Sage in Africa

Cameroon
Taxation Summary 2025

Table of Contents

Introduction

Tax year

The Cameroon income tax year of assessment runs from 1st January to 31st December.

Revenue Service

The Cameroon Revenue Authority is called the Direction Générale des Impôts. Their website can be located at www.impots-cm.com.

Official currency

The official currency of Cameroon is the Communauté Financière Africaine franc (XAF).

Official language

The official languages of Cameroon are French and English, although French is more dominant. As such, payroll reports should be developed in French.

Tax Residency

Resident [General Tax Code 2021-Section 25]

Personal income tax is payable by any person who is resident in Cameroon.

A resident individual in Cameroon is defined as an individual who meets any of the below requirements:

- Their permanent home or principal place of residence is situated in Cameroon
- They perform professional services, whether remunerated or not, in Cameroon (unless they can

prove that the provision of such services is incidental)

- They have the core of their economic interest in Cameroon

Employees who meet the above requirements will be deemed as tax resident in Cameroon and be taxed as such. Double tax agreements will apply accordingly.

Non-Resident [General Tax Code 2021-Section 25]

Employees whose tax residency is not in Cameroon will only be taxed on locally sourced income as per the progressive personal income tax table.

Tax exempt persons [General Tax Code 2021-Section 27+81]

The below employees are exempt from taxation in Cameroon:

- Employees earning less than XAF 62,000.00 per month
- Expatriate personnel of diplomatic and consular missions whose counties grant Cameroon diplomatic and consular missions personnel reciprocal exemption
- Expatriate personnel of international organizations with diplomatic status
- Expatriate administrative and technical personnel of international organizations, diplomatic and consular missions who pay taxes in their home countries

Gross Income [General Tax Code 2021-Section 24+30]

Personal income tax is payable on employment income earned. Such income includes salaries, allowances, emoluments, wages, pensions, life annuities as well as benefits in kind granted as a virtue of employment.

Fringe Benefits [General Tax Code 2021-Section 33]

Benefits in kind are valued as a percentage of taxable cash allowances before deductions, as per the rates below:

• Housing	15%
• Electricity	4%
• Water	2%
• Per domestic worker	5%
• Per vehicle	10%
• Food	10%

Unless a specific exemption exists, cash allowances representing any of the above benefits in kind will be included in taxable income based on the percentages detailed above. e.g. If an employee receives a housing allowance of XAF 10 000.00, the amount to be included in taxable income will be the lesser of XAF 10 000.00 and 15% of taxable cash allowances(excluding allowances that represent other fringe benefits).

Exempt income [General Tax Code 2021-Section 31]

Although the definition of taxable income encompasses all income from employment, the below earnings are explicitly exempt from taxation:

Special allowances

Allowances given to employees for the fulfilment of their duties are exempt from taxation if such allowances are used as intended and are not overstated. Professional expenses (allowances for transport, travel, soling, milk, bicycle/scooter, representation, meal, tools) are included. Legislation is silent as to what constitutes overstatement.

Family allowances

Allowances granted to employees for maintenance of dependants are exempt from taxation.

Severance pay

The portion of severance pay that is not intended to cover compensation for loss of salary is exempt from taxation.

State funded allowances

Aid payments and benefits made to employees by government institutions are exempt from taxation.

Industrial accidents allowances

Temporary allowances, annuities and benefits paid to employees or beneficiaries of employees who are victims of workplace accidents are exempt from taxation.

Disability payments

Annuities ordered by a court of law as compensation for a bodily injury leading to permanent disability are exempt from taxation.

Scholarships

Payments for the pursuance of educational studies are exempt from taxation.

Death & injury benefits

Payments made as compensation for death or injuries are exempt from taxation.

Labour medals

Bonuses paid to workers during the award of labour medals by the Minister in charge of Labour are exempt from taxation.

