



THEMATIC FACT SHEET

GLOBAL REFORM OF GENERAL TAX CODE – SYNOPTIC TABLE OF TAX INCENTIVES

	Measures	Practical details	Objective pursued
1	Investment Tax Credit (Corporate Tax)	For companies operating in eligible economic sectors, based on the amount invested (100 million in general, 15 million for SMEs and 250 million for large-scale investments) and according to the region of creation: <ul style="list-style-type: none"> ▪ Reduction of taxes for investments (new investments and investments for expansion) ▪ Larger reduction for investments outside of the Dakar region ▪ Deduction applicable between 5 and 10 years 	Investment incentives
2	Tax reduction for exports (Corporate Tax)	<ul style="list-style-type: none"> ▪ Tax reduction for exporting companies that export at least 80% of their annual revenue and currency repatriation 	Improvement of international competitiveness
3		<ul style="list-style-type: none"> ▪ Financial depreciation charges in the context of public-private partnerships 	
4		<ul style="list-style-type: none"> ▪ Technical provisions for insurance companies 	
5		<ul style="list-style-type: none"> ▪ Ceiling at 5‰ for charities 	



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6	Deductibility of certain taxes (Corporate Tax)	<ul style="list-style-type: none"> Donations to the State and local communities 	Improvement of the business environment
7		<ul style="list-style-type: none"> Increase by 2-3 basis points above the advances rate of the national bank, for the deduction of interest paid out to shareholders or associates on the basis of sums that they left or put at the company's disposal in addition to their share of the capital, either directly or through a third party. 	
8		<p>Insurance premiums paid to insurance companies registered and established in Senegal or to the "Caisse de retraite par répartition avec épargne de l'Union Monétaire Ouest Africaine" (CRRAE-UMOA – the UMOA savings fund), in order to cover</p> <ul style="list-style-type: none"> Legal indemnity for end of career, death or retirement Contributions pertaining to the supplementary retirement pension Contributions pertaining to health insurance payments during the fiscal year 	Insurance expansion
9		<ul style="list-style-type: none"> Relaxing conditions to benefit from the regime of parent companies and subsidiaries Now, all taxable companies under the corporate income tax are eligible In addition, shares or partnership interest held by the first company must represent only a minimum of 10% of the capital of the second company, instead of 20% 	Fight against double taxation
10		<p>Reforming the tax arrangements of holding companies</p> <ul style="list-style-type: none"> Exemption of holding company revenue for holding companies under Senegalese law under certain conditions 	
11		<ul style="list-style-type: none"> Exemption of write-offs between connected businesses 	
12	Charging tax deduction at source	<ul style="list-style-type: none"> Option for domestic companies to input on taxable income contributions supported by them at the source 	Equity and coherence
13	Legal reevaluation of results and fiscal investment aid	<ul style="list-style-type: none"> Non taxation of reevaluation gap equivalent to a net enrichment Fiscal support, under certain conditions, in case of reevaluation 	Positive fiscal effect of results reassessment
14	Option of corporate tax taxation for real estate companies	<ul style="list-style-type: none"> Option granted to real estate companies previously covered under fiscal transparency 	Equity and coherence of the tax system
15	Easier and final taxation for income from debt-claim, deposits, and guarantee deposits	<ul style="list-style-type: none"> For non-commercial entities, the adoption of a proportional final tax in lieu of cumulative taxation (proportional and graduated tax) 	Simplification and lightening of tax burden



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16	Temporary exemptions (for a period of 3 to 8 years)	<ul style="list-style-type: none"> flat rate contribution payable by the employer under certain conditions 	Improvement of the business environment
17		<ul style="list-style-type: none"> taxation of licenses (mining and oil) 	
18		<ul style="list-style-type: none"> real estate tax on built property (mining and oil, new construction, etc.) 	
19	Reform of taxation on income of natural persons	<ul style="list-style-type: none"> Elimination of proportional tax Implementation of progressive tax on the scale of 6 installments compared to the previous 10 Marginal tax rate (MTR) of 40% instead of the previous 50% Reduction of tax on family-based care instead of family income splitting Decrease of taxes on retired persons Fiscal advantages/incentives for foreign resident natural persons, on condition that they repatriate their income to Senegal (cf. the example of North African countries). 	Improvement of household purchasing power
20	Institution of a global property tax (direct tax and assimilated tax)	<p>For natural persons entitled to property income \leq 6 million per year, institution of a simple and final tax representative of the following taxes:</p> <ul style="list-style-type: none"> tax on property income; minimum tax; real estate tax on developed property; real estate tax on undeveloped property; value-added tax; flat rate contribution payable by the employer. 	Promotion of taxpayers' civic spirit and increase of the tax base
21	Reform of the global flat tax (direct taxes and assimilated taxes)	<ul style="list-style-type: none"> Standardization of the eligibility threshold (revenue before duties and taxes \leq 50 million XOF) Adoption of progressive taxation for services and proportional taxation for trade 	
22	Streamlining provisional advance payments and final liquidation in matters of taxation of transferable securities	<p>Simplification of rules and tax procedures</p> <ul style="list-style-type: none"> Reduction of the number of advance payments from 5 to 2 	Improvement of the business environment
23	Implementation of a better-adapted	Capital investment: adaptation of the relevant WAEMU guideline	Mobilization of savings and improvement of financial
24		Leasing: Improvement of the tax framework	
25		Factoring: Exemption of registration duties for assignment of debts related thereto	



