



# Tax Booklet Mauritania 2026

Updated edition as of January 1, 2026, followed  
by the main non-codified tax texts

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# MAURITANIE

## CODE GÉNÉRAL DES IMPÔTS

### 2026

EDITION UPDATED AS OF 1 JANUARY 2026  
INCLUDING MAIN UNCODIFIED TAX TEXTS

The new General Tax Code of Mauritania was adopted by law n°2019-018 of 29 April 2019. Its provisions have been applicable since 1 January 2020.

The Code is supplemented by its implementing texts, the tax conventions in force, the new Investment Code (law n°2025-006 of 19 February 2025) and mining and petroleum taxation, including the tax regime applicable to petroleum sub-contractors for the Grand Tortue/Ahmeyim field.

The whole is updated with the provisions of law n°2025-040 of 21 August 2025 on the rectified finance law for 2025 and law n°2026-001 of 12 January 2026 on the finance law for 2026.



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# MAURITANIAN TAX REGIME

## *I. CORPORATE TAX*

### 1. Scope

The taxation of profits for corporate income tax purposes is established according to two regimes:

- a° The normal real profit regime, applicable to companies whose annual turnover before tax is more than five million (5,000,000) Ouguiya and,
- b° The regime of intermediate real profit, applicable to companies whose annual turnover before tax is less than or equal to five million (5,000,000) ouguiya.

### 2. Corporate income tax rates

The tax rate is set at 25% of taxable profits or 2% of taxable income, if the latter amount is higher than the former, with a minimum collection of MRU 100,000 for taxpayers subject to the normal real tax (Art. 51 and 52 of the French Tax Code).

For companies subject to the intermediate real profit regime, the corporate income tax due is equal to 25% of the net taxable profit or 2.5% of the taxable income except for transfers and assumptions of charges, if the latter amount is higher than the first.

### 3. Determination of the tax result

The tax result or taxable profit is the profit determined on the basis of the overall result of operations of all kinds carried out by taxpayers, including in particular the disposal of any part of the asset, either in progress or at the end of its operation. (Articles 7 to 35 of the General Tax Code).



## II. PERSONAL INCOME TAX (IBAPP)

### 1. Scope

An annual tax is established on the business profits made by natural persons and legal persons not subject to corporation tax, who habitually carry out a profit-making activity on their own account.

***The tax on personal profits is set according to three regimes:***

- The normal real profit regime: turnover excluding tax > MRU 5 million;
- The intermediate real profit regime: turnover excluding tax between 3 and 5 million MRU;
- The flat-rate regime: Turnover < 3 million MRU.
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### 2. IBAPP Tax Rate

Tax rate at the IBAPP (Art. 87 of the French Tax Code)

- The normal real tax regime: 30% of the profit or 2.5% of the taxable income if the latter amount is higher than the first with a minimum collection of MRU 125,000;
- The intermediary real regime: 30% of the profit or 2.5% of the taxable income if the latter amount is higher than the first with a minimum collection of 75,000 MRU;
- The flat-rate regime: 3% of the declared turnover.



### **III. VAT**

#### **1. Scope**

Transactions relating to an economic activity that constitute an import, supply of goods or a provision of services, carried out on Mauritanian territory for consideration by any natural or legal person are subject to value added tax (VAT) (Art. 209 of the French Tax Code).

#### **2. The operative event**

- Imports.
- Sales.
- Real estate work.
- The provision of services.

#### **3. Rate**

Standard rate: 16% increased to 18% for telephony, and 0% for exports of goods and services by a taxable person.

#### **4. General principle of VAT deduction**

Taxable persons for VAT purposes are authorised to deduct from the amount of tax payable on their transactions the VAT invoiced or paid on the purchase or importation of goods or services which form wholly or partly within the composition of taxable transactions.

#### **5. Conditions for VAT deductibility**

The deduction of VAT incurred on purchases of goods and services is subject to compliance with the formal and substantive conditions.

#### **6. The assessment of VAT and the taxpayer's obligations**

Transactions subject to VAT are the subject of a monthly declaration submitted by the 15th of the following month at the latest.



## IV. REGISTRATION FEES

- PROPORTIONAL DUTIES APPLICABLE TO ACTS AND TRANSACTIONS RELATING TO COMPANIES:

Formation and continuance of a company	0%
Merger, demerger and partial contribution of assets	1% to 3%
Capital increase by capitalization of reserves	10%
Sale of shares	2%

- PROPORTIONAL DUTIES APPLICABLE TO ACTS AND OPERATIONS RELATING TO IMMOVABLE PROPERTY:

Nature	Rate
Transfer of immovable property	1% to 2%
Leases	2% to be paid by the landlord and 1% to be paid by the tenant and deductible from the rent.
Transfer of lease rights	15%
Exchanges of immovable property	5%

- PROPORTIONAL DUTIES APPLICABLE TO ACTS AND TRANSACTIONS RELATING TO movable property:

Nature	Rate
Sale of business assets	10%



## **V. OTHER TAXES**

- Tax on wages and salaries: progressive scale from 0% to 40%
- Tax on income from real estate capital (IRCM): 10%
- Property income tax: 10%
- Property tax on built properties: 8%
- Apprenticeship tax: 0.60% on all remuneration paid to employees during the year
- Licence: scale varying between MRU 10,000 to MRU 500,000
- Motor Vehicle Tax: Scale from MRU 1,620 to MRU 3,600 depending on the use of the vehicle and the fiscal power per year.
- State fees and dues: set by the municipal council each year within the maximum limit of MRU 150,000
- Financial Transaction Tax (TOF): 16%; and a new 20% rate applicable to transactions made via electronic wallets and payments
- Special Tax on Insurance: 5% to 10%.
- Withholding tax on foreign service providers: 15%
- Withholding tax for local service providers: 2.5% for taxpayers subject to the IBAPP
- Consumption taxes
  - Petroleum Products Tax: MRU 0.45 to MRU 5.8 per litre
  - Alcoholic beverages: 195% to 294%
  - Tobacco tax: 87%



## **VI. TAX PROCEDURES**

### 1. Tax audit procedures

The General Tax Code provides for two types of control:

- A documentary check based on the financial statements filed and cross-checks. It is done from the receipt of the tax returns filed on 31 March of each year.
- An on-the-spot inspection consisting of a visit by inspectors to the premises of the taxpayer or his representative. It can be one-off, general or unannounced.

The statute of limitations is three years.

### 2. Tax and administrative penalties

Audits can result in tax reminders, with penalties ranging from 25% to 80%.

## **VII. TAX BENEFITS**

### 1. Scope

Regimes derogating from the General Tax Code have been put in place in order to encourage economic activity in certain particular sectors or to encourage establishment in certain regions of the country.

### 2. Tax exemptions

The main exemptions concern customs duties, VAT and corporate tax.

### 3. Specific schemes

The different investment incentive schemes are as follows:

- - The Investment Code: the Export Free Zone, the development zones outside Nouakchott, the Establishment Agreement and the SME Regime
- - The mining code: approved mining companies benefit from an exemption from corporate tax for a period of 36 months, then a tax rate reduced by half (1.75%) after the exemption period. Subcontractors of mining companies with an agreement with the State can benefit from exemption from VAT, patents, and municipal taxes, etc.
- - The Crude Hydrocarbons Code - Oil companies are exempt from the IRCM, the apprenticeship tax and the patent. Their subcontractors for contracts of less than 12 months can benefit from a simplified tax regime (RFS). In this case, they are only subject to corporate income tax and ITS at rates of 4% each.
- - Externally financed public procurement - These are contracts financed by donors. Where appropriate, a duty and tax credit mechanism is put in place for VAT and import duties and taxes.
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# **THE INCENTIVE TAX REGIMES OF THE INVESTMENT CODE (NEW)**

LAW 2025-06 on the new Investment Code

## **I. OBJECTIVES OF THE NEW INVESTMENT CODE**

The strategic objective is "to encourage direct investment by national and foreign capital", to secure it and to facilitate the related administrative procedures.

It is intended to be an instrument for the implementation of the principles governing the national investment policy, which are:

- the development of the potential of the productive sectors;
- strengthening local content;
- diversification of the economy; and
- and the promotion of sustainable development.

The term "direct investment" covers "any creation of a new and autonomous project for the production of goods or services, or any operation to extend an existing enterprise with a view to increasing its productive or technological capacity or competitiveness".





## **II. SCOPE**

Article 3 includes in the scope of the new scheme "all investments legally constituted in Mauritania", with the exception of the following sectors:

- (simple) purchase and resale activities in the local market,
- activities governed by banking, leasing, insurance and reinsurance regulations,
- mining, hydrocarbons and green hydrogen activities.

Oil, mining and green hydrogen exploration and exploitation remain subject to the exceptional tax regimes applicable to companies operating in these sectors of activity and their exclusive subcontractors.

## **III. PREFERRED PLANS**

- The new code establishes three (03) exceptional regimes:
  - the so-called "basic incentive" scheme (RIB),
  - the regime of development poles (RPD), and
  - the structuring investment regime - RIS.



## PREFERRED PLANS AND REQUIREMENTS

Diets	Eligible Activities or Areas of Implementation	Investment Amount live MRU	Minimum number of jobs created	Completion time
<b>Basic incentive scheme RIB 1</b>  <b>SME</b>	All direct investment except: Purchase/resale as is, banking & insurance, mining, hydrocarbons, green hydrogen.	2 to 30 million	5	3 years
<b>Basic incentive plan RIB 2</b>  <b>Intermediate Cat</b>	SAME	30 to 200 million	15	3 years
<b>RPD Development Pole Regime</b>	Geographical areas created by decree	≥ to 2 million	5  15 for investments > to 30 million	3 years
<b>RIS structuring investment regime</b>	Agriculture, manufacturing sector except fishmeal, Renewable energies Digital economy Roads & Ports	> to 200 million	50 ; except for low-labour intensive activities	3 years

For all provisions relating to general guarantees, obligations of the investor, procedures, administrative powers, litigation and dispute settlement, refer to the text of the law



