



**Exco**

GHA - Mauritanie

# MAURITANIA Tax Booklet



**2025**

*Taxation-Mines-Oil- GTA- Immigration - Free Zone*



# MAURITANIE

## CODE GÉNÉRAL DES IMPÔTS

### 2025

ÉDITION MISE À JOUR AU 1<sup>ER</sup> JANVIER 2025  
SUIVIE DES PRINCIPAUX TEXTES FISCAUX NON CODIFIÉS



Mauritania's new General Tax Code was adopted by Law no. 2019-018 of 29 April 2019. Its provisions have been applicable since 1 January 2020.

The Code is supplemented by its implementing regulations, the tax treaties in force, the Investment Code and mining and oil taxation, in particular the tax regime applicable to oil subcontractors in the Grand-Tortue/Ahmeyim field.

It is updated to take account of the provisions of Law 2025-001 of 16 January 2025 on the Finance Law for 2025. It also incorporates Law No. 2024-002 of 30 January 2024 on innovative technology start-ups and the tax provisions of Law No. 2024-037/P.R of 8 October 2024 on the Green Hydrogen Code.

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It is available for sale at our offices, and can be ordered in French and English from [contact@ghamauritanie.com](mailto:contact@ghamauritanie.com).



# Mauritania tax booklet 2025

Consulting, Taxation, Mining, Oil, Gas & Hydrogen

EXCO GHA Mauritania, a member of the Exco Africa and Kreston Global networks, is the leader in auditing, statutory auditing, accounting, legal and tax expertise in Mauritania.

The firm was named the Best Audit and Accountancy Services Provider 2020 in Mauritania by the Global Excellence Awards 2020 from INTL Magazine.

Established in 1991, Exco GHA Mauritania employs around forty experienced professionals, including eight certified accountants, with specialized skills and in-depth knowledge of the local environment.

The partners of the firm, with over 40 years of experience in accounting, auditing, and consulting, have a thorough understanding of the local and regional economic landscape.

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# ***MAURITANIAN TAX REGIME***

Mauritania has adopted a new General Tax Code, which came into force on January 1, 2020. One of the major reforms was the institution of (i) a Corporate Income Tax (IS), to replace the Industrial and Commercial Profits Tax (BIC) and the Minimum Tax (IMF) and the Business Profits Tax for Individuals (IBAPP) to replace the BIC, BNC and MFI taxes.

## **I. CORPORATE INCOME TAX (CIT)**

### **1. The scope of application**

Are subject to corporate income tax, the profits and income made by legal entities and assimilated organizations, in particular corporate or assimilated companies whatever their purpose (public limited companies and limited liability companies) and partnerships ((general partnerships, limited partnerships, joint ventures and economic interest groupings. (Art. 1 to 4 of the General Tax Code).

## **2. Corporate tax rates**

The tax rate is set at 25% of the taxable profit or 2% of the taxable income if the latter amount is higher than the first, with a minimum of MRU 100,000 for taxpayers subject to the real estate regime (Art. 51 and 52 of the CGI)..

## **3. Determining the taxable income**

Taxable income or taxable profit is the profit determined on the basis of the result of all operations of all kinds carried out by taxpayers, including in particular the disposal of any asset, either in progress or at the end of operations. (Art 7 to 35 of the CGI).

## **II . PERSONAL BUSINESS PROFIT TAX (IBAPP)**

An annual tax is levied on the business profits made by natural persons and legal entities not subject to corporation tax, which usually carry out, on their behalf, an activity of a lucrative purpose.

The taxation of personal business income 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 of between MRU 3 and 5 million;
- the flat-rate regime: turnover of less than 3 million MRU.

Tax on the IBAPP (art. 87 of the CGI)

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

## **III . PAYROLL INCOME TAXES (PIT)**

Employees are subject to payroll income Tax (PIT) deducted at source according to the following progressive scale:

- taxable monthly remuneration up to 9,000 Ouguiya: 15 %.
- monthly taxable remuneration greater than 9,000 Ouguiya and less than or equal to 21,000 Ouguiya: 25%.
- monthly taxable remuneration in excess of 21,000 Ouguiya: 40 %.

## IV. VALUE ADDED TAX (VAT)

### 1. The scope of application

Are subject to value added tax (VAT), transactions relating to an economic activity which constitute an import, a supply of goods or a supply of services, carried out on Mauritanian territory for consideration by any natural or legal person subject to the BIC or BNC tax regime. (Art. 209 of the CGI).

### 2. Operative event

The operative event consists of:

- for imports, by crossing the customs cordon ;
- for sales, by delivery; delivery means the handing over to the buyer of the goods which are the subject of the contract;
- for real estate works, by the execution of the works;
- for services, by the performance of services.

### 3. Rates

The rates of value added tax are as follows:

- 1) Standard rate: 16%;
- 2) 18%, for telephony communications;
- 3) Zero rate (0%): for exports of goods and services made by a taxable person.

### 1. Registration and stamp duty;

#### ■ PROPORTIONAL DUTIES APPLICABLE TO ACTS AND TRANSACTIONS RELATING TO COMPANIES :

Formation and continuation of company	0%
Contribution, merger	1% à 3%
Capital increase by incorporation of reserves	10%
Sale of shares	2%

#### ■ PROPORTIONAL DUTIES APPLICABLE TO ACTS AND TRANSACTIONS RELATING TO REAL ESTATE :

Building transfer	1% à 2%
Leases	3 % à charge du bailleur et de 1% à charge du locataire payable par le locataire et déductible du loyer
Transfer of leasehold rights	15%
Exchange of real estate	5%



■ DROITS PROPORTIONNELS APPLICABLES AUX ACTES ET OPERATIONS RELATIFS AUX BIENS MEUBLES :

Sale of goodwill	10%
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## V . OTHER TAXES

- Tax on income from movable capital (IRCM) (dividends, interest on loans, etc.): 10%
- Property income tax: 10%;
- Land tax on built-up property
- Apprenticeship tax: 0.60% on all remuneration paid to employees during the year.
- License: scale from MRU 30,000 to MRU 500,000
- Motor Vehicle Tax
- Royalties and domain rights
- Financial Transaction Tax (TOF):14%
- Special Insurance Tax: 0.1%; 5% and 10%.
- Withholding tax on services rendered by non-residents: 15%.
- Registration and stamp duty;
- Withholding tax on services rendered by residents: 2.5% on amounts paid to taxpayers exercising a liberal profession and subject to the IBAPP.

