Statutory Remittances in Africa

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highlights

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Executive Summary

This comprehensive White Paper dives deep into the taxation systems of 53 African countries, shedding light on the transformative potential of technology-enabled digital platforms in bolstering tax collection. The document begins by delving into the diverse landscape of statutory remittances across the continent, highlighting critical tax components such as the Value Added Tax (VAT), Social Security Contributions, and Health Insurance, which serve as primary revenue sources for many African nations, underpinning essential public services.

The White Paper underlines the importance of solving Africa's annual loss of $60 billion and provides tangible change initiatives. The data indicates that Africa's VAT landscape is more varied than Europe's generally uniform VAT application. While VAT typically generates roughly 30% of government revenues, implementation varies significantly between countries. The White Paper highlighted the stark contrast between Niger and Nigeria, where the latter's VAT rate is 12% higher than that of Africa's most populated country.

The White Paper also underscores the pivotal role of technology in revolutionizing tax collection, drawing on examples from countries such as Ethiopia and Rwanda, which have made strides in adopting electronic tax reporting and collection platforms.

Another challenge lies in the informal sector, characterized by economic activities operating beyond government regulation and oversight. This sector does not significantly contribute to Domestic Resource Mobilization (DRM), representing a substantial missed opportunity.

By harnessing technology, African economies can increase tax-to-GDP ratios, currently at 16.5%, bridging the gap with Latin America, the Caribbean (21.9%), and OECD countries (33.5%). This transformative approach promises not only enhanced revenue generation but also the improvement of the lives of African citizens, catalyzing sustainable economic growth and development.

The White Paper's core mission is to empower African governments to harness technology-driven approaches, ushering their economies toward sustainable growth. The gradual adoption of payroll systems as a means of tax collection, as seen in Kenya's electronic tax filing mandate since 2016, exemplifies this digital transformation. This shift enhances taxpayer identification and monitoring capabilities and reduces compliance costs.

In conclusion, the findings underscore that embracing new and innovative means of tax collection at scale through tech-enabled digital platforms can elevate African countries from their current tax-to-GDP ratio of 16.5%. This transformation aligns with Latin America and the Caribbean (21.9%) and Organization for Economic Co-operation and Development (OECD) countries (33.5%), promising to improve the lives of African citizens.

The power of technology combined with effective taxation can further catalyze sustainable economic growth and development across Africa.

Statutory Remittances & Taxes in Africa

Statutory remittances are a crucial aspect of the employment and taxation systems in African countries. These contributions are made by employers on behalf of their employees and are mandated by law.

Failure to comply with these requirements can lead to legal penalties, fines, or even legal action. In this article, we will explore the different types of statutory remittances that are common in African countries.

Payroll Taxes

Payroll taxes are a type of statutory remittance that employers are required to withhold from their employees' salaries and remit to the government. The taxes collected from payroll can include income tax, social security tax, and other taxes that are specific to each country.

The rates and methods of calculation for these taxes can vary depending on the country's tax system. For example, in Nigeria, payroll taxes are collected by the Federal Inland Revenue Service (FIRS), and the tax rates are based on the employee's income level.

introduction

Contribution by Kenyan Employers to NSSF

6%
of Employees' salary

Contribution by Ghanaian Employers to NHIS

2.5%
of Employees' Salary

Contribution by South African Companies to a Pension Fund

9.5%
of Employees' Salary

Social Security Contributions

Social security contributions are another common type of statutory remittance that employers are required to make on behalf of their employees. These contributions help fund social security programs that provide benefits such as retirement, disability, and survivor benefits.

The amount of the contributions is typically a percentage of the employee's salary, and the rates can vary depending on the country. In Kenya, for example, employers are required to contribute 6% of their employees' salary to the National Social Security Fund (NSSF).

Health Insurance Contributions

In some African countries, employers are required to make contributions to health insurance funds on behalf of their employees. These contributions help provide health insurance coverage for employees and their families. The rates and methods of calculation for these contributions can vary depending on the country.

In Ghana, for example, employers are required to contribute 2.5% of their employees' salary to the National Health Insurance Scheme (NHIS).

Health Insurance Contributions

Pension contributions are another type of statutory remittance that employers are required to make on behalf of their employees. These contributions help ensure that employees have access to retirement benefits when they retire from work.

The rates and methods of calculation for these contributions can vary depending on the country. In South Africa, for example, employers are required to contribute a minimum of 9.5% of their employees' salary to a pension fund.

In conclusion, statutory remittances are a critical aspect of employment and taxation systems in African countries. Employers are required to make contributions on behalf of their employees to various government bodies and organizations, including social security funds, health insurance funds, and pension funds.

Compliance with these requirements is essential to avoid legal penalties, fines, or legal action. Understanding the types of statutory remittances and their rates and calculation methods is crucial for employers operating in African countries.

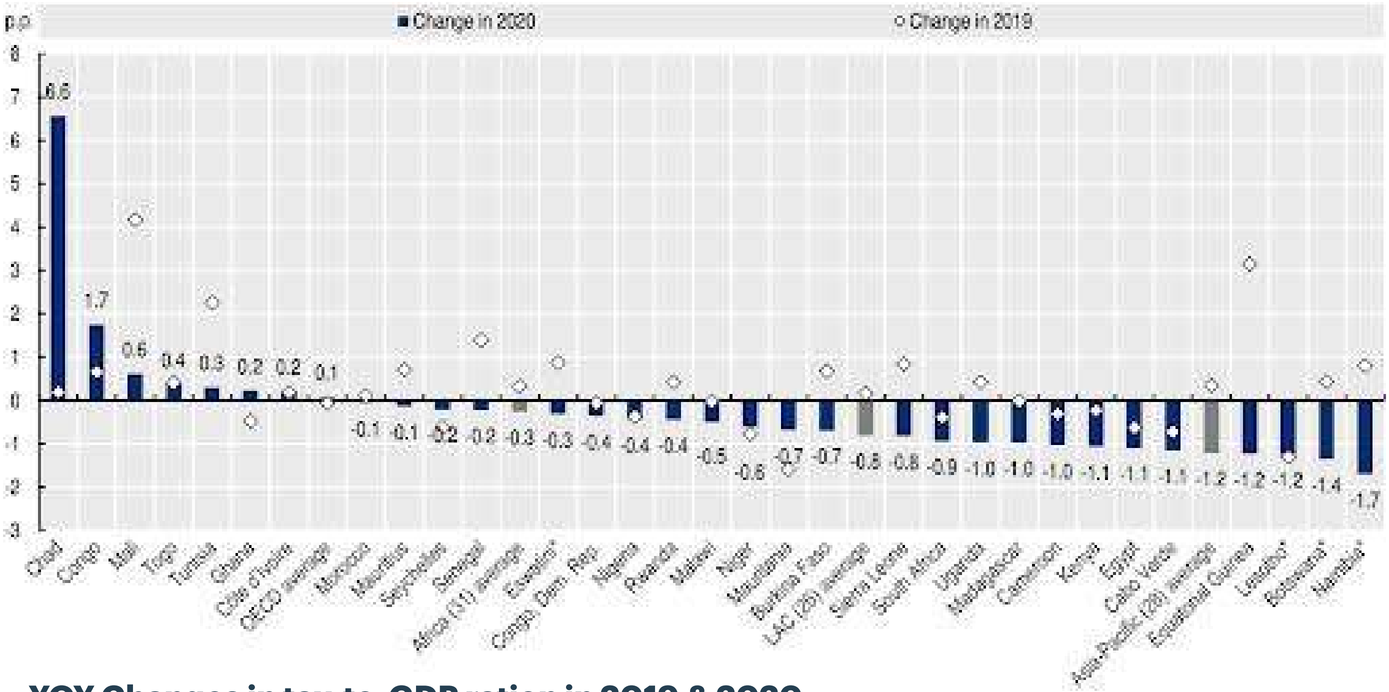
Deep Dive into the Taxation Landscape in Africa

The tax-to-GDP ratio is measured as tax revenues (including compulsory social security contributions paid to general government) as a proportion of gross domestic product (GDP).**The Average tax-to-GDP ratio in Africa was at 16% as at 2020**,in comparison, the average tax-to-GDP ratios in Asia and the Pacific, Latin America and the Caribbean, and the OECD (Organization for Economic Co-operation & Development) were 19.1%, 21.9% and 33.5% respectively in the same year. This signals that Africa still has some way to go in harnessing revenues from its economic activities.