# BENEFITS & INCENTIVES OF THE NEW CODE INVESTMENTS

Customs & tax benefits	RIB 1 SME	RIB 2 Cat Intermediate	Regimes Development Poles RPD	RIS structuring investment regime
DD on the import of creation and extension equipment and inputs (approved list).	3%	5%	EXO	1,5%
VAT on the import of creation and extension equipment (approved list).	EXO	10%	EXO	10%
VAT paid on locally acquired equipment (list, etc.).	Restitution	Restitution	Restitution	NA
VAT paid on raw materials and inputs for the manufacture of exported products.	Reimbursement if revenue is repatriated.	Reimbursement if revenue is repatriated.	Reimbursement if revenue is repatriated.	Reimbursement if revenue is repatriated.
DD & VAT on the import of equipment for self-production of electricity or energy performance improvement (approved list).	EXO	EXO	NA	EXO
VAT on local purchases, self-production of electricity or energy performance improvement equipment (list).				
TOF on First Equity and Extension Credit Products	Restitution	Restitution	NA	Restitution
Tax credit on 70% of the cost of vocational training for nationals				
Corporate Income Tax (CIT)			NA	EXO
Accelerated amortization	EXO	EXO		
Order of deduction of losses and depreciation	Capped at 200,000 MRU  Common law  NA	Capped at 400,000 MRU  Common law  NA	Capped at 400,000 MRU  Corporate income tax rate 15%  NA	Capped at 800,000 MRU  Common law  25% for the 1st year  1. Carry-forward losses 2. Amortization for the year 3. Deferred depreciation

# **ELECTRONIC TRANSACTION TAX - TTE (LF 2026-001) NEW**

Transactions subject to the payments or transfers made via wallets and digital banking services whose operator is established in RIM;

- Commissions and other remuneration received by authorised agents for cash payments related to these transactions;
- Any financial transaction carried out using
  - Mobile Money Services
  - e-wallets & e-payment apps
  - Licensed electronic money transfer platforms
  - any other authorized electronic device or service.

## **- Exemptions**

- Transactions for the benefit or debit of the Treasury, the CNSS or other public bodies;
- Freight forwarding transfers;
- Operations with a unit amount of less than 5000 MRU;
- Transactions ... relating to transferable securities, debt securities, currencies, units or shares in integration funds carried out via service providers approved by the BCM, subject to identification and traceability in the accounting and reporting systems of the companies concerned

**Tax base:** gross amount of the transaction TTE rate 0.1% on the gross amount of the transaction (to be paid by the user)  
10% on commissions received by authorized agents

Chargeable event and payability: actual completion of the transaction

Method of collection

R&S by the authorised electronic service operator

Monthly repayment, no later than the 15th of the following month

Monthly declaration and payment under the same conditions, guarantees and penalties as for VAT.





## **RECOVERY AND LITIGATIONAL REMEDIES**

In Mauritania, tax is collected on the basis of a declarative system, i.e. taxation is made on the basis of taxpayers' declarations. The acts or declarations filed by taxpayers benefit from a presumption of accuracy and sincerity. However, where those documents contain errors in the form of inadequacies, inaccuracies or omissions, the tax authorities have the power to make corrections in order to safeguard the interests of the Treasury while allowing the taxpayer to avail himself of his rights.

The book of tax procedures put in place by Law No. 2019-018 of 29 April 2019 on the adoption of the new CGI applicable since 1 January 2020 has provided in its title 2 for the rules aimed at rectifying all taxes and duties due by a taxpayer and which fall under the jurisdiction of the Directorate General of Taxes (DGI).

In order to ensure that taxpayers comply with their tax obligations, the tax authorities may carry out a documentary audit or an on-the-spot audit which may result in a tax adjustment (I) which taxpayers may contest through the means of appeal provided for by law (II).



# I. THE RECOVERY NOTIFICATION

At the end of the verification operations, when the administration does not find any irregularity or anomaly in the company's accounts, it is required to send the taxpayer a notification of the absence of an adjustment within a period not exceeding sixty (60) days from the date of the last intervention. In the absence of notification within this period, the taxpayer considers the absence of an adjustment to be granted.

On the other hand, at the end of the audit, when the auditors find an insufficiency, inaccuracy, omission or concealment in the elements used as a basis for calculating the taxes, they notify the taxpayer of the envisaged adjustments.

The notification of adjustments must be in writing, reasoned and quantified in such a way as to allow the taxpayer to formulate his observations or to make known his acceptance.

In order to establish the principle of adversarial debate, the tax legislator has granted taxpayers a right of reply following the notification of the adjustment (a) and the tax authorities the possibility of confirming the envisaged adjustments (b).

## a) The taxpayer's right of reply

The taxpayer may, upon receipt of the notification of adjustment and within fifteen (15) days, accept the adjustments notified to him or make observations by letter addressed to the tax department that drew up the adjustments, attaching, if applicable, supporting documents.

Failure to respond within this period is equivalent to acceptance of the adjustment.

## b) Confirmation of recovery

In the event of total or partial rejection of the observations made by the taxpayer, the department that drew up the notification of adjustments must record in writing the total or partial disagreement that remains. To this end, the tax authorities must send the taxpayer, within sixty (60) days from the date of receipt of the observations made by the taxpayer, a written document to confirm the adjustments.

Despite the confirmation of the adjustment, if the taxpayer is not in line with the tax authorities' decision, he or she has the means of appeal to contest the decision.