## VI . FISCAL PROCEDURES

### 1. Tax audit procedures

The General Tax Code provides for two types of control:

- A document control based on the financial statements filed and cross-checks. It is carried out from the receipt of the tax packages filed by 31 March of each year.
- An on-the-spot control consisting of a visit by the inspectors to the office of the taxpayer or his representative. It may be one-off, general or unannounced.

The limitation period is three years.

### 2. Fiscal and administrative sanctions

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

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## **7. Specific regime**

Law N°2012-52 on the new Investment Code repealed Law 2002 - 03 of 20 January 2002 which instituted the franc points regime as the only exceptional tax regime in Mauritania. Investors now have the choice between:

- the PME regime, the purpose of which is to support small and medium-sized enterprises,
- the Free Zone regime for companies with high export potential,
- the Development Poles regime outside Nouakchott to promote the establishment of businesses in the so-called disadvantaged regions, and
- the establishment agreement regime.

## **VII. TAX BENEFITS**

### **1. The scope of application**

Derogating regimes from the General Tax Code have been put in place to encourage economic activity in certain specific sectors or to promote establishment in certain regions of the country.

### **2. Tax benefits**

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

### **2. Specific regimes**

The different investment incentive regimes are as follows:

- The Investment Code: the Export Free Zone, the development zones outside Nouakchott, the Establishment Agreement and the small and medium size company Regime.
- The mining code: approved mining companies benefit from an exemption from corporate tax for a period of 36 months. Also, subcontractors of companies benefiting from a convention with the State can benefit from exemption from VAT, license tax, municipal taxes,
- The Crude Oil Code: oil companies benefit from many advantages. Thus, they are exempted from IRCM, apprenticeship tax, tax on business. Subcontractors of oil companies for contracts of less than 12 months can benefit from a simplified tax regime (STR). In this case, they are only subject to corporate income tax and payroll income tax at a rate of 4% each.
- Externally financed public contracts: these are contracts financed by lenders. In this case, a duty and tax credit mechanism has been set up for VAT and import duties and taxes.



# **TAX REGIMES IN FAVOR OF THE INVESTMENT CODE *NEW 2025***

LAW 2025-06 establishing the new Investment Code

## **I. Objectives of the new Investment Code**

The strategic objective is "to encourage direct investments by national and foreign capital," ensuring their security and facilitating the related administrative procedures.

It is intended to be a tool for implementing the principles governing national investment policy, which are :

- enhancing the potential of productive sectors;
- strengthening local content;
- diversifying the economy; and
- promoting sustainable development.

The term "direct investments" covers "any creation of a new and autonomous project for the production of goods or services, or any expansion operation of an existing company to increase its productive capacity, technology, or competitiveness."

## **II. Scope of Application**

Article 3 includes in the scope of the new system "all legally constituted investments in Mauritania," excluding the following sectors :

- simple buy-resell activities on the local market,
- activities governed by banking, leasing, insurance, and reinsurance regulations,
- activities related to mining, hydrocarbons, and green hydrogen.

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

### III. Privileged Regimes

**The new code establishes three (3) special regimes :**

- the "basic incentive regime" (RIB),
- the "development hubs regime" (RPD), and
- the "structuring investments regime" (RIS).

#### 1. The Basic Incentive Regime (RIB)

The Code breaks it down into two categories: the SME category and the so-called "intermediate" category.

##### 1.1. The SME Category

According to Articles 15 and 17 of the Code, this regime is established for any investment amounting between 2 million and 30 million MRU and generating at least 5 direct jobs, all within a period of 3 years from the date of issuance of the investment certificate.

Companies approved under this regime benefit from :

- a 3% customs duty (DD) on imports of equipment and inputs listed by order of the Minister of Finance;
- an exemption from VAT on the import of equipment and services directly related to the creation and extension investments, plus VAT refund on locally acquired equipment;
- an exemption from TOF (Tax on Financial Transactions) on first investment and extension credit products;
- a VAT refund on raw materials and semi-finished products used for the manufacture of exported products, subject to repatriation of export-generated revenues;
- a tax credit covering 70% of the cost of vocational training for Mauritanian employees, capped at 200,000 MRU;
- an exemption from customs duties and VAT on the import of equipment intended for self-production of electricity or improving energy performance using renewable energy sources for the exclusive needs of the activity;
- a VAT refund on the local acquisition of these goods.

## 1.2. The Intermediate Category Regime

This regime applies to investments between 30 million and 200 million MRU, generating at least 15 direct jobs over 3 years. Approved companies benefit from :

- a 5% customs duty rate on imports;
- an exemption from the TOF on first investment or extension credits;
- a reduced VAT rate of 10%;
- a VAT refund on materials used for manufacturing exported goods;
- a tax credit covering 70% of the cost of vocational training for Mauritanian employees, capped at 400,000 MRU;
- an exemption or refund of VAT on imports or local purchases of equipment for self-production of electricity or improved energy performance using renewable energy sources.

## 2. The Development Hubs Regime (RPD)

Development hubs are created by decree of the Council of Ministers, which defines the geographical area, the activities to be promoted, and the managing structure.

Approval under this regime requires, over a 3-year period :

- an investment equal to or greater than 2 million MRU;
- at least five (5) direct jobs; fifteen (15) for investments over 30 million MRU.