Civil servant salary supplement

Fixed salary supplement paid to civil servants

Salary Adjustment index

Salary increases resulting from the application of the salary adjustment index to civil servants and State employees working in diplomatic and consular missions abroad.

Deductions [General Tax Code 2021-Section 29+34]

The below deductions are granted to employees in order to arrive at the net taxable income amount on which personal income tax is calculated:

- An annual amount of XAF 500,000.00
- Professional expenses calculated at a fixed rate of 30% of taxable cash allowances + taxable benefits in kind + taxable CCs.
- Social security contributions to the CNPS
- National Social Insurance Fund

These deductions apply to non-residents as well.

Rebates

Rebates are reductions in the tax liability of an employee.

There are no rebates in Cameroon.

Tax table

Personal income tax [General Tax Code 2021-Section 69+81]

Personal income tax is calculated by applying the below table to an employee's net income, *rounded down to the nearest thousand XAF*:

Net income per year (XAF)	Tax rate %
0.00-2,000,000.00	10%
2,000,000.01-3,000,000.00	15%
3,000,000.01-5,000,000.00	25%
Above 5,000,000.01	35%

Non-residents, casual employees and temporary employees are also taxed as per the progressive table above.

Employees earning less than XAF 62,000.00 per month do not pay any tax. However, an employee's taxable income is assessed at year-end through the regularization calculation to determine whether any tax is due.

Additional Council Tax (Centimes Additionnels Communaux(CAC)) [General Tax Code 2021-Section 71+Section C 54]

A local tax of 10% of the total monthly tax liability is payable by employees. e.g. If an employee's tax liability is XAF 1 000.00, additional council tax of XAF 100.00 is payable.

Administration and Compliance

Monthly filing [General Tax Code 2021-Section 82-83]

Personal income tax withheld from employees will be paid over to the relevant tax authority by the

15th of the month following withholding. Payment needs to be accompanied by the DIPE (Document of Information on the Personnel Employed) report.

Annual filing

Annual start and end of year DIPE reports must be submitted by the employer in Cameroon.

- Start of year DIPE report- The purpose of the start of year DIPE is for the employer to report the number of employees they have as at the start of the year.
- End of year DIPE report-The purpose of the end of year DIPE is to do an end of year reconciliation of the monthly DIPE declarations.
- The annual regularisation for taxes must be done by 15 March of each year. It is to be distinguished from the annual regularisation of CNPS contributions which is done by 15 January.

The annual regularisation for taxes and payroll taxes is declared separately from the monthly declarations. It is done within the framework of the annual tax return, in Extrait note 27A DSF.

Social security

The social security fund in Cameroon is known as the Caisse Nationale de Prévoyance Sociale (CNPS).

Who qualifies as an employee? [Law No. 92-007-Article 1]

Natural persons who have engaged in professional activity and received remuneration, be it permanent, seasonal or occasional, shall be liable to contribute to the CNPS. Non-residents are liable for social security contributions as well.

Who qualifies as an employer? [Law No. 92-007-Article 1]

Any person or organisation who gives direction and holds authority over a natural person in return for compensation.

Employer obligations for CNPS purposes [CNPS employer obligations guide]

The employer is responsible for the below:

- Ensure that the organisation is registered for social security
- Ensure that each of their employees is registered for social security
- Calculate the social security contributions each month
- Make payment of social security contributions
- Submit online declaration of remuneration paid as well as social security contributions

Failure to meet the above requirements could lead to penalties being imposed on the employer.

Basis of contribution [Joint order n° 035/METPS/MINEFI of 12 July 2002; Decree n°2015/2517PM of July 2015; Decrees n° 003/MEPS/DPS and n° 94/MINFI of 1 March 1974]

Contributions to the social security are calculated on the total remuneration amount due or paid to employees for the month, including but not limited to basic salary, allowances, overtime, leave pay, commission, bonuses and benefits in cash or in kind (when it exceeds the limits).