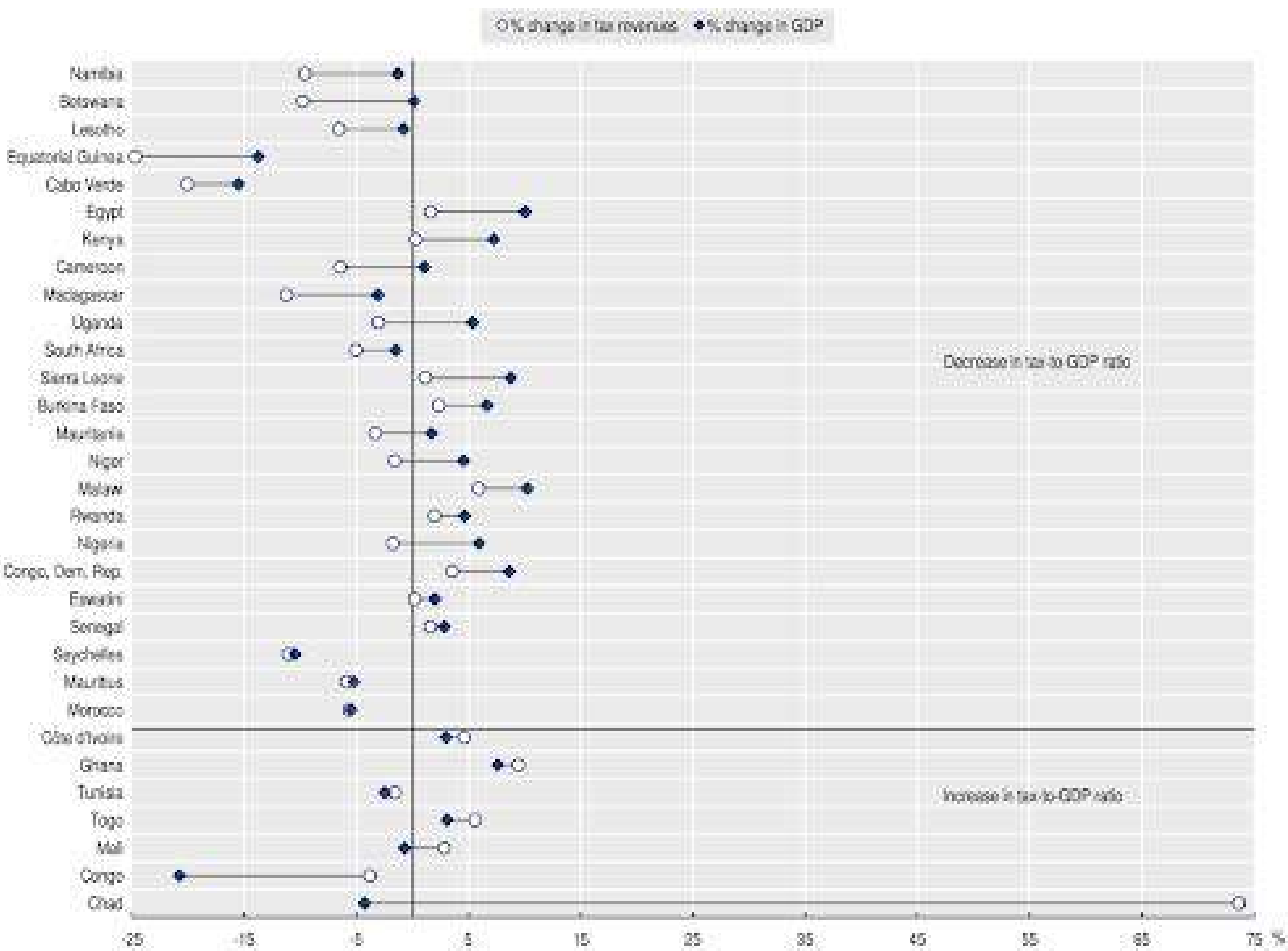
Tax-to-GDP ratios varied widely across African countries ranging from 5.5% in Nigeria to 32.5% in Tunisia. Morocco, Tunisia, the Seychelles and South Africa had tax-to-GDP ratios above 25%, 22 countries recorded tax-to-GDP ratios between 10.0% and 21.0% while the Republic of the Congo, the Democratic Republic of the Congo, Equatorial Guinea, Niger and Nigeria had tax-to-GDP ratios below 10%.

Impact of COVID-19 on Tax Revenues: Changes in 2020 relative to 2019

The average tax-to-GDP ratio of the African countries decreased by 0.3 percentage points (p.p.) between 2019 and 2020, largely as a result of the sharp decline in economic activity caused by the Covid-19 pandemic, which had a substantial effect on public revenues. The fall was primarily driven by the reduction in revenues from taxes on goods and services, which declined by 0.4 p.p. of GDP on average between the two years. Most decreases over the period were smaller than one percentage point of GDP; the fall exceeded this threshold in seven countries: Botswana, Cabo verde, Egypt, Equatorial Guinea, Kenya, Lesotho and Namibia. namibia registered the largest decrease, of 1.7 p.p.



YOY Changes in tax-to-GDP ration in 2019 & 2020



Change in Tax Revenue & GDP in Nominal Currency 2019-2020

Taxation in the Informal Sector

The informal sector remains the main source of livelihoods for a majority of African citizens, with over 80% of workers in the continent engaged directly in the informal sector.

The Informal Sector can be defined as: All economic activities by workers and economic entities which are not covered or insufficiently covered by formal arrangements including underground production activities, and not registered with revenue authorities or tax administrations. This definition explicitly includes informal sector activities which are not registered by revenue authorities, thus not paying (direct) taxes.

It is worth noting that informal sector economic activities are prevalent in both developing and developed economies, where they are not a temporary, marginal or peripheral phenomenon but rather a permanent feature.

The informal sector has not been contributing significantly to domestic resource mobilization (DRM) as far as payment of taxes to respective national/subnational revenue authorities is concerned.

This is a major contributor to the low tax-to-GDP ratios seen across many countries in Africa. In general, sub-national governments in Africa tend to have limited tax collection responsibilities. Many local governments receive a significant share of their total revenues from central government transfers.

Local governments across Africa have limited resources and many local tax administrations are not adequately equipped to collect taxes or to account for them. This results in high collection costs and a large number of low-yield taxes. Moreover, processing of data on revenue collections and the exchange of information with other public institutions is poor and there is usually little cooperation with the central government.

Some countries have been taking steps to employ technology and other novel solutions to ensure a more pervasive tax policy is instituted, moreso to cover the informal sector:

Kenya: The Kenya Revenue Authority (KRA) is taking active steps to make it easier for actors in the informal sector to pay taxes, not only by harnessing technology but also by investing in taxpayer education. Many taxpayers find the process of registering for and paying taxes to be complex and they often lack the required documents. The KRA has fully automated its tax system and put all its services online. The M-Service app, for example, simplifies filing and payment of the turnover tax, monthly rental income, and property registration as well as the application for a tax clearance certificate. The KRA has also set up tax clinics to educate informal sector operators.

Madagascar: The Anjarahetrako programme uses mobile tax unit teams to promote formalization. Heterogeneous teams comprising tax administration staff and other government agencies are sent into the field to conduct campaigns, address taxpayer questions, register taxpayers and issue tax cards. As of 2021, the programme had not yet been evaluated but positive results were witnessed as revenues increased as more tax cards were issued.

Rwanda: The country implemented a trading license enforcement initiative to identify businesses operating without a trading license through hiring a private company, which received a percentage of the amount paid for each trading license as an incentive. This programme helped, through an available database, to identify taxpayers who pay trading licenses and are not registered for income tax.

Zambia: The Block Management System was introduced to identify areas in the informal sector with a high potential for non-compliance and map them onto blocks according to street, landmark buildings and business type. Tax administration officers visit each block and have a one-on-one engagement with potential taxpayers. This facilitates registration of new taxpayers and enhances tax compliance. Indeed, by the end of 2020, a total of 2 265 new taxpayers had been registered and there was a noticeable increase in compliance on return filing.

Significant research and study has gone into better understanding taxation in the Informal sector. Below are some suggestions that can be implemented across the continent to improve this:

- Adopt an inclusive approach to the taxation of the informal sector by institutionalizing or formalizing the framework for exchanges between tax authorities and taxpayers in the informal sector.

- Use a holistic approach to better understand and adapt to the changing realities of informal sector actors, for example by simplifying and rationalizing business registration, where registration processes include registering with the registrar of companies, relevant local authorities, tax registration (that is, registering with tax authorities to declare and pay taxes effectively), along with formalization procedures for informal sector actors.

- Establishing a robust database of informal sector actors that can serve as a decision-making tool in the fiscal management of the sector is necessary. Furthermore, it is essential to establish a taxation model that is simple in its application by informal sector actors and flexible in its governance by the tax authorities.

- Establish appropriate units to deal with the informal sector's fiscal governance and strengthen the human resources ready to promote formalization.

- Rationalize, consolidate and simplify the multiplicity of taxes and contributions required of informal sector actors by local, provincial, and national administrative authorities.

- Ensure the gradual transfer of the fiscal management of microenterprises to local governments, given their low fiscal yield compared to the high costs of governance borne by the tax authorities.