## **II) THE TAXPAYER'S REMEDIES**

The taxpayer has the possibility of using the various remedies below to contest the amounts claimed by the tax authorities.

### **1. Administrative appeal**

The administrative appeal may be lodged by a simple contentious complaint (Application for relief) or by a complaint with suspension of payment or by referral to the joint committee.

#### **a) Simple Claim**

The claim is made by applying for relief. The request for relief remains, in principle, without effect on recovery. Indeed, the taxpayer who contests the validity of his taxation nevertheless pays within three (3) working days, from the receipt of the AMRs, the amount of the duties claimed, while continuing the litigation phase. The time limit for making a complaint to the Director General of Taxes or his delegate is three (3) months from the date of receipt of the notice of collection.

The absence of a response from the Tax Administration after this period of three (3) months must be interpreted as a tacit rejection of the contentious claim.

When the taxpayer's arguments are recognised as totally or partially well-founded, a decision to grant relief is issued by the Director General of Taxes. In this case, the taxpayer is relieved of the excess taxation that was unduly claimed from him in the confirmation of adjustment.

## b) Claims with a request for deferral of payment

A taxpayer who, by means of a contentious claim, contests the validity of the amount of the taxes imposed on him, may request the suspension of the payment of the disputed part of the said taxes if he so requests in his claim, and fix the amount or specify the bases of the relief to which he is claimed.

To this end, it is required to:

- pay the undisputed taxes imposed on him/her;
- constitute guarantees of an amount equal to the disputed taxes by a deposit in a suspense account of the Treasury.

In the event of rejection of the claim, the sum deposited by deposit in a suspense account of the Treasury becomes acquired by the Public Treasury, to be used for the discharge of the disputed tax.

In addition, the absence of a response from the tax authorities, after a period of three (3) months following the date of the complaint, must be interpreted as a tacit rejection of the contentious complaint. If the request is accepted, the tax authorities will inform the taxpayer of its decision to discontinue proceedings and to return the amount deposited in the Treasury suspense account.

## (c) Appeal to the Joint Committee

The joint committee was set up to hear complaints relating to a large portion of the taxpayer's turnover.

It has jurisdiction to rule on disputes arising from a reminder of simple rights greater than or equal to 30% of the turnover of the financial year subject to the audit, or 30% of the turnover of the financial years audited in the context of a general or one-off audit.

The taxpayer has a period of three (3) days from the date of receipt of the notice of collection to refer the matter to the said commission. The taxpayer must first pay the uncontested taxes.

Referral to the Joint Committee shall suspend the recovery of the disputed amounts for a period of forty-five (45) days.

Upon receipt of the request, the Chairman of the Joint Committee has a period of five (5) days to confirm the admissibility of the request. In the absence of a response within this period, the referral is deemed admissible.

Decisions taken in the context of a request for discounts or moderations are not subject to any legal appeal.

## 2. Legal recourse

Decisions rendered by the Tax Administration on contentious claims which do not give complete satisfaction to the interested parties may be challenged before a civil chamber of the courts of first instance.

The time limit for referral to the said chamber is two (2) months from the date of receipt of the decision of the Minister of Finance or his delegate.

Referral to the Civil Chamber of the Courts is also admissible in the event that the applicant has not received a response from the Minister of Finance or his delegate within three (3) months from the date of submission of the complaint. To this end, he has a period of two (2) months from the day of the expiry of the above-mentioned three (3) month period.

However, the applicant may not lodge a judicial appeal without first having lodged an administrative appeal, failing which the proceedings will be null and void. In the event of the introduction of new elements, the Civil Chamber must refer the file to the Tax Administration for initial examination.

Apart from the contentious appeal, the taxpayer can choose a non-contentious jurisdiction through a request for a graceful remission or an administrative transaction.



## ***TAX REGIME FOR MINING COMPANIES IN MAURITANIA***

Extractive industries represent a predominant part of the Mauritanian economy. Given the importance of mining potential and the renewed interest of foreign companies, the Mauritanian government has initiated reforms to further regulate mining activities and promote investment in this sector. The major related reforms were introduced by Law No. 2008-011 on the Mining Code, amended by Law No. 2012-014 of 22 February 2012, and then by Law No. 2014-008 of 29 April 2014.

The Code provided for a tax regime applicable to mining companies (I) and a preferential customs regime (II) from which they can benefit. In order to make the very heavy investments made in this sector profitable, companies also have the possibility of negotiating special agreements with the Mauritanian State (III).

# I. The tax regime for mining companies

Mining companies are subject to a number of taxes and duties (1), some of which are payable under ordinary law (2).