There are minimum and maximum basis of contribution as per below:

Minimum: Salaire Minimum lnterprofessionnel Garanti (SMIG); currently XAF 36 270.00 per month

Maximum (only applicable for the family benefits & pension branches): XAF 750 000.00 per month (XAF 9 million per year)

The below allowances paid out to employees for the fulfilment of their duties are excluded from the basis of social security contributions (Art 25 and A26 of Decree n°2015/2517PM of July 2015):

Professional expenses:

- Travel allowance (L’indemnité de déplacement)
- Transport allowance (La prime de transport)
- Milk allowance (L’indemnité de lait)
- Bicycle/Scooter allowance (L’indemnité de bicyclette ou cyclomoteur)
- Representation allowance (L’indemnité de representation)

- Food/Meal allowance (La prime de panier)
- Soiling allowance (La prime de Salissure)
- Tools allowance (La prime d'outillage)

The amount of the total professional expense allowance exceeding 30% of the taxable salary (taxable cash allowances plus taxable benefits in kind plus taxable employer contributions) must be included in the calculation.

End-of-career allowances:

- Safety allowance (La prime de sécurité)
- Severance pay (L'indemnité de licenciement)
- The end-of-career allowance (L'indemnité de fin de carrière)
- Compensation for breach of contract of employment (L'indemnité de rupture abusive du contrat de travail)
- Retirement bonus (La prime de départ à la retraite)
- Termination allowance (La prime de bonne separation)
- Reconversion allowance (L'indemnité de reconversion) (Circular Note No. 021/91/DR/DG/CNPS of 17 May 1991)

Travel allowance is an allowance granted to an employee to travel for work purposes such as per diem when away from home or petrol to attend a meeting at a client's premises; transport allowance is the monthly allowance given to an employee to travel from home to work on a daily basis.

Benefits in kind are generally included in the calculation of CNPS except for the benefits mentioned below, which must be excluded unless the benefit amount exceeds the real value.

The portion of each benefit in kind or in cash exceeding the following ceilings calculated on the gross taxable salary (same as to determine IRPP), is included in the base for CNPS:

- housing 15% ;

- electricity 4% ;

- water 2% ;

- 5% per servant;
- 10% per vehicle;
- food 10%

The real value (in practice, this refers to the price the employer paid or the price the benefit would cost) is included in the CNPS base if it exceeds the limits above.

When a cash allowance is provided representing a benefit (for instance renting a house for an employee, instead of giving him the cash housing allowance) for housing, electricity, water, servants, vehicles and food, some employers interpret the law the same as when a benefit is provided. In other words, they only include the excess value (value of allowance exceeding the taxable value) when calculating CNPS unless specifically exempted by another provision.

Example 1: Gross taxable salary total is 100 000. If the employee gets a housing allowance the limit is 15 000 (15% of 100 000). If he gets an allowance of 20 000, then 5 000 is included when calculating CNPS.

Example 2: Gross taxable salary total is 100 000. If the employee gets a housing allowance the limit is 15 000 (15% of 100 000). If he gets an allowance of 5 000, then zero is included when calculating CNPS.

However, as the law is not quite clear whether the same provision should be applied to cash allowances representing benefits, it is advisable to include the full cash allowance instead of only the excess (allowance exceeding the taxable value).

Contribution rates [Ordonnance n° 73-17 and Decree N ° 2016/072]

There are 3 branches of the CNPS, namely:

1. Old age, permanent disability and survival pension

Employer contributions=4.2%

Employee contributions =4.2%

2. Family benefits(Only employers contribute to this branch)

General employees=7%

Agricultural sector employees=5.65%

Private Education employees=3.70%

Domestic workers=7%

3. Industrial accidents and occupational diseases (Only employers contribute to this branch; no cap)

Group A (low risk)=1.75%

Group B (medium risk)=2.50%

Group C (high risk)=5%

Old age and family benefits are subjected to the annual cap of XAF 9 million per year while industrial accidents and occupational diseases is not subjected to this cap.