- Establish Approved Management Centres to help informal sector participants to enhance their productivity in addition to the expected fiscal and accounting assistance.

- Introduce restrictive tax measures for profiteers or free riders in the informal sector whose actions are motivated by fraud and tax avoidance strategies.

- Strengthen withholding tax provisions through use of installments, compliance levies, or limitation of the right to deductions for informal sector players who do not have a tax identification number and a tax clearance certificate.

- Establish a requirement for all economic actors to hold a tax identification number as a prerequisite for carrying out administrative procedures.

- Use indicators to monitor the established informal sector taxation model and its impact on well-controlled governance of the model; the advent of a culture of evaluation of the informal sector taxation model through the establishment of impact indicators on revenues; the rate of tax compliance; the broadening of the tax base and on the behavior of actors through the prism of observed readjustments; and the promotion of good governance in the management of public resources.

Statutory Remittances Country Level

Southern Africa

02

Lesotho

South Africa

Namibia

Botswana

Swaziland

Lesotho

The LRA is the main authority responsible for administering and enforcing taxes

Income Tax.

0-30%

Lesotho, officially known as the Kingdom of Lesotho, is a landlocked country in southern Africa. Like other countries, Lesotho has a system of taxation and social security contributions to fund public services and provide social benefits to its citizens. Here are some of the key aspects of Lesotho's tax and social security system:

Income Tax: Lesotho operates a progressive income tax system, which means that individuals with higher incomes pay a higher percentage of their income in taxes than those with lower incomes. **The tax rates range from 0% to 30%,** with different tax brackets applying to different levels of income. The tax year runs from 1 April to 31 March, and taxpayers are required to file their tax returns by 30 November each year. The Lesotho Revenue Authority (LRA) is responsible for collecting income tax.

Companies operating in Lesotho are subject to a flat rate of 25% on their taxable income. Like individuals, companies must file tax returns with the LRA.

Value Added Tax (VAT): VAT is a tax on the supply of goods and services. In Lesotho, the current VAT rate is 15%. Businesses with an annual turnover of more than M100,000 are required to register for VAT.

Registered businesses must charge VAT on their sales and remit the tax to the LRA on a monthly basis. Businesses can also claim back any VAT they have paid on their purchases or expenses, subject to certain conditions.

Social Security Contributions: The Lesotho National Insurance Scheme (LNIS) is a social security system that provides benefits to eligible individuals, including pensions, disability benefits, and survivor benefits. Both employers and employees are required to contribute to the LNIS, **with the contribution rate set at 7.5% of an employee's gross salary.** This amount is split between the employer and employee, with the employer responsible for deducting the employee's contribution from their salary and remitting it, along with the employer's contribution, to the LNIS on a monthly basis.

Skills Development Levy (SDL): The SDL is a mandatory contribution that employers with a turnover of M2,000,000 or more are required to pay. The current rate is 0.5% of an employee's gross salary. The funds collected are used to fund training and skills development programs in Lesotho. **Employers are required to register for the SDL and submit quarterly returns and payments to the LRA.**

In addition to these taxes and contributions, there may be other fees or charges that businesses and individuals need to pay in Lesotho, depending on their activities and circumstances. It's important to stay up-to-date with the latest tax and social security regulations in Lesotho, and seek professional advice if needed. The LRA is the main authority responsible for administering and enforcing tax and social security laws in Lesotho.

South Africa

Income Tax.

18-45%

South Africa has a complex tax system, which includes a variety of taxes and levies that employers must comply with. Here are some more details on the various taxes and levies mentioned in the original article:

Pay-As-You-Earn (PAYE): PAYE is the main method of collecting income tax in South Africa. It is a system of withholding tax from employees' salaries and wages, which is then paid to SARS by the employer. **The rate of PAYE is determined by the employee's income and tax bracket,** which is calculated by SARS based on the individual's taxable income for the year. Employers must issue a tax certificate (IRP5) to their employees at the end of the tax year, which shows the amount of tax paid on their behalf. Employers are also required to submit a reconciliation of their PAYE deductions to SARS at the end of each tax year.

Unemployment Insurance Fund (UIF) The UIF is a statutory fund that provides temporary financial relief to workers who become unemployed, are unable to work due to illness, or need to take maternity leave. Employers are required to contribute 1% of their employees' salaries to the UIF, up to a maximum of R17,712 per month. This contribution is made monthly and must be paid to the UIF by the employer. Employers are also required to register with the UIF and submit monthly contributions to the fund.

Skills Development Levy (SDL): The SDL is a levy paid by employers to fund training and skills development in South Africa. Employers with an annual payroll exceeding R500,000 must pay a 1% SDL. The levy is payable to SARS along with other taxes and is based on the total amount of salaries and wages paid by the employer. The funds collected are used by the government to fund skills development initiatives, including training programs and bursaries for students. Employers are also required to submit an annual Skills Development Report to SARS, which outlines the training programs and initiatives that they have implemented.

Value Added Tax (VAT): VAT is a tax on the supply of goods and services in South Africa. The current standard rate of VAT is 15%, although some goods and services are exempt or zero-rated. Businesses that are registered for VAT must charge VAT on their sales and remit the tax to SARS. They may also claim back any VAT they have paid on their purchases or expenses, subject to owed must be paid to SARS within a specific timeframe.

Workmen's Compensation: Employers in South Africa are required to register with the Compensation Fund and pay a monthly fee based on the risk of the industry in which they operate. **The fund provides compensation to employees who are injured or disabled as a result of work-related accidents or diseases.** The amount of the monthly fee is based on the employer's annual payroll and the risk level of the industry in which they operate. The fund is administered by the Department of Employment and Labour, and employers must comply with certain reporting and administrative requirements to remain registered. Employers must also report any workplace accidents or illnesses to the Compensation Fund within a specific timeframe

Namibia

Namibia, a country located in Southern Africa, has various tax and social security regulations that employers and employees must follow. These regulations aim to support social welfare and economic development. In this article, we will discuss the different types of taxes and social security contributions that are required in Namibia.

Social Security Contributions: Employers are required to contribute 0.9% of an employee's gross salary to the Social Security Commission, while employees contribute 1.8% of their gross salary. The Social Security Commission is responsible for administering various social security schemes, such as pensions, disability benefits, and medical aid. The contributions made by employers and employees help to fund these schemes and ensure that Namibians have access to basic social security benefits.

Pay-As-You-Earn (PAYE): Employers are required to deduct and remit PAYE from employees' salaries every month. PAYE is a tax on income and is calculated based on the employee's salary. **The tax rates range from 0% to 37% depending on the employee's salary.** The tax brackets are reviewed annually, and adjustments are made to ensure that the tax system remains fair and equitable. The PAYE system is designed to ensure that individuals pay their taxes as they earn their income, rather than having to pay a lump sum at the end of the tax year.

Value Added Tax (VAT): VAT is levied on the supply of goods and services in Namibia. The standard rate is 15%, but there are reduced rates for certain goods and services. VAT is a consumption tax, meaning that it is ultimately paid by the end consumer. However, businesses are responsible for collecting the tax and remitting it to the tax authorities. VAT is an important source of revenue for the government, and it is used to fund various public services and infrastructure projects.

Skills Development Levy: Employers are required to contribute 1% of their total payroll to the Namibia Training Authority. **The Skills Development Levy is used to fund skills development programs and initiatives that aim to enhance the skills and productivity of the Namibian workforce.** The levy is payable by all employers, regardless of the size of their business or the industry in which they operate. The Namibia Training Authority is responsible for managing the levy and ensuring that the funds are used effectively to promote skills development in Namibia.

In conclusion, Namibia has various tax and social security regulations that are designed to support social welfare and economic development. Employers and employees must comply with these regulations to ensure that the Namibian economy remains stable and sustainable. By contributing to social security schemes, paying their taxes, and investing in skills development, businesses can play an important role in promoting growth and prosperity in Namibia.

The Namibia Training Authority is responsible for managing the levy and ensuring that the funds are used effectively

Income Tax

0-37%

Botswana

Income Tax.

0-25%

Botswana is a landlocked country located in southern Africa, known for its abundant wildlife, diverse culture, and thriving economy. It has a population of around 2.4 million people and a Gross Domestic Product (GDP) of approximately $18 billion USD.

One aspect of Botswana's economy is its tax system, which helps fund government services and programs. **The tax system is made up of several components, including Pay-As-You-Earn (PAYE), National Insurance Contributions (NIC), Value Added Tax (VAT), and Corporate Income Tax (CIT).**

PAYE is a tax on employment income, which is deducted from employees' salaries and paid to the government by their employers. The rate of PAYE varies depending on the employee's income level and tax bracket. For example, the tax rate for employees earning less than 36,000 pula per year is 0%, while those earning between 36,000 and 48,000 pula pay a rate of 5%. The highest tax rate is 25% for those earning more than 144,000 pula per year.