## 1. Taxes owed by mining companies

Mining companies are liable in particular:

- 
- • Value Added Tax (VAT)
- Contractors, subcontractors and suppliers in the mining sector are subject to VAT in accordance with ordinary law. However, mining exports are subject to zero-rated VAT. Purchases of local or imported goods and services are subject to the ordinary law regime, subject to the following special provisions concerning the scope of VAT and deductibility.
- 
- a) VAT is payable on purchases of goods and services made on the local market or imported, with the exception of those necessary for the proper execution of mining operations, the list of which is jointly certified by the Departments in charge of Finance and Mines.
- b) The following goods and services are excluded from the ordinary right to deduct:
  - Passenger vehicles and their spare parts, with the exception of utility vehicles and their spare parts;
  - Furniture for dwellings;
  - Home maintenance products;
  - Rental of accommodation;
  - Plane tickets;
  - Accommodation and catering;
  - Reception expenses and shows;
  - Telephone and fax fees;

- The right to remuneration

The remuneration fee is levied "from the holder or holder of an artisanal quarry permit" for the following acts:

- issuance, extension, reduction, renewal, early termination or transfer of the exploration permit;
- issuance, extension, reduction, renewal, early termination, transfer or contribution to the company of the operating permit;
- issuance, transfer or renewal of the small-scale mining permit;
- issuance, renewal or transfer of the permit to operate an industrial or craft quarry.

- The annual surface fee

It is payable by any holder of a mining or quarry title, and any holder of an artisanal quarry authorisation. Its amount is set by decree, and is not deductible from the annual taxable profit.

- The operating fee

The royalty is payable by the holder of an operating permit, a small-scale mining permit or an industrial quarry authorization. It is calculated on the selling price of the mining product, at its last stage of processing in Mauritania, or on its FOB value if it is exported before sale. The royalty is payable on all sales or exports made, with the exception of bulk sampling. The royalty rates have been adjusted according to the group of mineral substances, and in the particular case of iron, copper and gold, according to the selling price on the international market.

## 2. The following are also payable under the conditions of ordinary law:

- Corporate tax;
- The Tax on Wages and Salaries;
- The Tax on Income from Movable Capital.

## ***II. The customs regime for mining companies***

The duties and taxes applicable to the customs cordon depend on the phase of activity.

During the research phase, mining companies benefit from the following benefits:

- ☒ Exceptional Temporary Admission (ATE) in total suspension of customs duties and taxes for so-called passenger cars and equipment, and
- ☒ full exemption from customs duties and taxes (EXO) for equipment spare parts, inputs (raw materials and consumables), fuels and lubricants, and light vehicle spare parts.

For the 'Installation', 'Tax holiday' and 'Normal production' phases, the entry tax is as follows:

- ☒ temporary, exceptional admission, with a total suspension of import duties and taxes for equipment,
- ☒ total exemption for spare parts of equipment and light vehicles, inputs, and motor fuels and lubricants,
- ☒ payment of a one-off customs duty of 5% on so-called passenger cars.

In order to benefit from these various advantages, Article 105 provides that the said assets must first appear on the mining list notified to the Ministry for this purpose, and correspond to the fixed assets identified and described in the feasibility study.

In addition, any VAT credit charged on local purchases and imports is refundable according to the regulations in force, within ninety (90) days of the refund request, after verification by the tax authorities.

### **III. Possibility of signing a special agreement with the State**

Companies have the possibility to negotiate in the agreement they will sign with the State tax advantages from which their subcontractors will be able to benefit under certain conditions. For example, companies carrying out contracts for major investment works or major repairs on behalf of the Société Nationale Industrielle et Minière (SNIM) (a), the company MAURITANIE LIMITED SA (TMLSA) (b) and the company Mauritanian Copper Mines (MCM) (c), benefit from the tax advantages granted by the State to the mining company.

#### **a) The tax advantages provided for by the mining agreement between SNIM and the State**

SNIM and its subcontractors are exempt from all customs duties and similar taxes on imported equipment intended for work carried out on behalf of SNIM, in particular exemption from VAT.

#### **b) The tax advantages provided for by the mining agreement between TMLSA and the State**

- TMLSA and its subcontractors shall benefit from the following advantages throughout the duration of the agreement:
- Exemption from the apprenticeship tax;
- A reduced and unique rate of 5% on their imports;
- an exemption from all import duties on the personal effects of their expatriate staff;
- a tax rate on salaries and wages halved for expatriate staff.

## c) The tax advantages provided for by the mining agreement between the company Mauritanian Copper Mines (MCM) and the State

The company Mauritanian Copper Mines (MCM SA) and its subcontractors benefit from a preferential regime, including in particular:

- ☒ exemption from all customs duties and similar taxes on exports of any products, goods or materials required by the project;
- ☒ exemption from all customs duties and similar taxes (including VAT) on imports of all products, real estate and equipment intended to be used in the project;
- ☒ exemption from all taxes and duties other than income taxes and fixed fees.





## ***LEGAL AND FISCAL FRAME- WORK FOR OIL AND GAS IN MAURITANIA***

The Mauritanian state has initiated several legal and fiscal reforms in recent years. Major reforms in the hydrocarbon sector were introduced by Law No. 2010-033, on the Crude Hydrocarbons Code, adopted in 2010, revised in 2011 and 2015, and Law No. 2011-023 of 08/03/2011, approving the standard exploration and production contract after Mauritania has met the requirements of the Extractive Industries Transparency Initiative (EITI).

Thus, the provisions of the Hydrocarbons Code have provided for a tax regime applicable to contractors (I) and a derogatory tax regime applicable to subcontractors (II).

# ***I. The tax regime for contractors***

Oil companies are liable for a certain number of taxes and duties (1). However, they also benefit from certain tax advantages (2).