### **The benefits and incentives include :**

- an exemption from customs duties and any other taxes at the customs point on equipment, spare parts, and inputs listed by order of the Minister of Finance;
- a reduced corporate tax (IS) rate of 15%;
- a VAT exemption on equipment for creation or extension investments, and VAT refund on locally purchased goods, referring to the list submitted by the investor;
- a VAT refund on inputs for exported goods, subject to revenue repatriation;
- a tax credit covering 70% of the cost of vocational training for Mauritanian employees, capped at 400,000 MRU.

### 3. The Structuring Investments Regime (RIS)

According to Article 22 of the Code, this regime covers a wide range of activities, including agriculture, livestock product processing, manufacturing industries, renewable energies, tourism industries, logistics and road and port facilities, water networks, and digital economy activities.

Eligibility requires, over a maximum period of 3 years, investments exceeding 200 million MRU and at least fifty (50) direct jobs, except for activities with low labor intensity

- investments greater than 200 million MRU;
- at least fifty (50) direct jobs, except for activities with low labor intensity.

The benefits are :

- a 1.5% customs duty rate on equipment and inputs;
- an exemption from the TOF on first investment or extension credit products;
- a 10% VAT on equipment and inputs, plus a VAT refund on locally purchased equipment;
- a VAT refund on imports of inputs used to manufacture exported products, with revenue repatriation;
- a tax credit covering 70% of the cost of vocational training for Mauritanian employees, capped at 800,000 MRU;
- an exemption or VAT refund on the acquisition of equipment for self-production of electricity or improving energy performance;
- an accelerated depreciation at a 25% rate in the first year for new equipment acquisitions, excluding passenger vehicles and buildings.



# ***OPENING AND MANAGEMENT OF CURRENCY ACCOUNTS IN MAURITANIA***

In Mauritania, transfers of currency to or from abroad relating to the current operations of a company are free in accordance with the provisions of Article 5 of Law No. 2004-042 establishing the regime applicable to financial relations with abroad and their statistical recording .

Thus, it is permitted for companies to have foreign currency in Mauritania, and to pay their foreign suppliers in foreign currency and to hold foreign bank notes, checks or any other foreign debt instrument whatsoever on Mauritanian territory. nature. To do this, companies can freely open foreign currency accounts with a view to transferring currencies or receiving currencies (I). However, Instruction No. 7/GR/2024 relating to the transfer of revenues from exports of goods and services and modifying certain regulatory provisions linked to foreign currency assets and commitments limits the amount of foreign currency assets that companies must keep in their bank accounts since February 2024 (II).

## I - Opening foreign currency bank accounts

In Mauritania, it is permitted to have foreign currency accounts in local banks under certain conditions (1) but its use is limited (2).

### 1. Procedure for opening a bank account in foreign currency

Article 2 of Instruction No. 004/GR/05 of 05/20/2005 regulating foreign currency accounts in Mauritania allows any person resident or non-resident in Mauritania to have one or more foreign currency accounts in Mauritania, in this case USD, EURO, etc.

These provisions are guaranteed in the investment code and the crude hydrocarbons code. Indeed, in accordance with the provisions of Article 99 of the Hydrocarbons Code, the State guarantees to contractors and their foreign subcontractors throughout the duration of the contract the right to open and operate bank accounts at the foreign currency and bank accounts in foreign currency and ouguiya in Mauritania.

Thus, any entity wishing to open a foreign currency account must first send a request to open foreign currency accounts to a bank approved in Mauritania.

The request must be accompanied by the following documents:

- For natural persons
  - A legalized photocopy of the identity document (CNI or passport for Mauritians and residence permit for foreigners);
  - A specimen signature
  - Identity photos
  - Full address necessarily including proof of residence.
- For legal entities:
  - Copies of the commercial register, the notarized statutes of the company (if it is a branch, these will be the statutes of the parent company);
  - Specimen signatures of the persons authorized to process the account(s).

However, the bank will have to check if the applicant is not listed in the database as a "frozen debtor" and request any other document that it may find useful for the usual checks.

### 2. Using the foreign currency account

Foreign currency accounts held in Mauritania can be credited and debited. However, in accordance with the provisions of Article 4 of Instruction No. 004/GR/05, these accounts are only used for:



- receive foreign currency from abroad;
- dividends and net proceeds received on capital transactions, transfer or liquidation of investments;
- cashing of checks denominated in foreign currencies drawn on a foreign bank;
- interest on foreign currency accounts;
- withdrawals of foreign banknotes for travel purposes;
- settlement in foreign currencies authorized by the BCM;
- currency sales ;
- commission charged by the bank.

Indeed, article 13 of law 2004-042 cited above provides that foreign currency transactions between residents are subject to prior authorization from the BCM. Thus, it is not possible to receive foreign currency from a resident's bank account.

## **II - Limitations related to the conservation of foreign currencies in mauritania**

Foreign currency assets held by clients are limited from February 2024 by instruction No. 7/GR/2024 of February 7, 2024. This limit concerns revenues from exports of goods and services (1) and other assets and liabilities in foreign currencies (2)

■ Revenues from exports of goods and services  
Foreign currency revenues from export operations of goods and services must be transferred against Ouguiya to local banks. The transfer must relate to a minimum of 70% of foreign currency receipts and must take place within two working days from the date of credit in the account with the foreign correspondent (article 1 of Instruction No. 7/GR/ 2024).

Thus, any person receiving payments in foreign currency from their client based abroad is required to transfer 70% of this amount to a local bank, within two (2) working days.

■ Regulatory provisions related to foreign currency assets and commitments

Deposits in foreign currencies held by a client with credits must be the subject of immediate transfer to the bank up to the end of the due dates (article 3 of Instruction No. 7/GR/2024).