NIC is a social security tax that provides benefits to employees in the event of illness, disability, or death. The rate of NIC is 2.5% for employees and 2.5% for employers.

VAT is a tax on the value added at each stage of production and distribution of goods and services. The standard rate of VAT in Botswana is 12%. Some goods and services are exempt from VAT, such as basic food items, healthcare services, and education services.

CIT is a tax on the profits of companies and other business entities. The standard rate of CIT in Botswana is 22%. However, there are some special rates for specific industries, such as mining and manufacturing.

Another important aspect of Botswana's tax system is its pension system. The government provides a social security pension to all citizens who have reached the age of 65 and have contributed to the National Pension Fund (NPF).

The NPF is funded by contributions from both employees and employers, with employees contributing 5% of their salary and employers contributing 7.5%. The social security pension is calculated based on the number of years of contributions and the average of the highest 36 months of earnings.

In addition to the social security pension, there are also private pension plans available in Botswana. These plans are typically offered by employers and are designed to provide additional retirement income for employees. The contributions to these plans are tax-deductible up to a certain limit, and the income earned from the plans is tax-free until it is withdrawn.

Overall, Botswana's tax system and pension system play important roles in supporting the country's economy and its citizens. By providing funding for government services and programs, as well as retirement income for its citizens, these systems contribute to the well-being and stability of the country.

Swaziland

Population

1.1M

Income Tax is progressive ranging from

0-33%

Swazi's VAT

15%

Swaziland, officially known as the Kingdom of Eswatini, is a landlocked country in Southern Africa. With a population of approximately 1.1 million people, it is one of the smallest countries on the African continent. Swaziland's economy is primarily driven by agriculture, manufacturing, and services, with the country's main exports being sugar, wood pulp, and cotton.

Social Security: Employers in Swaziland are required by law to contribute 10% of their employees' gross salary to the Swaziland National Provident Fund (SNPF). This contribution is meant to provide retirement, disability, and death benefits for employees. **On the other hand, employees are required to contribute 5% of their gross salary to the SNPF**. Self-employed individuals, including freelancers and independent contractors, must contribute 20% of their taxable income to the SNPF. Failure to comply with these requirements may result in penalties and legal action.

Taxes: Employers in Swaziland must deduct Pay-As-You-Earn (PAYE) from their employees' salaries. PAYE is a progressive tax system that ranges from 0% to 33%, depending on the employee's income. Higher-income earners are subject to a higher tax rate, while those with lower incomes are taxed at a lower rate. The Swazi government also imposes a Value Added Tax (VAT) of 15% on goods and services. VAT is a consumption tax that is levied on the value added to a product or service at each stage of production or distribution.

Workmen's Compensation: Employers in Swaziland are required to provide workmen's compensation insurance for their employees. This insurance is meant to cover employees in case of work-related injuries, illnesses, or death. The amount of compensation is based on the employee's earnings and the type of work they perform. Failure to provide workmen's compensation insurance can result in legal action and penalties.

Medical Aid: Employers in Swaziland must provide medical aid for their employees. The contribution rates vary depending on the chosen medical scheme and the employee's salary. Medical aid is designed to help employees cover the costs of medical treatment and services. **Failure to provide medical aid can result in legal action and penalties.**

In conclusion, Swaziland has specific legal requirements that employers must comply with to ensure that their employees receive social security, medical aid, and workmen's compensation insurance. These requirements are designed to protect employees and ensure their well-being while in the workplace. Failure to comply with these requirements can result in penalties and legal action

Statutory Remittances Country Level

West Africa

03

Nigeria

Ghana

Senegal

Côte d'Ivoire

The Gambia

Togo

Mali

Niger

Sierra Leone

Liberia

Burkina Faso

Guinea

Guinea Bissau

Benin

Mauritania

Cape Verde

Nigeria

Nigeria officially known as the Federal Republic of Nigeria, is a country in West Africa with a population of over 200 million people. It is known for its diverse ethnic groups, cultural heritage, natural resources, and a fast-growing economy. However, Nigeria also faces various social and economic challenges, including high levels of poverty, unemployment, and corruption.

One of the critical issues facing Nigeria is the state of its pension system. The Nigerian pension system was previously fragmented and uncoordinated, leading to widespread mismanagement, corruption, and inadequate benefits for pensioners. However, in 2004, the Nigerian government enacted the Pension Reform Act, which aimed to create a robust, transparent, and sustainable pension system for both public and private sector workers.

Under the Pension Reform Act, both employers and employees are required to contribute 7.5% of the employee's basic salary and allowances to the pension fund. The contributions are managed by Pension Fund Administrators (PFAs), who are licensed by the National Pension Commission (PenCom). The PFAs invest the contributions in various financial instruments such as stocks, bonds, and real estate, with the aim of generating returns that will provide adequate benefits to pensioners.

In addition to the pension contributions, Nigerian workers also contribute to other social security schemes, including **the National Health Insurance Scheme (NHIS), the Employee Compensation Scheme (ECS), the Industrial Training Fund (ITF), and the Nigeria Social Insurance Trust Fund (NSITF).** The NHIS requires both employers and employees to contribute 5% of the employee's basic salary, while the ECS, ITF, and NSITF require employers to contribute 1% of the total payroll.

Furthermore, **Nigerian businesses are also required to pay a Value Added Tax (VAT) of 7.5% on the value of taxable goods and services.** The VAT is collected by the Federal Inland Revenue Service (FIRS) and is used to fund various government projects and programs.

Individuals in Nigeria are also subject to Personal Income Tax (PIT), with rates ranging from 7% to 24% depending on their income level. The PIT is collected by the State Internal Revenue Service (SIRS) and is used to fund state and local government projects and programs.

In conclusion, Nigeria has made significant strides in reforming its pension system and other social security schemes, although challenges still exist. The government and relevant authorities must continue to ensure that these schemes are adequately funded, managed transparently, and provide adequate benefits to those who contribute to them.

Income Tax

7-24%

Ghana

Population

31M

Income Taxes in Ghana are progressive, ranging from

0-35%

Ghana's VAT

12.5%

Ghana is a West African country that has experienced significant economic growth and development over the past few decades. The country has a population of approximately 31 million people and is known for its diverse culture, vibrant music scene, and rich history. In recent years, Ghana has become a popular destination for international investors and businesses looking to expand their operations in Africa.

One important aspect of doing business in Ghana is understanding the country's tax and social security system. Employers in Ghana are required to contribute 13.5% of their employee's basic salary to the Social Security and National Insurance Trust (SSNIT). This contribution is split between the employer and the employee, with the employer contributing 13% and the employee contributing 5.5% of their basic salary. The SSNIT provides retirement, disability, and survivor benefits to eligible individuals.

In addition to social security contributions, employers in Ghana are also required to withhold income tax from their employees' salaries. Income tax rates in Ghana are progressive, ranging from 0% to 35% based on income levels. For example, individuals who earn less than 3,120 Ghanaian cedis (GHS) per year are not required to pay any income tax, while those who earn more than GHS 10,000 per month are subject to the highest tax rate of 35%.

Another important tax to be aware of in Ghana is the Value Added Tax (VAT). The standard VAT rate in Ghana is 12.5%, although certain goods and services are exempt or subject to reduced rates. Businesses operating in Ghana are required to register for VAT and collect and remit the tax to the Ghana Revenue Authority (GRA) on a monthly basis.

Finally, employers in Ghana are also required to pay a National Health Insurance Levy (NHIL) on behalf of their employees. The NHIL is a 2.5% levy on employees' basic salary and is used to fund the country's National Health Insurance Scheme (NHIS). The NHIS provides access to healthcare services for eligible Ghanaian residents.

In summary, understanding Ghana's tax and social security system is an important aspect of doing business in the country. Employers are required to contribute 13.5% of their employee's basic salary to the SSNIT, withhold income tax from their employees' salaries, collect and remit VAT to the GRA, and pay a NHIL on behalf of their employees. By complying with these requirements, businesses can ensure they are operating legally and contributing to the development of Ghana's economy and social welfare programs.

Senegal

DIRECTION GENERALE DES IMPOTS ET DES DOMAINES

Occupational risk insurance is another social security program that is mandatory for employers

Income Tax

0%-40%

Senegal, located in West Africa, is a country that has made significant strides towards economic and social development in recent years. With a population of over 16 million people, the country is known for its vibrant culture, diverse wildlife, and bustling cities. However, as with many developing nations, Senegal still faces challenges in terms of poverty, unemployment, and social inequality.

To address these challenges, the Senegalese government has implemented various social security programs to provide support for its citizens. **These programs include social security contributions, income tax, value-added tax (VAT), the National Employment Fund (NEF), and occupational risk insurance.**

Social security contributions are mandatory for both employees and employers in Senegal. Employers are required to contribute 18.5% of an employee's gross salary towards social security, while employees must contribute 7.5% of their gross salary. These contributions go towards funding various social security programs, including health care, maternity leave, and disability benefits.