## **1) Taxes owed by oil companies**

Oil companies are responsible for:

### **- the surface fee**

Contractors must pay annual surface fees, calculated on the basis of the area of the contractual perimeter on the due date of each payment. The exploration and production contract specifies the rate and basis of surface royalties for each phase of the exploration period and for the exploitation period. However, the surface royalty does not constitute for the contractor a deductible expense for income tax or a recoverable oil cost.

### **- Administrative contribution**

Contractors are required to pay an annual contribution for the training and development of the Ministry's staff, the monitoring of petroleum operations and the promotion of the petroleum sector.

A decree issued by the Council of Ministers on the joint report of the Minister in charge of hydrocarbons and the Minister in charge of Finance will set out the terms and conditions for the withdrawal and use of these contributions. The contribution is a deductible expense for income tax purposes and is an unrecoverable petroleum cost.

### **- VAT**

Contractors are subject to value added tax ("VAT") under the ordinary law regime, subject to the following provisions:

- Hydrocarbon exports are subject to zero-rate VAT;
- Local purchases of goods and services directly related to oil operations are subject to zero-rated VAT;
- imports are subject to VAT either at the zero rate for any material or equipment directly necessary for the proper execution of oil operations, or to temporary admission under VAT suspension for goods admitted to this customs procedure, in accordance with Article 91 of this Law;

- 
- Any VAT credit refundable according to the regulations in force and charged on local purchases and imports is, after verification, refunded within ninety (90) days of the refund request.
- 
- Taxes payable under the conditions of ordinary law
- Oil companies remain liable to:
  - The housing tax;
  - The CFPB on residential premises;
  - Motor vehicle tax, with the exception of registered off-road vehicles;
  - Fees for services provided collected by the State or local authorities.
- Corporate tax
- Tax on salaries and wages capped at 35% for expatriate staff working in Mauritania.

## 2. Tax advantages

With the exception of the above-mentioned taxes, fees, fees and contributions, the Contractors and their affiliates are exempt from all other taxes and duties of any kind whatsoever, and in particular:

- tax on income from movable capital and other levies payable, in particular by means of withholding tax, in respect of the distributions of profits made by them;
- all turnover taxes, in particular taxes on the provision of services;
- the apprenticeship tax;
- of the patent;
- registration and stamp duties;
- any tax, duty, levy or contribution of any kind whatsoever provided that the economic activities to which they apply constitute oil operations

## ***II. The tax regime applicable to subcontractors***

The Hydrocarbons Code has instituted a simplified tax regime (RFS) for foreign companies providing services on behalf of oil contractors.

This derogatory regime, reserved for companies meeting specific criteria (A), has imposed two taxes on them (B).

### **A) RFS Diet Eligibility**

To be eligible for the RFS, you must:

- be a company of foreign nationality;
- be temporarily present in Mauritania and carry out specific services on behalf of oil operators and;
- be a party to a special service agreement with oil companies or their direct contractors, for a period of less than 12 months.
- Apply for accreditation before services begin

### **B) Taxes owed by subcontractors**

Companies approved by the RFS are exempt from all taxes, state or local, with the exception of corporate income tax (1) and tax on wages and salaries (2).

#### **1 - Corporate tax**

It is calculated on the basis of a profit estimated at a flat rate of 16% of turnover;

The standard corporate income tax rate of 25% is applicable to this base.

The tax payable by the company subject to the RFS is assessed as follows:

$16\% \text{ of Revenue} \times 25\% = 4\% \text{ of Revenue.}$

## 2- Payroll tax (ITS)

The ITS is calculated on the basis of a payroll estimated at a flat rate of 10% of turnover. An STC rate of 40% is applicable to this base. The tax payable by the company subject to the RFS, in respect of the ITS, will therefore be as follows:

$10\% \text{ of the turnover} \times 40\% = 4\% \text{ of the turnover.}$

However, local employees and administrative staff remain subject to ITS under ordinary law.





## ***REGIME APPLICABLE TO SUBCONTRACTORS OPERATING IN THE FIELD OF AHMEYIM TURTLE (GTA)***

In February 2018, Senegal and Mauritania signed an inter-state cooperation agreement (ICA) on the joint development and exploitation of the reservoirs of an oil field called 'Grand Tortue/Ah-meymin –GTA'. It is a major gas field discovered in 2016, which has the double singularity of being (i) deep offshore, and (ii) straddling the maritime border between the two countries.

The political choice of a common management of this resource was also reflected in the signing in December 2018 of an additional act to the AIT, defining the tax and customs regime applicable to subcontractors involved in the GTA Project.

This additional act has three (3) major particularities:

1. Article 142 establishes 'an autonomous tax order' - distinct from the two national tax administrations - and which will govern "the activity of subcontractors involved in the development and exploitation of hydrocarbons contained in the reservoirs of the GTA Field". The Order is divided into two structures:

- A 'Mixed Unit' which is the administrative entity responsible for "the management, settlement, control, litigation and collection of taxes" owed by subcontractors; and
  - An Interstate Tax Commission composed of representatives of both countries, and "... entrusted with the tasks of coordination, supervision and settlement of disputes between taxpayers and the Joint Unit";
2. It (the Additional Act) establishes a de facto 'Pool' of tax revenues, for all subcontracting activities related to the Project; under the terms of Article 5, the said revenues are then distributed between the two States, according to the distribution key for hydrocarbon resources defined by the ACI.
3. For the subcontractors of the GTA Project, the tax system established by the Additional Act takes precedence over any other legislation – derogatory or common law.