Thus, any transfer of currencies for payment by means of documentary credits, free transfers, documentary remittances or other operations must be charged to the foreign currency deposits of the ordering client (article 4 of Instruction No. 7/GR /2024).

Furthermore, the creation of guarantee (deposit) subordinate to any documentary credit opening operation must be attributed, first, to the foreign currency deposits available to the ordering client. The imputation is carried out, firstly on deposits in other currencies and lastly, after exhaustion of possible deposits in foreign currencies, on deposits in ouguiya (article 5 of Instruction No. 7/GR/2024).



## ***RECOVERY AND LITIGATIONAL REMEDIES***

In Mauritania, tax is collected on the basis of a declarative system, that is to say that taxation is made based on taxpayers' declarations. The acts or declarations filed by taxpayers benefit from a presumption of accuracy and sincerity . However, when said documents contain errors in the form of insufficiencies, inaccuracies or omissions , the tax administration has the power to make corrections to preserve the interests of the Treasury while allowing the taxpayer to exercise their rights .

The book of tax procedures, established by Law No. 2019-018 of April 29, 2019 relating to the adoption of the new CGI applicable since January 1, 2020 , provides in its title 2, the rules aimed at rectifying the all taxes owed by a taxpayer and which fall under the jurisdiction of the Directorate General of Taxes (DGI).

In order to ensure the compliance of taxpayers with their tax obligations, the tax administration can carry out a documentary check or an on-site check which can lead to a tax adjustment (I) which the taxpayers can contest through the channels appropriate remedies (II).

## I. THE RECOVERY NOTIFICATION

At the end of the verification operations, when the administration finds no irregularity or anomaly in the company's accounts, it is required to send the taxpayer a notification of lack of 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 absence of adjustment is considered by the taxpayer as acquired.

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

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

In order to encourage a contradictory debate, the tax legislator granted taxpayers a right of reply following the notification of adjustment (a) and the tax administration 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 comments by mail addressed to the tax department which established the adjustments, attaching the where applicable, supporting documents.

Failure to respond within this time limit amounts to acceptance of the adjustment.

### **b) Confirmation of adjustment**

In the event of total or partial rejection of the observations made by the taxpayer, the department which prepared the notification of adjustments must note in writing the remaining total or partial disagreement. To this end, the tax administration must send the taxpayer, within sixty (60) days from the date of receipt of the observations made by the latter, a writing to confirm the adjustments.

Despite the confirmation of adjustment, if the taxpayer is not in line with the decision of the tax administration, he has the means of appeal to contest the said decision.

## II. THE TAXPAYER'S REMEDIES

The taxpayer has the possibility of using the various avenues of appeal, below, to contest the amounts claimed by the tax administration.

### **1. Administrative appeal**

Administrative recourse can be by means of a simple contentious claim (Request for relief) or by claim with suspension of payment or by referral to the joint committee.

### **a) Simple claim**

The complaint is made by requesting relief. The request for relief remains, in principle, without effect on recovery. Indeed, the taxpayer, who contests the validity of his imposition, nevertheless pays, within three (3) working days, from receipt of the AMR, the amount of the duties claimed, while continuing the litigation phase. The deadline for complaints before 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 three (3) month period must be interpreted as a tacit rejection of the contentious claim.

When the taxpayer's arguments are recognized as fully or partially founded, a relief decision is issued by the Director General of Taxes. In this case, the taxpayer is relieved of the excess tax which was wrongly claimed from him in the adjustment confirmation.

### **b The complaint with request for suspension of payment**

The taxpayer who, through a contentious claim, contests the validity of the amount of taxes imposed on him, may request suspension of payment of the contested part of said taxes if he requests it in his complaint and sets the amount or specifies the bases of the relief to which he claims.

To this end, he is required to:

- Pay the uncontested taxes imposed on him;
- Create guarantees in an amount equal to the contested taxes by depositing them in a Treasury suspense account.

In the event of rejection of the claim, the sum deposited by consignment to a Treasury suspense account becomes acquired by the Public Treasury, to be used to clear the disputed tax.

Furthermore, the absence of a response from the tax administration, 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 administration will inform the taxpayer of its decision to abandon the proceedings and of the restitution of the amount recorded in the Treasury suspense account.

## c) **Appeal before the joint committee**

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

Indeed, the joint committee is competent to rule on disputes arising from a recall of simple rights greater than or equal to 30% of the turnover for the financial year, subject to the spot check or the percentage of 30% of the turnover. 'business of financial years controlled as part of a general or spot check.

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

However, unlike the above appeals, referral to the joint committee suspends the recovery of the contested amounts for a period of forty-five (45) days.

Upon receipt of the request, the President 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.

Thus, decisions taken in the context of a request for discounts or moderations are not subject to any litigation.

## 2. **Judicial remedy**

Decisions rendered by the Tax Administration on contentious claims which do not fully satisfy the interested parties may be appealed before a civil division of the courts of first instance.

For this purpose, the deadline 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.

The 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 presentation of the request. claim. To this end, he has a period of two (2) months from the day of expiry of the aforementioned three (3) month period.

However, the applicant cannot make a legal appeal without first having first filed an administrative appeal under penalty of nullity of his procedure. In the event of the introduction of new elements, the Civil Chamber must refer the file for initial examination to the Tax Administration.

**Apart from litigation, the taxpayer can choose a free jurisdiction by means of a request for free remission or an administrative transaction.**



# ***MINING COMPANIES IN MAURITANIA: FISCAL AND CUSTOMS FRAMEWORK***

The extractive industries represent a preponderant part of the Mauritanian economy.

Considering the importance of the mining potential and the interest of foreign companies, the Mauritanian State has undertaken reforms to provide a better framework for mining activities and to promote investment in the sector. The major reforms were introduced by Law 2008-011 on the Mining Code, amended by Law 2012-014 of February 22, 2012, and finally amended by Law 2014-008 of April 29, 2014.