Senegal's tax system is based on a progressive income tax scale, with rates ranging from 0% to 40% depending on an individual's income. Those with a lower income are subject to lower tax rates, while those with higher incomes are subject to higher rates. The government uses the revenue generated from income taxes to fund various social programs, including education, health care, and infrastructure development.

The standard VAT rate in Senegal is 18%, while certain goods and services may have reduced rates. The revenue generated from VAT goes towards funding various government programs, including education, health care, and social welfare programs.

The National Employment Fund (NEF) is a social security program that provides support to workers who have lost their jobs. Employers are required to contribute 1% of their payroll to the NEF, which is then used to provide financial assistance to workers who have lost their jobs due to economic downturns or other unforeseen circumstances.

Occupational risk insurance is another social security program that is mandatory for employers in Senegal. Employers are required to contribute 1% of their payroll towards occupational risk insurance for their employees. This insurance provides financial support to workers who are injured on the job or become ill as a result of their work.

In addition to these social security programs, Senegal also has a pension system that provides financial support to retirees. The pension system is managed by the Social Security Fund for Civil Servants (Caisse de Sécurité Sociale des Fonctionnaires), which is a government agency that administers pension benefits to civil servants and other eligible individuals.

In conclusion, Senegal has implemented various social security programs to provide support for its citizens. These programs include social security contributions, income tax, VAT, the National Employment Fund, occupational risk insurance, and a pension system. These programs are aimed at reducing poverty, promoting social welfare, and improving the standard of living for the Senegalese people.

Côte d'Ivoire

Income Tax

0-60%

Côte d'Ivoire also known as Ivory Coast, is a country in West Africa with a population of over 26 million people. The country is known for its cocoa production, which is the main source of revenue for the economy. The official language is French, but there are over 60 indigenous languages spoken in the country.

In terms of social security, employers in Côte d'Ivoire are required to contribute to several systems on behalf of their employees. The first is the social security system, which is a mandatory program that provides benefits to employees in the event of retirement, disability, or death. The rate of contribution is generally 16% of the employee's salary, with both the employer and employee sharing the cost equally.

In addition to social security, employers are also required to contribute to the National Health Insurance system. This program provides health insurance coverage to employees and their dependents. The rate of contribution is generally 3% of the employee's salary, with the employer paying the full cost.

Another mandatory contribution is the National Training Fund. This program provides funding for training and skills development for workers in various industries. Employers are required to contribute 1% of the employee's salary to this fund.

Finally, employers are also required to contribute to the Unemployment Insurance system. This program provides benefits to employees who lose their jobs due to reasons beyond their control, such as layoffs or business closures. The rate of contribution is generally 3% of the employee's salary, with the employer paying the full cost.

It is important to note that these contributions are mandatory and failure to comply can result in penalties and fines. In addition, the benefits provided by these programs are an important safety net for workers and their families.

In terms of pensions, there is a national pension scheme in Côte d'Ivoire that provides retirement benefits to eligible employees. The scheme is managed by the National Social Insurance Fund (CNPS), which is a public institution that oversees social security programs in the country.

DIRECTION GÉNÉRALE DES IMPÔTS

To be eligible for pension benefits, employees must have contributed to the scheme for at least 10 years and be at least 55 years old. The amount of the pension benefit is based on the employee's average salary over their working years and the number of years of contribution to the scheme.

In addition to the national pension scheme, some employers may offer their own pension plans or retirement savings programs to their employees. These programs are voluntary and the terms and conditions may vary depending on the employer.

Overall, social security and pension programs are an important part of the social safety net in Côte d'Ivoire. Employers play a key role in supporting these programs through mandatory contributions and ensuring that their employees are eligible for the benefits provided.

The Gambia

Income Tax

5-27%

Gambia's VAT

15%

The Gambia, a small West African country, imposes several taxes on individuals and businesses to generate revenue for the government. These taxes include income tax, social security contributions, value-added tax (VAT), and a national education levy.

Income Tax: The Income Tax Act of The Gambia requires individuals and businesses to pay income tax on their earnings. The tax rate varies depending on the level of income. The tax rate for individuals ranges from 5% to 27%, while the tax rate for businesses is 30%. The tax is calculated on the net income earned after deducting expenses and allowances.

Social Security and Housing Finance Corporation (SSHFC): The SSHFC Act requires both employers and employees to contribute to the social security and housing fund. The employer's contribution rate is 10% of the employee's basic salary, while the employee's rate is 5%. The contributions go towards providing social security benefits, such as retirement pensions, disability benefits, and survivors' benefits, and housing finance for employees.

Pensions: The Gambia has a National Social Security and Insurance Trust (NASSIT) that manages the country's social security system. The system provides retirement pensions, disability benefits, and survivors' benefits to eligible individuals. To qualify for a pension, an individual must have made contributions to the social security system for at least 180 months.

Health: The Gambia has a public healthcare system that provides free basic healthcare services to its citizens. The government funds the system through taxes and external aid. However, the healthcare system faces several challenges, such as inadequate funding, shortages of healthcare workers, and poor infrastructure. As a result, many Gambians opt for private healthcare services, which are more expensive.

Value Added Tax (VAT): The Gambia imposes VAT on goods and services. The standard rate is 15%. The tax is applied at each stage of production and distribution, but businesses can claim back VAT paid on their inputs. The government uses the revenue generated from VAT to fund public services, such as healthcare, education, and infrastructure development.

National Education Levy: The Gambia also imposes a National Education Levy on all goods and services, including imports. The rate is 2.5%, and the revenue generated goes towards funding education programs in the country. The government aims to improve the quality of education in The Gambia by investing in infrastructure, teacher training, and curriculum development.

In conclusion, The Gambia imposes several taxes on individuals and businesses, including income tax, social security contributions, VAT, and a national education levy. These taxes help the government generate revenue to fund public services, such as healthcare, education, and infrastructure development.

Togo

The rate for family allowance contributions is 5% of an employee's gross salary, paid by the employer.

Income Tax

0.5-30%

Togo is a West African country that borders Ghana, Burkina Faso, and Benin. It has a population of over 8 million people and is known for its diverse culture and natural resources. In recent years, Togo has made significant strides in improving its economy and social welfare systems. One of the key areas of focus has been on social security and pensions.

Social security contributions are mandatory for employers in Togo. **The rate for social security contributions is 18.5% of an employee's gross salary, with 10% paid by the employer and 8.5% paid by the employee.** These contributions are used to fund various social security programs, including pensions, health insurance, and maternity leave.

In addition to social security contributions, employers are also required to contribute to the national pension scheme. The rate for pension contributions is 6.25% of an employee's gross salary, with 3.75% paid by the employer and 2.5% paid by the employee. **The national pension scheme provides retirement benefits to eligible individuals who have contributed to the program.**

Another important social welfare program in Togo is the occupational injury and illness insurance scheme. Employers are required to contribute to this program on behalf of their employees at a rate of 1% of an employee's gross salary. The program provides benefits to employees who are injured or become ill due to their work.

Employers are also required to contribute to the family allowance fund on behalf of their employees. The rate for family allowance contributions is 5% of an employee's gross salary, paid by the employer. The family allowance program provides financial assistance to eligible families with children.

Finally, employers are required to contribute to the national employment fund at a rate of 1% of an employee's gross salary. The national employment fund provides funding for various employment programs and initiatives aimed at creating job opportunities for Togolese citizens.

In conclusion, social security and pensions are important aspects of Togo's social welfare system. Employers are required to contribute to various social security programs, including pensions, occupational injury and illness insurance, family allowance, and the national employment fund. These contributions help to ensure that Togolese citizens have access to important social welfare benefits and support.

Mali

Income Tax

0-30%

Population

19M

Mali officially known as the Republic of Mali, is a landlocked country in West Africa. It is the eighth largest country in Africa with a total area of 1,240,000 square kilometers and a population of over 19 million people. The country is known for its diverse culture, music, and ancient cities, including Timbuktu and Djenné, which are UNESCO World Heritage Sites.

Mali's economy is heavily reliant on agriculture and mining, with cotton being the country's largest export. Despite its rich natural resources, Mali remains one of the poorest countries in the world, with more than half of its population living below the poverty line.

To provide social security to its citizens, Mali has established various social security contributions, including the National Social Security Fund (CNSS) and the National Pension Fund (FNP). The CNSS provides social security coverage for employees in the formal sector, including sickness, maternity, work injury, and retirement. The employer contributes 9.4% of the employee's gross salary to the CNSS, while the employee contributes 3.4%. The contribution rate is based on the employee's salary, with a maximum salary limit set at XOF 1,990,000 per month.

