced person having a dependent child	2 shares
Person married or widowed within two years after the death of the spouse, having a dependent child, or for an unmarried, divorced person having two dependent children	2.5 shares
Person married or widowed within two years after the death of the spouse, having two dependent children, or for an unmarried, divorced person having three dependent children	3 shares
Person married or widowed within two years after the death of the spouse, having three dependent children, or for an unmarried, divorced person having four dependent children	3.5 shares
And so on up, by adding half a share (0,5) per child (with a maximum of 6 children)	

¹ Q as set out in the tax code is an annual figure.

Appendix: Contacts and offices

Contacts

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