The present mining code has provided for a tax regime applicable to mining companies (I) and a privileged customs regime (II) from which they may 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 granting them preferential tax treatment (III).

## I - The tax regime for mining companies

Mining companies are subject to taxes (1), some of which are owed under ordinary law (2).

### 1. Taxes and duties owed by mining companies

In particular, mining companies are liable for:

- Value Added Tax (VAT)

Contractors, subcontractors and suppliers in the mining sector are subject to VAT in accordance with common law, but mining exports are subject to VAT at a zero rate. Purchases of local or imported goods and services are subject to the ordinary law system, subject to the following special provisions concerning the scope of VAT and deductibility:

a) VAT is due 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 general right of deduction:

- Passenger vehicles and their spare parts, with the exception of utility vehicles and their spare parts;
- Furniture of dwellings ;
- Products for the maintenance of dwellings ;
- Rental of dwellings ;
- Airline tickets ;
- Accommodation and catering ;
- Entertainment and entertainment expenses ;
- Telephone and fax charges;
- Advertisements and gifts.

### • The right to remuneration

The fee is collected "...from the holder or holder of a craftsman's quarry permit" in the following acts:

- deliverance, extension, reduction, renewal, early termination or mutation of the research permit;
- deliverance, extension, reduction, renewal, early termination, transfer or contribution of the business license;
- deliverance, transfer or renewal of the small-scale mining permit;
- deliverance, renewal or mutation of the authorization to operate an industrial or artisanal quarry.

### • The annual superficial royalty

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

- **Operating fee**

The royalty is payable by the holder of an operating permit, a small-scale mining permit or an industrial quarry authorization. It shall be calculated on the sale 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 fee is due on all sales or exports made, except for bulk sampling. The rates of the fee have been modulated 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. In addition, the following due under the conditions of ordinary law**

Mining companies remain liable for:

- Corporate income tax;
- Payroll income tax;
- 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 activity phase.

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

- exceptional temporary admission (ETA) with full suspension of customs duties and taxes for so-called passenger cars and equipment, and
- total exemption from customs duties and taxes (EXO) for spare parts for equipment, inputs (raw materials and consumables), fuels and lubricants, and spare parts for light vehicles. For the 'Installation', 'Tax Holiday' and 'Normal Production' phases, the input tax is as follows:
- exceptional temporary admission with total suspension of import duties and taxes for equipment,
- total exemption for spare parts for equipment and light vehicles, inputs, and fuels and lubricants,
- payment of a single 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 must correspond to the fixed assets identified and described in the feasibility study.

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



### III - Possibility of signing a mining agreement with the State

The mining companies have the possibility of negotiating, in the mining agreement that they will sign with the State, tax advantages that their subcontractors may benefit from under certain conditions.

For illustration, companies carrying out contracts for major investment works or major repairs on behalf of the National industrial mining company (SNIM) (a), TASIAST MAURITANIE LIMITED (b) and Mauritanian Copper Mines (MCM) (c), benefit from the tax advantages granted by the State.

#### **a) Tax benefits provided for in the mining agreement between SNIM and the State**

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

#### **b) The tax advantages provided for in the mining agreement between TASIAST and the State**

TASIAST and its subcontractors benefit from the following advantages for the entire duration of the agreement:

- Exemption from apprenticeship tax;
- A single reduced 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 remunerations reduced by half for expatriate personnel.

#### **b) Tax benefits provided for in the mining agreement between Mauritanian Copper Mines (MCM) and the State**

The company Mauritanian Copper Mines (MCM) 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 to be used in the project;
- exemption from all taxes other than income taxes and fixed royalties.



# ***OIL AND GAS IN MAURITANIA: LEGAL AND FISCAL FRAMEWORK***

The Mauritanian state has initiated several legal and fiscal reforms in recent years. The major reforms of the hydrocarbon sector were introduced by Law n ° 2010-033, relating to crude hydrocarbons code, adopted in 2010, revised in 2011 and in 2015, and law N ° 2011-023 of 08/03/2011, approving the standard exploration-production contract after Mauritania has satisfied 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 special tax regime applied to subcontractors (II).

## I. The tax regime for contractors

Oil companies are subject to taxes (1). However, they benefit from certain tax advantages (2).

### 1) Taxes owed by oil companies

The oil companies are liable in particular for:

#### - The superficial royalty

The 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-production contract specifies the rate and base of surface royalties for each phase of the research period and for the exploitation period. However, the surface royalty does not constitute a deductible charge for the establishment of the profit tax, nor a recoverable petroleum cost.

#### - Administrative contribution

The contractors are liable for an annual contribution intended for the training and further training of the personnel of the Ministry, the monitoring of petroleum operations and the promotion of the petroleum sector.

A decree issued by the Council of Ministers on a joint report from the Minister and the Minister of Finance will fix the procedures for withdrawing and using these contributions. The contribution constitutes a deductible charge for the establishment of profit tax, and is an unrecoverable oil cost.

#### - Value Added Tax (VAT)

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

Exports of hydrocarbons are subject to VAT at zero rate;

Local purchases of goods and services directly related to petroleum operations are subject to zero rate VAT;

Imports are subject to VAT either at zero rate for any material or equipment directly necessary for the proper performance of petroleum operations, or to a temporary admission with suspension of VAT for goods admitted to this regime in customs matters in accordance with article 91 of the Hydrocarbons Code;

Any refundable VAT credit according to the regulations in force and having encumbered local purchases and imports is, after verification, refunded within ninety (90) days of the refund request.

**- In addition, the following shall also due under the conditions of ordinary law**

Oil companies remain liable for:

- Property tax ;
- Land tax on built-up property on premises for residential use;
- Tax on motor vehicles, except off-road registered vehicles ;
- Fees for services rendered collected by the State or local authorities.
- Corporate tax
- The tax on wages and salaries capped at 35% for expatriate staff working in Mauritania.