The FNP, on the other hand, provides pension benefits to employees who have contributed to the fund. The employer contributes 8.33% of the employee's gross salary to the FNP, while the employee is not required to make any contribution. The pension benefit is based on the employee's average salary during the last ten years of employment.

In addition to social security contributions, Mali also imposes income tax on its citizens. The employer deducts a percentage of the employee's gross salary as income tax and remits it to the government. The rate varies depending on the employee's salary and ranges from 0% to 30%. For example, employees with a gross salary of less than XOF 180,000 per month are not required to pay any income tax, while those earning above XOF 900,000 per month are subject to a tax rate of 30%.

To provide healthcare coverage to its citizens, Mali also established the National Health Insurance Fund (CMSS). The employer contributes 6% of the employee's gross salary to the CMSS, while the employee is not required to make any contribution. The CMSS provides health coverage for employees in the formal sector and their dependents.

Finally, Mali also imposes occupational risk insurance to protect employees from work-related injuries and illnesses. **The employer contributes 1.5% of the employee's gross salary to the National Fund for Occupational Risks (CNRT).** The CNRT provides compensation for employees who suffer from work-related injuries or illnesses.

In conclusion, Mali has established various social security contributions, including the CNSS, FNP, CMSS, and CNRT, to provide social security coverage to its citizens. These contributions help protect employees from various risks, including sickness, maternity, work injury, and retirement. Moreover, Mali's income tax system helps generate revenue for the government while ensuring that taxpayers are paying their fair share.

Niger

The CNSS is responsible for collecting contributions from employers and managing the pension fund.

Income Tax

1-35%

Niger is a landlocked country located in West Africa. It is bordered by Libya to the northeast, Chad to the east, Nigeria and Benin to the south, Burkina Faso and Mali to the west, and Algeria to the northwest. Niger is the largest country in West Africa and is also one of the poorest countries in the world. Despite its challenges, Niger has a rich cultural heritage and is home to many unique traditions and practices.

Social Security Contributions: In Niger, employers are required to make contributions to various social security funds on behalf of their employees. These funds are designed to provide social protection and support to workers and their families. The main social security contributions are as follows:

National Social Security Fund (CNSS): The employer is required to contribute 14.5% of the employee's gross salary to the CNSS. This fund provides social protection to workers and their families in the event of retirement, disability, or death.

National Health Insurance Fund (CNAM): Employers are required to contribute 4% of the employee's gross salary to the CNAM. This fund provides access to healthcare services for workers and their families.

National Pension Fund (CNR): The employer is required to contribute 6% of the employee's gross salary to the CNR. This fund provides retirement benefits to workers.

Work Accident and Occupational Disease Fund (CNAIT): Employers are required to contribute 1% of the employee's gross salary to the CNAIT. This fund provides compensation to workers who suffer from work-related accidents or diseases.

National Employment Fund (FNE): The employer is required to contribute 0.5% of the employee's gross salary to the FNE. This fund provides support to workers who are unemployed or looking for work.

Pensions: The pension system in Niger is based on a defined benefit plan. This means that retirement benefits are calculated based on a formula that takes into account a worker's salary and years of service. In order to be eligible for a pension, a worker must have worked and contributed to the National Pension Fund for a minimum of 120 months (10 years).

The pension age in Niger is 60 years old. However, workers who have contributed to the National Pension Fund for at least 180 months (15 years) may retire at age 55. In addition to the basic pension, workers may be eligible for additional benefits, such as a survivor's pension for their spouse or children.

The National Pension Fund is administered by the National Social Security Fund (CNSS). The CNSS is responsible for collecting contributions from employers and managing the pension fund. The CNSS also provides information and guidance to workers on their pension benefits.

Liberia

Income Tax

0-30%

Liberia is a country in West Africa, bordering Sierra Leone, Guinea and Côte d'Ivoire. On the Atlantic coast, the capital city of Monrovia is home to the Liberia National Museum, with its exhibits on national culture and history.

Statutory remittances in Liberia generally refer to taxes and social security contributions that must be paid by both employers and employees. These remittances include:

Income Tax: This is a tax on the income of individuals and companies. The rate of income tax in Liberia varies based on the level of income, ranging from 0% to 30%.

Social Security Contributions: The National Social Security and Welfare Corporation (NASSCORP) is responsible for managing social security programs in Liberia. Employers and employees are required to contribute to NASSCORP at a rate of 5% and 2% of an employee's gross salary, respectively.

Payroll Taxes: Employers are required to pay a payroll tax on the gross salaries of their employees. The rate of payroll tax in Liberia is 2%.

Value Added Tax (VAT): VAT is a tax on the value added to a product or service at each stage of production and distribution. The standard rate of VAT in Liberia is 10%.

Pension: The Liberian government has established the National Pension Scheme (NPS) to provide retirement benefits to employees in the country. Both employers and employees are required to contribute to the NPS, with employers contributing 7.5% of the employee's salary and employees contributing 2.5% of their salary. The retirement age is 60, and employees who have contributed to the

LRA
LIBERIA REVENUE AUTHORITY

Health Insurance: The National Social Security and Welfare Corporation (NASSCORP) also provides health insurance coverage to workers in Liberia. Employers and employees are required to contribute to the health insurance fund at a rate of 2% and 1% of the employee's gross salary, respectively. The health insurance program covers hospitalization, surgical procedures, and prescription medication. However, the quality of healthcare services in Liberia is generally low, and many people still rely on traditional healers or seek medical treatment abroad.

It is worth noting that while these social security programs exist in Liberia, their coverage and effectiveness can vary. Many workers in the informal sector may not be covered by these programs, and corruption and mismanagement have been known to affect the administration of social security funds. Additionally, the healthcare system in Liberia faces significant challenges, including a shortage of trained medical personnel and inadequate infrastructure.

Sierra Leone

Sierra Leone's population as at 2021

8.4M

Income Tax

0-30%

Sierra Leone, a small West African country, imposes several taxes on individuals and businesses to generate revenue for the government. These taxes include the National Social Security and Insurance Trust (NASSIT), the National Revenue Authority (NRA), the Goods and Services Tax (GST), and the Employee Income Tax (EIT).

National Social Security and Insurance Trust (NASSIT): The National Social Security and Insurance Trust (NASSIT) manages Sierra Leone's social security system. It requires both employers and employees to contribute to the social security fund. The employer's contribution rate is 10% of the employee's basic salary, while the employee's rate is also 10%. The contributions go towards providing social security benefits, such as retirement pensions, disability benefits, and survivors' benefits.

Pensions: Sierra Leone's social security system provides retirement pensions, disability benefits, and survivors' benefits to eligible individuals. To qualify for a pension, an individual must have made contributions to the social security system for at least 180 months. The amount of the pension is based on the individual's contributions and the number of years of service.

National Revenue Authority (NRA): The National Revenue Authority (NRA) is responsible for collecting taxes in Sierra Leone. It imposes an income tax on individuals and businesses, which is based on the taxable income. The tax rate for businesses is 30% of the taxable income, while the tax rate for individuals ranges from 0% to 30%, depending on the income level. The taxable income is calculated by subtracting the allowable deductions from the total income earned.

Goods and Services Tax (GST): The Goods and Services Tax (GST) is imposed on goods and services in Sierra Leone. The standard rate is 15% on the value of taxable supplies. The tax is applied at each stage of production and distribution, but businesses can claim back GST paid on their inputs. The revenue generated from GST goes towards funding public services, such as healthcare, education, and infrastructure development.

Healthcare: Sierra Leone has a public healthcare system that provides basic healthcare services to its citizens. The government funds the system through taxes and external aid. However, the healthcare system faces several challenges, such as inadequate funding, shortages of healthcare workers, and poor infrastructure. As a result, many Sierra Leoneans opt for private healthcare services, which are more expensive.

Employee Income Tax (EIT): The Employee Income Tax (EIT) is a tax imposed on the monthly income earned by employees in Sierra Leone. **The tax rate ranges from 0% to 30%, depending on the income level.** The tax is calculated on the net income earned after deducting the allowable deductions, such as the NASSIT contributions and the personal allowance.

Burkina Faso

The CNSS is funded by contributions from both employees and employers.

Income Tax

0-25%

Social Security Contributions: The National Social Security Fund (CNSS) in Burkina Faso provides a range of social security benefits to employees, including pensions, disability benefits, and survivors' benefits. The CNSS is funded by contributions from both employees and employers. As mentioned in the article, the social security rate for employers is 23.25% of the gross salary, while the employee rate is 8.5%. The contributions cover health insurance, pensions, and occupational injury and sickness insurance.

Taxes on Wages and Salaries: In Burkina Faso, taxes on wages and salaries are levied on the gross salary of employees and range from 0% to 25% depending on the salary level. This tax is deducted from the employee's salary and remitted to the government by the employer.