## I. Legal framework for subcontracting – Preliminary formalities

The status of subcontractor applies to "any natural or legal person – under Mauritanian, Senegalese or other law – who provides goods or services for 'Oil Operations', as defined in the oil contracts of the two States... (Art. 3). No exclusivity clause is stipulated. In other words, the supplier of goods or services to the GTA Project acquires the status of subcontractor as defined in the Additional Act, notwithstanding any other activities – similar or not – that it may otherwise carry out.

However, subcontracts and any amendments thereto are subject to the formality of registration before their execution (art. 49). The subcontractor 'GTA' (i) must also make a declaration of existence to the Joint Unit within 15 days of its constitution or the start of its activities with the Project, and (ii) must have an approval issued by the said 'Unit', which specifies its tax regime (Real or Lump Sum).

## II. The tax regime

The Additional Act establishes a tax system which is broadly defined as follows:

- being subject to tax on profits made;
- liability to payroll tax; and,
- where applicable, liability to property taxes on residential buildings.

Under certain conditions, formalities and procedures, the subcontractor of the GTA Project is exempt from all other duties, taxes and state duties, including customs duties, VAT and IRCM, IRVM withholding taxes, land contributions, patent contribution, local economic contribution.

It remains liable for the rights and charges for services rendered and those relating to regulations relating to personal safety, environmental protection, labour law and domain use.

### III. Tax Regimes

Articles 23 and 38 of the Additional Act provide for two (2) tax regimes.

A real regime that applies:

(i) subcontractors under foreign law with a permanent establishment, and

(ii) Mauritanian or Senegalese subcontractors with an annual turnover of more than three million (3,000,000) US dollars with the GTA Project; the liability to the real regime will be subject to income tax at the rate of 25% of the net profit made in the GTA Project with a minimum collection corresponding to 1.75% of the turnover achieved within the framework of the Project; employees of GTA subcontractors under the actual regime are subject to payroll tax, according to the regulations in force in Mauritania or Senegal, depending on the place of residence of the company. Subcontractors subject to the actual regime are subject to all accounting, documentary and reporting obligations, in accordance with the common law standards applicable in Mauritania or Senegal. They may be subject to a tax audit in all the formats provided for by ordinary law, and the right of communication of the tax administration (Mixed Unit) is also enforceable against them.

A flat-rate regime applicable:

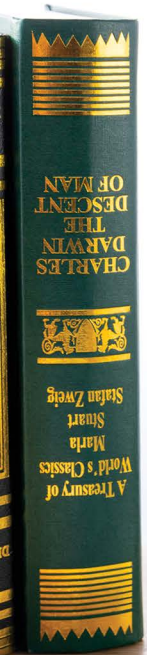
(i) subcontractors under foreign law that do not have a permanent establishment, and

(ii) to subcontractors under Mauritanian or Senegalese law achieving an annual turnover of less than or equal to three million (3,000,000) US dollars with the GTA project.

The beneficiary of the operation (Contractor or first-degree subcontractor) will be required to withhold income tax and payroll tax at the time of payment of the price to subcontractors subject to the lump sum regime.

The withholding tax rate for corporate income tax is set at 25%, applied to a profit assessed at a flat rate of 16% of turnover and for payroll tax, the rate is 40%, applied to a payroll assessed at a flat rate of 7.5% of the turnover achieved with the GTA project.

Withholding tax is only applicable to the supply of services, excluding supplies of goods, if they are invoiced separately.





## **VAT OF NON-ESTABLISHED COMPANIES ("TVA POUR**

Value Added Tax (VAT) is applicable on supplies of goods made in Mauritania.

Also subject to VAT are services provided in Mauritania and services performed in another country but used or operated in Mauritania, in accordance with Article 216 et seq. of the General Tax Code.

Thus, foreign companies established outside Mauritania, but which carry out transactions taxable to VAT there, must declare and remit the VAT collected and complete the specific formalities relating to it.

### **I. Procedure for the payment of VAT**

Under the terms of Article 221 of the General Tax Code, companies established or domiciled outside Mauritania are required to have accredited by the competent tax department a representative domiciled in Mauritania who undertakes to complete the formalities incumbent on this taxpayer and to pay VAT on his behalf.

#### **1. Accreditation of the representative**

The accredited representative must be a VAT taxable person identified in Mauritania.

To be valid, the accreditation must:

- be notified to the Director General of Taxes by the foreign company not established in Mauritania;
- be accompanied by the mandate contract signed and dated by the foreign company and its representative on site.

Mauritania;

☒ be accompanied by the mandate contract signed and dated by the foreign company and its representative on site.

The mandate must mention at least:

- the precise identification of the foreign company (name, address, capital, and nature of the activity);
- the manager's marital status in the case of a company;
- the identification of the tax representative in Mauritania (name, address and NIF);
- the scope of the mandate: the tax representative must at least draw up tax returns, declare and pay monthly VAT on behalf of the principal and act as the local contact for the Tax Administration;
- the date of the start of the mandate and the mention that it remains valid as long as the end of the mandate has not been reported to the General Directorate of Taxes.