## **2. Tax advantages**

With the exception of the above-mentioned taxes, duties, fees and contributions, the Contractors and their affiliated companies shall be exempt from all other taxes and duties of any nature whatsoever, and in particular :

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

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

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

This derogatory regime, reserved for companies fulfilling precise criteria (A), made them liable for two taxes (B)

### **A. Eligibility for the STR regime**

To benefit from the STR you must:

- Be a company of foreign nationality;
- Be temporarily present in Mauritania and perform specific services on behalf of oil operators and;
- Be a party to a service rental contract with oil companies or their direct contractors, for a period of less than 12 months.
- Apply for accreditation before the start of services.

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

STR approved companies are exempt from all state and local taxes, with the exception of corporation tax (1) and wages and salaries tax (2).

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

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

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

The tax due by the company subject to the RFS is liquidated as follows:

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

### **2- Payroll Income Tax (PIT)**

The PIT is calculated on the basis of a payroll valued at a flat rate of 10% of turnover. The common rate of the ITS, currently 40% is applicable to this base.

The tax due by the company subject to the STR, under the PIT, will therefore be as follows:

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

However, local employees and administrative staff remain subject to common law PIT.



## ***TAX AND CUSTOMS REGIME OF THE SUBCONTRACTORS OF GRAND-TORTUE / AHMEYIM GAS FIELD (GTA)***

Senegal and Mauritania signed in February 2018 a bilateral agreement called 'Inter-states Cooperation Agreement' (ICA), for the purpose of a joint development and exploitation of an oil field called 'Grand Tortue / Ahmeymin –GTA'. It is a major gas field discovered in 2016, which has the double singularity of being (i) in deep offshore, and (ii) straddling the maritime border between the two countries.

The political choice for a joint management of this resource resulted also in the adoption in December 2018 of an additional Act to the ACI, defining the tax and customs regime applicable to subcontractors involved in the GTA Project.

### **The Additional Act shows three (3) major features:**

(i) It establishes in its article 142 'an autonomous fiscal order' - distinct from the two national tax administrations-, which will govern "the activity of subcontractors involved in the development and exploitation of the GTA field". The said Order has two structures:

- A 'Joint Unit', which is the administrative entity responsible for "the management, calculation, control, litigation and collection of taxes and duties" to be paid by the subcontractors; and

- An Inter-States Tax Commission, comprising representatives of the two countries, and "... entrusted with missions of coordination, supervision and dispute settlement between taxpayers and the Joint Unit";

(ii) The Additional Act establishes –de facto- a 'Pool' of tax revenue, for all subcontracting activities related to the GTA Project; under the terms of the article 5, the said receipts will be shared by the two States, according to the key of distribution already defined in the ACI for the distribution of the hydro-carbon resources.

3. For the subcontractors of the GTA Project, the tax system established by the Additional Act prevails over any other legislation - derogatory or common law. In other words, for the establishment, control, calculation and collection of the taxes and duties referred to, the subcontractors cannot oppose to the 'Joint Unit' the provisions of any bilateral tax convention, even already existing between any of the two States and a third state.

## **I. Legal framework for subcontracting activity & Preliminary formalities**

The quality of subcontractor applies to "any physical person or company -under Mauritanian, Senegalese, or other countries' law - who supplies goods or services for 'Oil Operations', as defined in the oil contracts of the two States ... " (Art. 3). There is no an exclusivity clause. In other words, the supplier of goods or services to the GTA Project can acquire the status of Subcontractor defined in the Additional Act, notwithstanding the other activities - similar or not - that he could carry out elsewhere.

The subcontracts and related amendments are however subject to registration formality before their execution (art. 49). The 'GTA' subcontractor (i) shall also submit a declaration of existence to the 'Joint Unit' within 15 days of its creation or the start of its activities with the Project, and (ii) shall have an approval issued by said 'Unit', approval which specifies its tax regime (Real or Flat rate).

## **II . The tax regime**

The Additional Act establishes a tax regime, the main lines of which are as follows:

- a tax on profits;
- a tax on wages and salaries; and,
- if any, property taxes and duties on buildings used for residential purposes.

Under certain conditions, formalities and procedures, the subcontractor of the GTA Project is exempt from all other duties and state taxes, including customs duties, VAT, withholdings on dividends (IRVM) or on deposit interests (IRCM).

The subcontractors remain subject to fees or charges relating to regulations on personal safety, environmental protection, labor law, services rendered, use of domain.

## **III . The taxation regimes**

The Additional Act provides in Articles 23 and 38 for two (2) taxation regimes.

A real tax regime that applies to

- (i) foreign contractors having a permanent establishment, and
- (ii) subcontractors under Mauritanian or Senegalese law achieving an annual turnover of more than three million (3,000,000) US dollars with the GTA Project;

The person subject to the real regime will be subject to corporate 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 made in the GTA Project; the employees of GTA subcontractors subject to the real 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 under 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 under ordinary law, and the right of communication of the tax authorities (Unité mixte) may also be invoked against them.

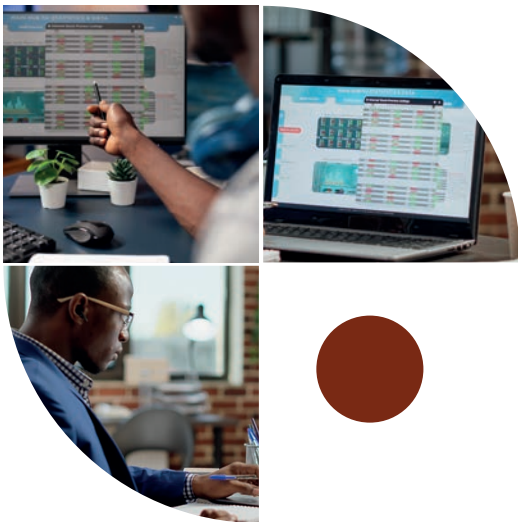
A flat tax regime applied to

- (i) foreign subcontractors having not a permanent establishment; and
- (ii) subcontractors under Mauritanian or Senegalese law achieving with GTA an annual turnover less than or equal to three million (3,000,000) US dollars.