Filing requirements [Joint decree no. 035-Article 3 & 4]

The monthly declaration (DIPE) is to be filed online through the CNPS online portal within 15 days of the month proceeding the withholding month. Payment is to be made through the authorized banks or financial establishments. Once the declaration has been filed and payment made, the employer must then submit the declaration and proof of payment to their tax office in order to be furnished with a receipt for payment of social contributions.

The annual declarations are submitted as per below:

- By 15 January: Summary statement showing employees and wages paid for prior year (End of year DIPE report)
- By 15 February: Nominative declaration showing names of employees working for employer in current year (Start of year DIPE report)

Retirement age

The retirement age for social security contributions is 60 years. Should an employee attain this age whist still employed, they may not continue contributing to the social security.

Other payroll related statutory contributions

Housing Fund (Crédit Foncier du Cameroun (CFC)) [Law No 90-50]

The CFC is a tax on wages which is meant to provide financial assistance for the implementation of housing projects. Public as well as private organisations are subjected to this contribution, with some exemptions. Contributions to the fund are made at the rates of 1% (employee) and 1.5% (employer) respectively.

The income base for this contribution is as per below:

- For the employee: Taxable income, limited to XAF 62 000
- For the employer: Gross amount of wages with the below exemptions:
  - Family allowances
  - Pensions & annuities
  - Domestic servant income
  - Low wage earner income (agricultural or pastoral farm workers)

The Income Tax Act states that *Representation allowance* should also be excluded from the income base. However, as a result of taxpayers misusing this exemption, the Revenue Authority issued a letter which stated that should this allowance be of a permanent character, it should be included in the base for CFC. This, however, was never enacted into the Act. As such, an employer can elect to include this allowance or exclude it.

To exercise caution, it is advised that this allowance be included in the base for CFC so as to avoid adjustments by the Revenue Authority at year end.

National Employment Fund (Fonds National de l'Emploi (FNE)) [Law No 90-50]

The FNE is a fund dedicated to the creation of employment in Cameroon. Contributions to the fund are only made by the employer at a rate of 1% of the same base income as that of the CFC.

Local development tax (Taxe de développement local) [General Tax Code 2021-(Section C57 to C60)]

A council tax known as the local development tax has been established for the provision of basic facilities and services by the councils in Cameroon. The tax is levied on an employee's monthly basic salary (excluding all other cash allowances), payable only by the employee, as per the below progressive scale:

Monthly basic salary (XAF)	Rate per month (XAF)
62,000-75,000	250,00
75,001-100,000	500,00
100,001-125,000	750,00
125,001-150,000	1 000,00
150,001-200,000	1 250,00
200,001-250,000	1 500,00
250,001-300,000	2 000,00
300,001-500,000	2 250,00
Above 500,001	2 500,00

Audio visual communication tax (Redevance Audiovisuelle (RAV)) [Instruction n° 0001/MINFI/DI/LC/L of 04 February 2004]

A tax aimed at contributing to the development of audio-visual activities is payable only by the employee in Cameroon. The tax is levied on an employee's income whether exempted from IRPP or not + taxable BIKs (value of the allowance representing the benefit and not only the taxable value in terms of IRPP) + taxable CCs) and exempt allowances as per the below progressive scale:

Monthly base income (XAF)	Rate per month (XAF)
0.00-50,000.00	0.00
50,001-100,000.00	750.00
100,001-200,000.00	1 950.00
200,001-300,000.00	3 250.00

300,001-400,000.00	4 550.00
400,001-500,000.00	5 850.00
500,001-600,000.00	7 150.00
600,001-700,000.00	8 450.00
700,001-800,000.00	9 750.00
800,001-900,000.00	11 050.00
900,001-1,000,000.00	12 350.00
Above 1,000,001	13 000.00

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