## 2. The VAT return

The monthly VAT return due by the person domiciled outside Mauritania and carrying out taxable transactions there must be drawn up separately from that of the representative, with the words "on behalf of".

The representative must keep copies of the invoices of the foreign company he represents available to the tax authorities.

## II. Applicable sanctions

In accordance with the provisions of the General Tax Code, the failure to file a VAT return and, where applicable, the related penalties, are paid by the client benefiting from the services who is established in Mauritania.

Under the terms of Article L.131 of the French Tax Code, the delay in filing VAT returns is punishable by a penalty equal to:

- 10% of the amount of the duties normally due when the delay is less than two (2) months;
- and 25% when the delay exceeds two (2) months.
- Delay in filing a 'None' or crediting VAT return is punishable by a fine of MRU 2,000 per month. The amount of the fine is increased to MRU 10,000 for companies whose turnover in the previous year exceeds MRU 30,000,000.
- Omissions and inaccuracies found in VAT returns are punishable by a penalty equal to 40% of the duties compromised (Article L.133).



# ***THE NEW REGIME FOR COMPANIES OPERATING WITHIN THE NOUADHIBOU FREE ZONE***

Law No. 2013-001 of January 2, 2013 establishing the Nouadhibou Free Zone has been repealed and replaced by Law No. 2024-030 of July 8, 2024.

Thus, the legal and tax regime of companies approved in the free zone has been amended as follows.

## **I. Eligibility for the Free Zone status**

The activities eligible for the free zone regime are exclusively the processing of fishery and mining products.

Processing is defined as a production process in which raw materials, components and/or commodities are mixed, processed or modified to create a finished or semi-finished product. Industrial or service companies that already have a licence can apply for a new licence if they have made at least 80% of their export sales in the last two years.

## 1. Granting of approval

- Enterprises applying for approval under the free zone regime must meet the following conditions:
- Carry out an activity of production of goods;
- Guarantee the export of all their production unless there is an authorization from the AZFNDB for the sale of up to 20% of the production in the national customs territory;
- Create a separate subsidiary under Mauritanian law for all activities carried out within the free zone;
- Have a tax identification number with the General Directorate of Taxes.
- Approved enterprises are not allowed to carry out non-eligible activities within the perimeter of the free zone (Article 8 of the Law).

## 2. Approval procedures

Any company that applies for approval under the free zone regime must apply to the Nouadhibou Free Zone Authority (AZFNDB).

### - **Provisional approval**

- The provisional approval is issued to the company applying for the benefit of the ZFN regime by the ZFN Administrator, within 30 working days from the date of submission of the complete application for approval, after a morality investigation of the beneficial owner and the origin of the funds.

### - **Final approval**

- The final approval, called the "Export Company Certificate", is issued by the AZFNDB Administrator. The duration of the approval is a maximum of 15 years.

- The AZFNDB publishes the names of all approved companies and their beneficial owners on its homepage and ensures that the list is always up to date.

### - **Extension of approval**

- The extension of approval is granted for a maximum period of ten (10) years.

## II. Obligations of approved companies

Companies provisionally approved under the ZFN regime must be constituted in accordance with the texts in force and have an accounting organization that allows them to comply with the legal and regulatory provisions, as well as the practices existing in this area (art 9).

All these formalities must be completed before the approval is confirmed.

Approved companies must create a separate entity and keep accounts specific to their eligible activity, separate from their other activities.

Companies approved under the FTZ regime have a period of 6 months from the issuance of the approval to start their installation work. These must be carried out in accordance with the agreed timetable.

However, these deadlines may be extended by the AZFNDB on the basis of evidence of the progress of the construction of the plant, or any other formalities justifying the installation of the company.

Refusal to extend this period shall result in the withdrawal of the approval.

The AZFNDB collects an annual fee on each company approved under the ZF scheme. This fee is set at 0.5% of the turnover (art 12).

## III. The ZFNDB tax/customs regime

Companies established in FTZs are subject to the obligations prescribed by the General Tax Code and the Customs Code, in particular with regard to registration, declaration, collection and control, unless expressly exempted in this law (Article 14 of the law).

Approved companies benefit, in respect of their approved activity, from the following advantages for the entire duration of the approval:

- Exemption from customs duty on equipment and inputs related to the eligible activity of the approved company;
- Exemption from all local taxes defined by the General Tax Code as of the date of provisional approval;
- Exemption from the apprenticeship tax from the date of provisional approval.

## IV. The exchange rate regime

The operations of companies established in the export FTZ benefit from total freedom of exchange, regardless of the nationality and place of residence of the operator.

Legal persons having their registered office in Mauritania and natural persons of Mauritanian nationality residing in Mauritania may carry out investment operations within export FTZs only in accordance with the foreign exchange laws and regulations in force.

Commercial transactions between the FNZ and the customs territory are carried out in accordance with the foreign trade and exchange regulations in force.

Transactions in export FTZs are settled exclusively in negotiable currencies.

## V. The Employment Regime

The provisions of the Labour Code apply to companies approved under the ZF regime.

Approved companies must ensure that their workers are continuously trained with a view to improving their professional qualifications.

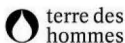




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