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

The rate of the withholding tax is set at 25%, applied on a profit evaluated at a flat rate of 16% of the turnover and for the payroll tax at 40%, applied on a payroll evaluated at a flat rate of 7.5% of the turnover achieved with the ATM project.

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



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

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

Services provided in Mauritania and services provided in another country but used or operated in Mauritania are also subject to VAT, in accordance with Article 216 et seq. of the CGI. Thus, foreign companies established outside Mauritania, and which carry out taxable operations in Mauritania, must declare and pay back the VAT collected and to do so they are subject to specific formalities to meet their obligations.

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

According to article 221 of the CGI, companies established or domiciled outside Mauritania are required to accredit a representative domiciled in Mauritania to the competent tax department, who undertakes to complete the formalities incumbent on the taxpayer and to pay the VAT on his behalf.

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

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

In order 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 a mandate contract signed and dated by the foreign company and its local agent.

The mandate must mention at least :

- the precise identification of the foreign company (name, address, capital, and nature of the activity)
- the civil status of the manager if it is a company;
- identification of the tax representative in Mauritania (name, address and tax number);
- 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 authorities;
- the date of the beginning 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 Tax Directorate.

### **2. The VAT return**

The VAT return due by the person domiciled outside Mauritania and carrying out taxable operations there must be drawn up on a specific monthly VAT return separate from that of the representative with the mention "on behalf of".

The representative must keep copies of the invoices of the foreign company he represents at the disposal of the tax authorities.

## **II . Applicable sanctions**

In accordance with the provisions of the CGI, the failure to declare VAT and, where applicable, the related penalties, are paid by the client benefiting from the services who is established in Mauritania.

Thus, according to Article L.131 of the CGI, the late filing of VAT returns is sanctioned by a penalty equal to

- 10% of the amount of 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 nil or credit value added tax return is punished 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.

According to Article L.133 of the CGI, omissions and inaccuracies in VAT declarations are sanctioned by a penalty equal to 40% of the duties at risk.



# **THE NEW REGIME FOR COMPANIES OPERATING WITHIN THE NOUADHIBOU FREE ZONE *NEW 2025***

Law no. 2013-001 of 02 January 2013 creating the Nouadhibou Free Zone was abrogated and replaced by law no. 2024-030 of 8 July 2024.

As a result, the legal and tax regime for companies approved in the free zone has been amended as follows:

## **I . Eligibility for free zone status**

The activities eligible for the free zone regime have been reduced and are: the processing of fishery and mining products.

Processing is defined as a production process during which raw materials, components and/or basic products are mixed, treated or modified to create a finished or semi-finished product.

## 1. Granting of approval

Companies applying for free zone status must satisfy the following conditions:

- Produce goods;

- Guarantee the export of all their production unless they have authorisation from the AZFNDB to sell up to 20% of their production within the customs territory;

- Set up a separate subsidiary under Mauritanian law for all activities carried out within the free zone;

- Obtain a tax identification number from the Directorate General of Taxes.

Industrial or service companies initially established in the customs territory may apply for approval for the free zone regime if, over the last two years, they have made at least 80% of their sales on the export market.

However, approved companies are not authorized to carry out non-eligible activities within the boundaries of the free zone (art. 8 of the law).

## 2. Approval procedures

Any company applying for free zone approval must submit a request 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 check on the beneficial owner and the origin of the funds.

### ● Final approval

The final approval, known as the 'Export Company Certificate', is issued by the Administrator of the AZFNDB. Approval lasts for 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 for the ZFN regime must be set up in accordance with current legislation and have an accounting system that enables them to comply with legal and regulatory provisions, as well as existing practices in this area (art 9).

All these formalities must be completed before 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 for the ZF regime have 6 months from the date of approval to start setting up their business. This work 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 progress in the construction of the plant, or any other formalities justifying the installation of the company.

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

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

## III . The ZFNDB's tax/customs regime

Companies established in an ZFNDB are subject to the obligations laid down by the General Tax Code and the Customs Code, particularly in terms of registration, declaration, collection and control, unless expressly exempted by this law (article 14 of the law).

However, approved companies benefit from the following advantages for the duration of their approval:

- Exemption from customs duties on equipment and inputs related to the approved company's eligible activity;
- Exemption from all local taxes defined by the tax code from the date of provisional approval;
- Exemption from apprenticeship tax from the date of provisional approval.

## **IV . Exchange rate regime**

The operations of companies established in the Export Processing Zone benefit from total freedom of exchange, regardless of the nationality or place of residence of the operator.

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

Commercial transactions between the NFZ and the customs territory must also comply with the foreign trade and exchange regulations in force.

Transactions in export FZs are settled exclusively in negotiable currencies..

## **V - Employment arrangements**

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

Approved companies must ensure the ongoing training of their workers, with a view to improving their professional qualifications.





## **GREEN HYDROGEN : THE LEGAL, TAX AND CUSTOMS FRAMEWORK**

**NEW 2025**

In 2024, Mauritania established a Green Hydrogen Code to enhance the potential of this new clean energy source. Law 2024-037, which introduces this code, defines:

- The institutional, regulatory, supervisory, and control framework for green hydrogen development and exploitation activities;
- The legal, tax, and customs framework applicable to this new sector;
- The rights and obligations of individuals engaged in one or more activities related to green hydrogen.

Title VII of the law specifically outlines the tax and customs regime applicable to sector operators, their affiliates, and their exclusive and approved subcontractors for activities related to green hydrogen.

## I. Legal Framework

Any development activities related to a green hydrogen exploitation project in Mauritania require the prior signing of a framework agreement, followed by a comprehensive agreement with the Mauritanian government, before applying for an operating license (Article 10 of the Code).

