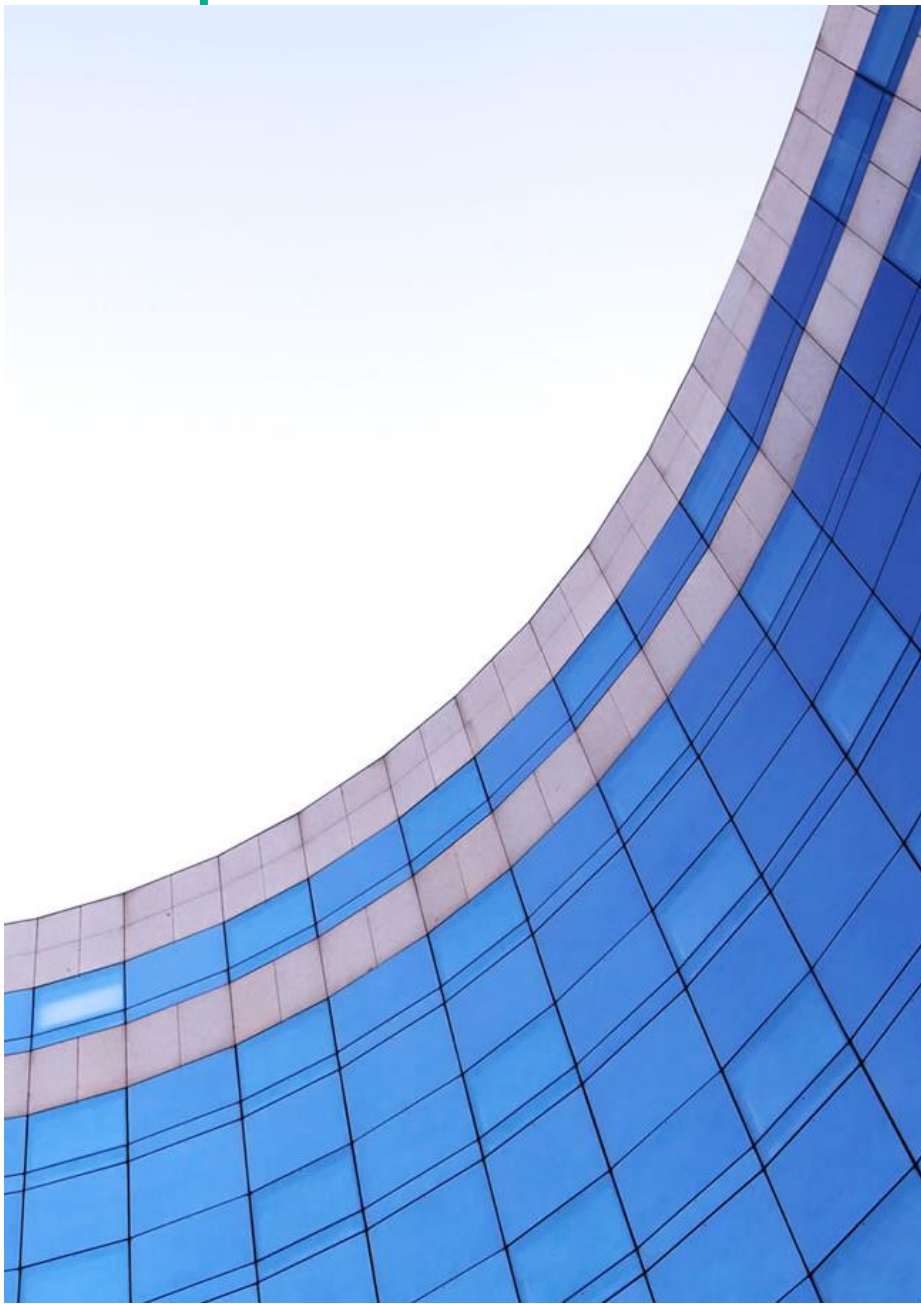


EQUATORIAL GUINEA

2023 GENERAL STATE BUDGET LAW

VdA EXPERTISE



December 2022

Equatorial Guinea’s 2023 State Budget was enacted by way of Law 8/2022, of 13 October 2022, and will apply as of the 1st of January 2023.

Having as background the double economic crisis resulting from the COVID-19 pandemic and the war in Ukraine, as well as a crude oil average price estimate of 65 USD/barrel in 2023. the 2023 Budget Law is aimed at creating the proper conditions for a strong and sustainable growth, keeping in line with CEMAC’s strategy and the IMF’s recommendations. The main goals of the 2023 Budget Law may be outlined as follows:

- Continuing the reduction of the macroeconomic imbalances at a time Country’s resources are directed to strengthen the social sector, mitigating the social and economic impact of the pandemic;
- Address the financial sector’s weaknesses, with the completion of the strategy to regularize the debt with construction companies;
- Promote economic diversification;
- Foster good governance and transparency, with the implementation of the National Anti-Corruption Commission and the operationalization of the Audit Court;
- Accordingly, the need to rationalize and contain spending, (ii) improve the collection of non-oil revenues and (iii) improve accountability mechanisms are highlighted in the 2023 Budget Law.

The most significant provisions in the 2023 State Budget Law are the following:

- **Withholding Tax for non-residents (services)** – payments made to non-residents (individuals or legal entities) continue to be subject to a 15% withholding over gross income obtained in Equatorial Guinea; [WHT rate applicable to services rendered by residents is kept at 6.25% and WHT rates applicable to real estate income also remain at 25% (non-residents), 10% (resident legal entities) and progressive Personal Income Tax rates (resident individuals).]
- **Minimum Income Tax** – the 1,5% rate of Minimum Corporate Income Tax is kept unchanged;

- **Withholding Deduction** – the enforcement of article 461(3) of the General Tax Law (“GTL”) 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.
- **Registration Duties on Public Contracts** – a 0.5% registration fee of public contracts continues to apply;
- **Fees chargeable by several Ministries** – the 2023 State Budget Law sets forth new fees and changes some existing ones in the 2017 Fees Law (on fees chargeable by EG administrative authorities according to the sector of activity). New and updated fees chargeable by the Presidency of the Government, the Ministry of Culture and Tourism, the Ministry of Transport and Telecommunications, the Ministry of Fishery and the Ministry of Justice are set forth, of which we highlight those chargeable by the [Mercantile Registry](#) (within the Ministry of Justice) for the following services/concepts:

Service/concept	Fee (XAF)
Branch opening	1,000,000
Branch renewal	500,000
Branch closing	300,000
Penalty for non-renewal of branch	100,000
Simple minutes	75,000
Literal certificate of company	50,000
Certificate of good standing	25,000
Duplicate of concise certificate	50,000
Simple note	5,000

Contacts



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