National Employment Fund: Employers in Burkina Faso are required to contribute 3% of the gross salary of employees to the National Employment Fund, which aims to promote employment and vocational training in the country.

Vocational Training Tax: Employers are also required to contribute 1.5% of the gross salary of employees to the Vocational Training Fund, which is used to finance vocational training programs.

Housing Tax: Employers must contribute 0.5% of the gross salary of employees to the Housing Fund, which is used to finance the construction of low-cost housing for employees.

National Health Insurance Fund (CNAM): The National Health Insurance Fund (CNAM) in Burkina Faso provides health insurance coverage to the population. As mentioned in the article, the CNAM contribution is set at 6% of the employee's gross salary, and the employer must contribute an additional 6%. The funds collected are used to provide medical services to the population, including consultations, hospitalization, and prescription drugs.

Labor and Social Security Inspection Contribution: Employers are also required to contribute 0.5% of the gross salary of employees to the Labor and Social Security Inspection Fund, which is used to fund labor and social security inspections in the country.

Professional Training Tax: Finally, employers in Burkina Faso must contribute 1% of the gross salary of employees to the Professional Training Fund, which is used to finance professional training programs.

In summary, these contributions and taxes are mandatory for both employers and employees in Burkina Faso and are used to fund various social programs and services, including pensions, healthcare, employment, vocational training, and housing.

Guinea

Income Tax

0-40%

Guinea is a country in West Africa with a population of over **13 million people.** The country's economy is mainly based on agriculture, with significant contributions from the mining and service sectors.
In Guinea, there are several statutory remittances and rates that employers and employees must pay, including social security contributions, personal income tax, value-added tax, payroll tax, and property tax.

Social Security Contributions: Employers in Guinea are required to contribute to the National Social Security Fund (CNSS) on behalf of their employees. The contribution rate is 18.5% of the employee's salary, of which 11.5% is paid by the employer and 7% is deducted from the employee's salary. The CNSS provides various benefits, including sickness and maternity benefits, work injury benefits, retirement benefits, and survivor benefits.

Pension Contribution: In addition to social security contributions, employers in Guinea must also contribute to the pension fund on behalf of their employees. The contribution rate is 7% of the employee's salary, of which 5% is paid by the employer and 2% is deducted from the employee's salary. The pension fund provides retirement benefits to eligible employees.

Personal Income Tax: The personal income tax rate in Guinea ranges from 0% to 40% depending on the amount of income earned. The tax is calculated based on a progressive system, with higher rates applied to higher income levels. Individuals who earn less than 6,000,000 Guinean francs (GNF) per year are exempt from paying income tax, while those who earn more than 60,000,000 GNF per year are subject to the maximum tax rate of 40%.

Value-Added Tax: The standard VAT rate in Guinea is 18%, which is applied to most goods and services. There is also a reduced VAT rate of 5% that applies to certain goods and services, such as basic foodstuffs.

Payroll Tax: Employers in Guinea are required to pay a payroll tax of 5% on the total amount of salaries and wages paid to employees. This tax is separate from the social security and pension contributions.

Healthcare: Guinea has a national healthcare system, with both public and private healthcare providers. Public healthcare is provided free of charge, but the quality of care can vary significantly. Private healthcare is available but can be expensive. **Health insurance is not mandatory in Guinea, but some employers provide health insurance as part of their benefits package.**

In conclusion, Guinea has several statutory remittances and rates that employers and employees must pay, including social security contributions, personal income tax, value-added tax, payroll tax, and property tax. The country also has a national healthcare system, but the quality of care can vary significantly. It is important for both employers and employees to understand their obligations and rights regarding these payments and benefits.

Guinea-Bissau

Income Tax

2-20%

Guinea-Bissau, a country in West Africa, has a social security system that includes contributions from both employers and employees. The system is designed to provide support for those who are unable to work due to disability, retirement or death, as well as to provide financial support for those who are injured on the job.

The country has several types of contributions, including social security contributions, pension contributions, and work injury insurance contributions.

Social Security Contribution: The National Social Security Institute (INSS) is the agency responsible for the social security system in Guinea-Bissau. Employers must contribute 20% of an employee's gross salary to the INSS, while employees must contribute 5% of their gross salary. These contributions are used to fund benefits such as sickness and maternity leave, disability and old age pensions, and death and survivor's benefits.

Pension Contribution: In addition to the social security contribution, Guinea-Bissau also requires pension contributions from both employers and employees. Employers must contribute 5% of an employee's gross salary to the Pension Fund, while employees must contribute 2% of their gross salary. The pension fund provides retirement benefits to eligible individuals and is managed by the National Social Security Institute.

Healthcare: Guinea-Bissau has a public healthcare system that provides free or low-cost healthcare to its citizens. However, the healthcare system in Guinea-Bissau faces several challenges, including a lack of resources, inadequate infrastructure, and a shortage of trained healthcare professionals. As a result, many citizens rely on traditional medicine or seek treatment in neighboring countries.

Direcção-geral das Alfândegas

Work Injury Insurance Contribution: Guinea-Bissau requires employers to contribute 1% of an employee's gross salary to the Work Injury Insurance Fund. This fund provides benefits to employees who are injured on the job or who contract work-related illnesses. The benefits include medical care, disability benefits, and survivor's benefits for the dependents of deceased workers.

Overall, the social security system in Guinea-Bissau is designed to provide support for its citizens in times of need, including retirement, disability, and work-related injuries. However, the healthcare system fa ces challenges that limit access to quality healthcare for many citizens.

Benin

Benin's Population

12M

Income Tax in Benin is also progressive ranging from

0-30%

Benin officially known as the Republic of Benin, is a West African country that is bordered by Togo to the west, Nigeria to the east, Burkina Faso and Niger to the north, and the Atlantic Ocean to the south. The country has a population of approximately 12 million people, with the majority residing in urban areas.

In terms of its economy, Benin is largely agricultural, with cotton being its main export. The country has also been working to diversify its economy, with efforts to improve its infrastructure and develop its tourism industry. However, despite these efforts, poverty remains a significant issue in the country, with many of its citizens struggling to access basic services such as healthcare and education.

One area where the government has been working to improve social protections for its citizens is through its social security system. **Employers in Benin are required to contribute to several different social security funds, including the National Social Security Fund (CNSS), the National Social Insurance Fund (NSIF), the National Housing Fund (FHB), and the Training and Apprenticeship Tax (TAT).**

Under the CNSS, employers are required to contribute 18.5% of their employees' gross monthly salary to cover retirement, health, and other benefits. These benefits include retirement pensions, disability pensions, and survivor pensions for the dependents of deceased employees. The CNSS also provides healthcare coverage for employees and their dependents, including medical consultations, hospitalization, and medication.

The NSIF, on the other hand, provides coverage for work-related accidents and injuries. **Employers are required to contribute 3% of their employees' gross monthly salary to this fund,** which covers medical expenses, disability benefits, and survivor benefits for the dependents of deceased employees.

The FHB is a housing fund that was established to support housing development and affordable housing projects in the country. Employers are required to contribute 3% of their employees' gross monthly salary to this fund, which is used to provide low-interest loans to employees who wish to build or purchase a home.

Finally, the TAT is a tax that is used to support workforce training and development programs in the country. Employers are required to contribute 1% of their annual payroll to this fund, which is used to finance vocational training programs, apprenticeships, and other initiatives aimed at improving the skills and knowledge of the country's workforce.

In summary, Benin's social security system provides important benefits and protections for its citizens, including retirement pensions, healthcare coverage, and support for work-related accidents and injuries. While poverty remains a significant issue in the country, these social protections represent an important step forward in improving the well-being of its citizens.

Mauritania

Mauritania officially known as the Islamic Republic of Mauritania, is a country located in West Africa. It is bordered by the Atlantic Ocean to the west, Senegal to the southwest, Mali to the east and southeast, Algeria to the northeast, and the Western Sahara to the north and northwest. The country has a population of approximately 4.5 million people, with over 90% of the population being Muslim.

The Mauritanian government has implemented various social security schemes to provide support and assistance to its citizens. These schemes include social security contributions, national health insurance contributions, and occupational accident insurance contributions.

Social Security Contributions: Employers in Mauritania are required to contribute 10% of their employees' gross salaries to the social security fund. Employees are also required to contribute 8% of their gross salaries to the same fund. These contributions are used to provide retirement benefits, disability benefits, and survivor benefits.

National Health Insurance Contributions: Employers in Mauritania are required to contribute 5% of their employees' gross salaries to the national health insurance fund. Employees are also required to contribute 2.5% of their gross salaries to the same fund. These contributions are used to provide healthcare benefits to Mauritanians.

Occupational Accident Insurance Contributions: Employers in Mauritania are required to contribute 1% of their employees' gross salaries to the occupational accident insurance fund. This fund provides benefits to employees who are injured or disabled as a result of accidents that occur while on the job.

