



Africa Tax Alert

Further tax developments in Africa

30 June 2017

Benin / Botswana / Burkina Faso / Cameroon / Cape Verde / Congo, Republic of / Djibouti / Egypt / Ethiopia / Gabon / Ghana / Ivory Coast / Kenya / Malawi / Mauritius / Morocco / Nigeria / Rwanda / Senegal / Seychelles / Tanzania / Tunisia / Uganda /

Benin

Global Forum on Transparency and Exchange of Information

Benin has become the 142nd member of the Global Forum on Transparency and Exchange of Information for Tax Purposes, as published in an OECD press release of 9 June 2017.

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Botswana

OECD BEPS project

Botswana has joined the inclusive framework for implementing measures against BEPS. According to an update of 9 June 2017, published by the OECD, Botswana has joined the inclusive framework for the global implementation of the Base Erosion and Profit Shifting (BEPS) Project.

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Burkina Faso

OECD Multilateral Instrument (MLI)

The OECD has released a reservation and notification statement for Burkina Faso to the Multilateral Convention (2016) (MLI) on 7 June 2017.

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Cameroon

OECD Multilateral Instrument (MLI)

Representatives of 68 jurisdictions gathered at the OECD's headquarters in Paris on 7 June 2017 for the signing of the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting (BEPS). Cameroon has committed its intention to sign the MLI.

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Cape Verde

Tax treaty with Spain

Cape Verde and Spain signed an income tax treaty in Madrid on 5 June 2017.

Congo, Republic of

Tax treaty with Morocco

The Moroccan government has issued a press release that negotiations for a tax treaty between Congo and Morocco are scheduled to start in July 2017.

Djibouti

Global Forum on Transparency and Exchange of Information

Djibouti has become the 141st member of the Global Forum on Transparency and Exchange of Information for Tax Purposes, according to a press release of 31 May 2017 published by the OECD.

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Djibouti joins BEPS framework

Djibouti has joined the inclusive framework for the global implementation of the Base Erosion and Profit Shifting (BEPS) Project.

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Egypt

Multilateral Instrument (MLI)

On 7 June 2017, the OECD released a reservation and notification statement for Egypt to the Multilateral Convention (2016) (MLI).

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Ethiopia

Tax treaty with Nepal

Ethiopia has expressed its intention to negotiate and sign a tax treaty with Nepal, following a recent meeting between officials from Ethiopia and Nepal held in Kathmandu.

Gabon

Multilateral Instrument (MLI) – Gabon

The OECD released a reservation and notification statement for Gabon to the Multilateral Convention (2016) (MLI) on 7 June 2017.

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Ghana

Customs duty on spare parts*

Parliament passed the Customs Amendment Bill 2017 on 14 June 2017, eliminating customs duties on the importation of vehicular (including motorcycles and bicycles) spare parts.

Import Levy*

The President announced on 10 June 2017 the imposition of a 0.2% import levy on all imports from outside the Member States of the African Union (AU). The levy is aimed at financing activities of the AU.

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Implementation of VAT Flat Rate Scheme*

The Ghana Revenue Authority (GRA) announced on 5 June 2017 a postponement in the implementation of the VAT Flat Rate Scheme (VFRS) from 1 June 2017 to 1 July 2017. A Practice Note providing guidance on the VFRS has been issued.

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Ivory Coast

Multilateral Instrument (MLI)

Representatives of 68 jurisdictions gathered at the OECD's headquarters in Paris on 7 June 2017 for the signing of the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting. Ivory Coast has committed its intention to sign and join the MLI.

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Kenya

IPA with Korea (Rep.)

The investment protection agreement (IPA) between Kenya and Korea (Rep.), signed on 8 July 2014, entered into force on 3 May 2017.

Malawi

Budget 2017/18 presented to parliament

The Minister of Finance, Economic Planning and Development presented the Budget 2017/18 to the parliament on 19 May 2017. The Budget proposes amendments with respect to personal income tax, withholding tax, value added tax (VAT), customs and excise duties, and tax administration

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Revised excise duty rate*

The Malawi Revenue Authority has announced the reintroduction of a single excise rate of USD 15 per 1,000 sticks of cigarettes (or its equivalent in Malawian Kwacha) for both imported and locally produced cigarettes. The single excise rate replaces the two-tier structure that previously existed for locally produced and imported cigarettes. The revised tax rate became effective from 19 May 2017 following the amendment of the Customs and Excise (Tariffs) Order.

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Mauritius

Multilateral Instrument (MLI)

Representatives of 68 jurisdictions gathered at the OECD's headquarters in Paris on 7 June 2017 for the signing of the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting. Mauritius has committed its intention to signing and joining the MLI.

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Morocco

Tax treaty with DRC

The Moroccan government has issued a press release that negotiations for a tax treaty between Congo (Dem. Rep.) and Morocco are scheduled to start in July 2017.

Tax treaty with Tanzania

The Moroccan government has issued a press release announcing that negotiations for a tax treaty between Morocco and Tanzania are scheduled to continue in July 2017.

Taxpayer objection procedure *

The Directorate General for Taxation issued Service Note No. 27/DC/DSVR/2017 on 15 May 2017, establishing a formal framework for objection procedures between tax inspectors and taxpayers during tax audits.

Protocol to tax treaty with Bahrain

Bahrain has ratified the amending protocol on 7 June 2017, signed on 22 April 2016, to the Bahrain - Morocco Income Tax Treaty (2000). The protocol has been approved by Morocco.

Nigeria

2017 Budget

The Acting President signed the 2017 Budget into law on 12 June 2017.

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Multilateral Instrument (MLI)

Representatives of 68 jurisdictions gathered at the OECD's headquarters in Paris on 7 June 2017 for the signing of the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting. Nigeria has committed its intention to sign and join the MLI.

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Rwanda

Rwanda Budget Highlights 2017

The Minister of Finance and Economic Planning presented the 2017/18 Budget to the parliament on 8 June 2017.

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Senegal

Multilateral Instrument (MLI)

The OECD released the reservation and notification statement for Senegal to the Multilateral Convention (2016) (MLI) on 7 June 2017.

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Seychelles

Protocol to exchange of information agreement with Guernsey

The protocol to the exchange of information agreement between Guernsey and Seychelles was amended by Protocol (on 12 August 2016, by Seychelles, and on 1 September 2016, by Guernsey) to delete Article 11. The protocol entered into force with effect from 14 June 2017.

Multilateral Instrument (MLI)

The OECD released the reservation and notification statement for Seychelles to the Multilateral Convention (2016) (MLI) on 7 June 2017.

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Tanzania

Tax treaty with Kuwait

Kuwait has expressed its intention to negotiate and sign a tax treaty with Tanzania, following a meeting between officials from Kuwait and Tanzania held on 12 May 2017.

Tunisia

Multilateral Instrument (MLI)

Representatives of 68 jurisdictions gathered at the OECD's headquarters in Paris on 7 June 2017 for the signing of the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting. Tunisia has expressed their intention to sign and join the MLI.

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Uganda

Income Tax Amendment Bill

The Income Tax (Amendment) (No. 2) Bill 2017 has passed a second reading in parliament.

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*References:

Ghana: Report from Eric Kwaku Kegya, UHY Voscon, Accra IBFD correspondent

Malawi: Report from Obiageli Chiedu, ACTI (Nig.), IBFD Associate

Morocco: Report from Yassir Kamal Kaikani, IBFD International tax consultant



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