	Measures	Practical details	Objective pursued
26	tax regime	Islamic finance: elimination of cumulative taxation	intermediation
27		Public-private partnerships: development of a favorable tax environment	
28		Supplementary pensions: development of a favorable tax environment	
29	Implementation of real taxation in favor of SMEs with a revenue before taxes ≤ 100 XOF	<ul style="list-style-type: none"> Reduction of declaration requirement (quarterly VAT and tax withheld at source) 	Development of SME
30		<ul style="list-style-type: none"> Relaxing of obligations in matters of account keeping 	
31		<ul style="list-style-type: none"> Tax relief for taxpayers members of Certified Management Centers, provided good keeping of accounts and improved tax inspection are ensured 	
32	VAT reform	<p>For a modern VAT that conforms to international standards, major innovations are the following:</p> <ul style="list-style-type: none"> Maintaining the flat tax Restructuring the scope of application Elimination of the cut-off rule Exemption for exports of services (rate 0%) Elimination of certain exemptions (such as those accorded to duty-free regimes) Suspending VAT for certain investments VAT suspension/exemption for agribusinesses Gradual elimination of tax deduction at source Revising the refund regulations and procedures (expansion of law and cash reimbursement) 	Neutrality and effectiveness of VAT system
33	Reform of registration fees and assimilated taxes	<ul style="list-style-type: none"> Streamlining tax provisions (form and content) 	Simplification of rules and procedures and improved access to land
34		<ul style="list-style-type: none"> Substantial reduction of number of articles in Book III 	
35		<ul style="list-style-type: none"> Reduction in number of fixed fees 	
36		<ul style="list-style-type: none"> Lowering of transfer tax rate on real estate transactions from 15 to 10% 	
37		<ul style="list-style-type: none"> Transfer tax rate lowered to 2% in matters of public housing 	
38		<ul style="list-style-type: none"> Merging procedures of land registry 	
39		<ul style="list-style-type: none"> Reforming the road tax stamp (paid back in the fuel price) 	
40		<p>Favor the taxation of investment income over capital taxation by way of reducing fees on the creation and transformation of businesses as well as fees on capital increase.</p> <p><u>Setting up businesses</u>: Fixed fee of 25000 XOF up to 100 million in capital and 1% beyond that</p>	Improvement of the business environment



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		<ul style="list-style-type: none"> Lowering of the property surtax when the business agrees to keep the property for at least 10 years (agreement noted in land registry) <p><u>Merging businesses</u></p> <ul style="list-style-type: none"> Exemption of ordinary capital tax instead of a tax of 0.5% Increased capital duty reduced to 3% instead of 5% <p><u>Capital increase</u>: 1% from 100 million without distinction between contributions (new contributions and capitalization of reserves)</p>	
41	Lowering of tax on insurance contracts	<ul style="list-style-type: none"> Lowering of the rate for fire insurance for residential buildings from 20 to 10% 	Insurance expansion
42	Reform of procedures	<ul style="list-style-type: none"> Tax inspection of computerized accounting systems 	Modernizing procedures and decreasing costs of tax compliance
43		<ul style="list-style-type: none"> Implementing electronic procedures (electronic declaration and payment) 	
44		<ul style="list-style-type: none"> Designing the tax exemption procedure 	Preventing tax litigation and strengthening taxpayers' rights
45		<ul style="list-style-type: none"> Adopting advance pricing arrangements on transfer pricing 	
46	Improvement of appeals to commissions	<ul style="list-style-type: none"> Measures intended to make the joint conciliation commission operational 	Preventing tax litigation and strengthening taxpayers' rights
47	Tool to aid tax regularization (special law accompanying the reform of the general tax code)	<p>Over a period of 1 year (from the 1st to January 31, 2013),</p> <ul style="list-style-type: none"> tax amnesty for unknown taxpayers who present themselves spontaneously and voluntarily in order to resolve their tax situation; no fine or penalties for taxpayers who present themselves spontaneously and voluntarily in order to resolve their tax situation, following errors or omissions discovered in good faith. 	Promotion of taxpayers' civic spirit and increase of the tax base
48	Tool to aid comprehension of tax rule (post-reform)	From adoption of the new code, realization of a program to raise taxpayers' awareness in cooperation with different stakeholders	