- The framework agreement allows a feasibility study for up to two (2) years.

- The comprehensive agreement grants the operator and its affiliates exclusive rights to carry out any development activities within the defined perimeter. This agreement cannot exceed thirty-five (35) years and determines the terms for obtaining an operating license.

## II. Tax Regime

Operators, their affiliates, and exclusive and approved subcontractors are subject to the Customs Code and the General Tax Code (CGI), except where specific provisions apply under the Green Hydrogen Law.

### 1. VAT Exemption

Operators, affiliates, and their approved subcontractors are exempt from VAT, except for certain payments, including:

- Goods or services used by third parties, company executives, or employees, such as accommodation, restaurant expenses, entertainment, or travel-related expenses (except for work or protective clothing, collective facilities, and on-site free housing for security personnel).
- Goods or services related to tourism vehicles and spare parts, except for utility vehicles owned by the company.
- Payments for advertising or various gifts.

### 2. Corporate Tax on Profits

The tax regime differs for operators and exclusive and approved subcontractors.

For Operators

- Profits of operators and affiliates are subject to corporate tax, calculated separately for each phase (construction and operation).
- Income and expenses must be evaluated under the arm's length principle, using market comparisons for similar independent companies.
- Separate accounting is required for each phase (Article 88 of the Green Hydrogen Code).

- Operators can capitalize development costs, depreciate tangible assets over 15 to 20 years, and fully deduct interest expenses from loans taken from independent financial institutions (Article 89).

## Corporate Tax Rate

The corporate tax rate depends on the "R ratio":

1. 15% if  $R \leq 1$
2. 25% if  $1 < R \leq 3$
3. 30% if  $R > 3$

The R ratio is calculated as:

$$R = \frac{\text{Revenue} - \text{Operating Costs} - \text{Taxes, Duties, and Royalties}}{\text{Cumulative Investments (excluding capitalized interest)}}$$

$$R = \frac{\text{Revenue} - \text{Operating Costs} - \text{Taxes, Duties, and Royalties}}{\text{Cumulative Investments (excluding capitalized interest)}}$$

## For Exclusive and Approved Subcontractors

- These subcontractors are subject to corporate tax (IS) if they have a permanent establishment in Mauritania.
- The tax rate is 4% of annual turnover for services and goods deliveries not subject to customs duties (Article 84).
- The tax is paid in two installments:
  - o March 31 of the following year (first payment).
  - o June 30 of the following year (final payment).
- This tax is final and replaces all other taxes except:
  - o Payroll Tax (ITS)
  - o Capital Gains Tax (IRCM)
  - o Apprenticeship Tax (TA)

## 3. Capital Gains Tax (IRCM)

Operators, affiliates, and subcontractors pay capital gains tax (IRCM) only on dividends from taxable profits starting from January 1, 2033 (Article 93).

- The withholding tax rate is 4% (Article 95).
- Taxes must be remitted to the Treasury by April 15 of the following year.

#### **4. Withholding Tax on Non-Resident Service Providers**

- Operators, affiliates, and subcontractors must withhold 4% tax on payments to non-resident service providers without a permanent establishment in Mauritania (Article 92).
- The rate is reduced to 2% for 10 years, provided a final investment decision is made before January 1, 2033 (Article 93).
- Taxes must be remitted by the 15th of the following month.

#### **5. Administrative Royalties**

Operators and affiliates must pay production royalties on green hydrogen. However:

- Exemption applies for any phase defined under Article 23 if an investment decision is made before January 1, 2033.
- Partial or total exemptions may be granted for products sold as inputs for Mauritanian industries under the Comprehensive Agreement.

#### **6. Other Taxes**

- Operators and subcontractors are subject to the Apprenticeship Tax (TA).
- Employees must pay Payroll Tax (ITS).
- Other applicable General Tax Code (CGI) taxes, such as Business License Tax (Patente), also apply.

### **III. Customs Regime**

- All exports related to activities under the Framework Agreement or Comprehensive Agreement are exempt from duties and taxes (Article 79).
- Local and imported purchases of goods and services for hydrogen projects are VAT-exempt (Article 80).
- Imports of equipment, materials, inputs, and consumables for development and exploitation activities are subject to a 4% fiscal duty, excluding VAT and other customs duties (Article 81).
- Customs duty is reduced to 2% for imports related to a pre-approved phase before January 1, 2033 (Article 82).

## IV. Accounting Obligations

Operators, affiliates, and subcontractors must maintain accounting records and provide documentation.

### 1. Accounting Obligations

- They may keep accounts in Euros or USD, as per the Mauritanian Accounting Plan (PCM).
- If opting for foreign currency, tax returns must be in MRU, converted at the official exchange rate on the tax payment date (Article 91).
- Failure to comply results in penalties under the General Tax Code (CGI).

### 2. Documentation Requirements

- Companies must justify transfer pricing policies and provide financial details, including:
  - o Group structure and changes.
  - o Intellectual property ownership.
  - o Intercompany loans and agreements.
  - o Transactions under prior tax rulings.

## V. Foreign Exchange and Investment Protection

### 1. Foreign Exchange Regulations

Operators and affiliates are subject to exchange regulations set by the Central Bank of Mauritania (Law 2004-042). However, they retain the right to:

- Open and operate foreign bank accounts.
- Contract foreign loans for development.
- Receive and keep foreign revenues.
- Transfer hydrogen sales revenue, dividends, and liquidation proceeds abroad.
- Pay foreign suppliers and expatriate employees directly.

### 2. Investment Protection

The government guarantees that no nationalization, requisition, or expropriation will occur unless:

- It is lawful, non-discriminatory, and for public interest.
- Fair compensation is provided based on market value.
- Disputes can be resolved through international arbitration.

This framework provides a clear and favorable investment climate for green hydrogen projects in Mauritania.



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