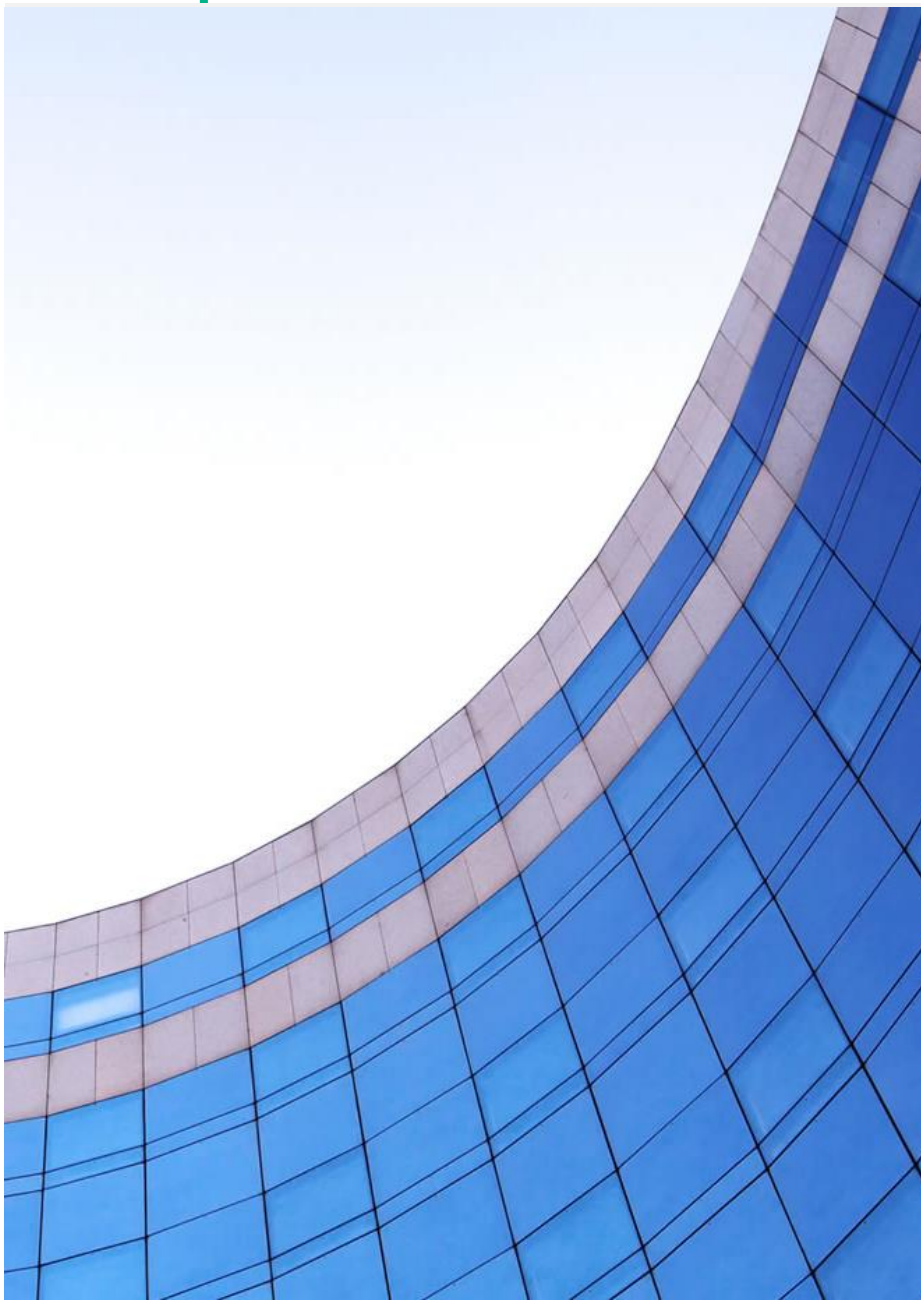


EQUATORIAL GUINEA

2022 GENERAL STATE BUDGET LAW

VdA EXPERTISE



January 2022

Equatorial Guinea's 2022 State Budget was enacted by way of Law 3/2021, of 3 December 2021

The most significant provisions in the 2022 State Budget Law are the following:

- **Withholding Tax for non-residents**

Payments made to non-residents continue to be subject to a 15% withholding over gross income obtained in Equatorial Guinea;

- **Minimum Income Tax**

The 1,5% rate of Minimum Corporate Income Tax is kept unchanged since the 2021 State Budget Law;

- **Withholding Deduction**

The enforcement of article 461(3) of the General Tax Law is once again suppressed. The suppressed provision allowed that amounts withheld be set off against the final Corporate Income Tax ("CIT") liability at year-end (i.e., they are deemed as an advanced CIT payment). As the provision continues suppressed, the amounts withheld may only be considered as a deductible cost for CIT purposes;

- **Excise Taxes**

Contrarily to the provisions in the 2020 and 2021 State Budget Laws, Telecommunication Services are no longer subject to excise taxes;

- **Registration Duties on Public Contracts**

A 0.5% registration fee of public contracts continues to apply;

- **Ministry of Labour, Employment Promotion and Social Security ("MoL") Fees & New Informal Work Permit**

The 2022 State Budget Law has kept unchanged the fees chargeable by the MoL that were already set forth in the 2021 State Budget Law. Additionally, the 2022 State Budget Law now sets forth a fee payable for an "informal work permit". According to information obtained from the MoL, foreigners that carry out activities in the informal sector (i.e., small commercial and traditional activities not carried out through duly incorporated companies) must obtain this permit.

Contacts



EQUATORIALGUINEA@VDALEGALPARTNERS.COM

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