National Pension Fund: The national pension fund in Mauritania provides retirement benefits to eligible citizens. Employers are required to contribute 5% of their employees' gross salaries to the fund, while employees are required to contribute 7% of their gross salaries. The fund also provides survivor benefits to eligible dependents.

In addition to the social security schemes mentioned above, the Mauritanian government also provides various other forms of assistance to its citizens. These include unemployment benefits, family allowances, and subsidies for certain basic necessities.

Overall, the social security schemes and other forms of assistance provided by the Mauritanian government are aimed at ensuring that citizens have access to basic necessities and are able to live in dignity. While there is still room for improvement, these initiatives represent an important step towards creating a more equitable and just society in Mauritania.

Employers in Mauritania are required to contribute 1% of their employees' gross salaries to the occupational accident insurance fund.

Sales of local goods and services are generally subject to a VAT of

15-40%

Cape Verde

Cape Verde's Population

593K

Cape Verde has an income tax rate ranging from

10-35%

Ministério das Finanças e do Fomento Empresarial
Direção Geral do Emprego

Cape Verde is a small island nation located off the coast of West Africa. The country's economy is driven by industries such as tourism, services, and agriculture. Like many other countries, Cape Verde has a tax system in place to generate revenue for the government, as well as a pension system to support its citizens in retirement. Here's a breakdown of the different types of taxes and pensions in Cape Verde.

Types of Taxes in Cape Verde

Value-Added Tax (VAT): Cape Verde has a VAT system in place that applies to goods and services at a standard rate of 15%. This tax is applied to the value added at each stage of production and distribution. VAT returns must be filed with the tax authorities on a monthly or quarterly basis.

Corporate Income Tax: Companies operating in Cape Verde are subject to a corporate income tax rate of 25%. This tax is levied on the company's profits, after deducting expenses and allowances. The tax returns must be filed annually.

Personal Income Tax: Individuals in Cape Verde are subject to a progressive personal income tax system, with tax rates ranging from 10% to 35%. The tax is levied on their income, including salary, bonuses, and other forms of income.

Property Tax: Cape Verde also has a property tax, which is levied on the value of real property. The tax rates vary depending on the property's location and value.

Types of Pensions in Cape Verde

Social Security Pension: Cape Verde has a social security system that provides pensions to eligible citizens. The pension is based on the individual's contributions to the National Social Security Institute (INPS), which is funded by the employee's and employer's contributions. The amount of the pension is determined by the number of years of contributions and the average salary earned during that period.

Non-Contributory Pension: The government of Cape Verde also provides a non-contributory pension to eligible individuals who have not contributed to the social security system. This pension is provided to those who are unable to work due to old age, disability, or other factors.

Voluntary Pension: In addition to the social security pension, individuals in Cape Verde can also contribute to a voluntary pension scheme. These schemes are provided by private insurance companies and offer a range of investment options for individuals to choose from.

In conclusion, Cape Verde's tax system and pension schemes are designed to generate revenue for the government and support its citizens in retirement. With a range of taxes in place, including VAT, corporate income tax, personal income tax, and property tax, the government is able to generate revenue to fund various public services. Similarly, the pension schemes, including the social security pension, non-contributory pension, and voluntary pension, offer support to citizens in their retirement years. Overall, these systems play an important role in ensuring the well-being and financial security of Cape Verde's citizens.

Statutory Remittances Country Level

East Africa

04

Zambia	Djibouti	Malawi	Tanzania
Mozambique	Ethopia	Mauritius	Uganda
Zimbabwe	Eritea	Rwanda	
Burundi	Kenya	Seychelles	
Comoros	Madagascar	Somalia	

Zambia

Income Tax

0-37.5%

Zambia is a landlocked country located in southern Africa, bordered by Tanzania to the northeast, Malawi to the east, Mozambique to the southeast, Zimbabwe and Botswana to the south, Namibia to the southwest, and Angola to the west. The country has a population of approximately 18.5 million people, with Lusaka being its capital and largest city.

Zambia's economy is heavily reliant on copper mining, which accounts for a significant portion of the country's GDP and exports. Agriculture, tourism, and manufacturing also contribute to the economy, but to a lesser extent. The country faces challenges such as poverty, inequality, and high levels of unemployment, which the government has been working to address through various policies and programs.

One of the ways in which the government generates revenue is through taxes. **The most significant tax for employees in Zambia is the Pay As You Earn (PAYE),** which is a tax on income and is withheld by the employer from an employee's salary. The rates range from 0% to 37.5% depending on the income bracket. The tax is used to fund various government programs and services, including education, health, and infrastructure development.

In addition to PAYE, employees and employers are required to contribute to the National Health Insurance Fund (NHIF). The NHIF is a contribution by both parties towards the health insurance fund. The rate is 1% of the employee's gross salary, and the employer contributes an equal amount. The NHIF is used to provide health insurance coverage to Zambians who are not covered by other health insurance schemes.

Another social security contribution that both employees and employers are required to make is to the National Pension Scheme Authority (NAPSA). **The rate is 5% of the employee's gross salary, and the employer contributes an equal amount.** The funds are used to provide social security benefits to Zambians, including retirement, disability, and survivor benefits.

Finally, there is the Value Added Tax (VAT), which is a consumption tax on goods and services. **The standard rate is 16%, while some goods and services may be exempt or zero-rated.** The VAT is used to generate revenue for the government and is an important source of funding for public services and programs.

In conclusion, Zambia's economy heavily relies on copper mining, but **the government also generates revenue through various taxes, including PAYE, NHIF, NAPSA, and VAT.** These taxes help fund government programs and services, including health, education, infrastructure, and social security.

Mozambique

The contributory pension scheme is a mandatory scheme for employees in the formal sector

Income Tax

0-32%

Mozambique is a country located in southeast Africa with a population of approximately 30 million people. The country has been experiencing economic growth in recent years due to its vast natural resources, including coal, natural gas, and oil. Mozambique has implemented various tax policies to help generate revenue for the government and to support the country's development.

Personal Income Tax (PIT): Mozambique operates a PAYE (Pay As You Earn) system for employees. This means that employers are responsible for deducting and remitting taxes on behalf of their employees. The standard PIT rate is progressive, ranging from 0% to 32% for residents and 20% for non-residents. The tax rate is based on the employee's income level, with higher earners paying a higher tax rate. The tax year in Mozambique runs from 1 January to 31 December.

Social Security Contributions: Employers are responsible for contributing to social security for their employees in Mozambique. The contribution rate is 25% of the employee's gross salary. The contribution is split between the employee (5%) and the employer (20%). The social security system in Mozambique provides benefits such as pensions, disability, and survivor benefits.

Pensions: The pension system in Mozambique is managed by the National Social Security Institute (INSS). The pension system is divided into three main schemes: the contributory pension scheme, the non-contributory pension scheme, and the social welfare scheme.

The contributory pension scheme is a mandatory scheme for employees in the formal sector who contribute to the social security system. The scheme provides a retirement pension to eligible employees who have made contributions for a minimum of 10 years.

The non-contributory pension scheme is designed for individuals who are not eligible for the contributory pension scheme, such as self-employed individuals and informal sector workers. The scheme provides a pension to eligible individuals who meet certain criteria, such as age and income level.

The social welfare scheme provides benefits to vulnerable individuals who are unable to work due to disability, illness, or old age. The scheme provides financial support and healthcare benefits to eligible individuals.

Value Added Tax (VAT): VAT is charged on most goods and services in Mozambique, with a standard rate of 17%. The tax is charged on the value added at each stage of production and distribution. **VAT registration is mandatory for businesses with an annual turnover exceeding MZN 2,000,000 (approximately USD 32,000).**

Corporate Income Tax (CIT): The CIT rate is 32% for both resident and non-resident companies in Mozambique. The tax is levied on the company's profits for the tax year. Companies are required to file an annual tax return and pay the tax due within four months after the end of the tax year.

Zimbabwe

Zimbabwe is a landlocked country in Southern Africa, known for its diverse wildlife, natural resources, and agricultural industry. Like many countries, Zimbabwe has a tax and social security system in place to support its citizens and promote economic growth.

One important component of Zimbabwe's tax system is the Pay-As-You-Earn (PAYE) tax. This is a tax on employee income, with the rate varying based on the employee's income bracket. The tax rates in Zimbabwe range from 20% to 40%, with higher earners paying a higher percentage of their income in taxes. The government uses these funds to support various public services, such as infrastructure development, education, and healthcare.

In addition to the PAYE tax, **Zimbabwe also has a National Social Security Authority (NSSA) system.** This is a contribution made by both employees and employers towards social security, which provides benefits such as retirement, disability, and survivor benefits to eligible individuals. The contribution rates for employees and employers are fixed at 7% and 8%, respectively, and are based on the employee's salary.

The National Health Insurance Fund (NHIF) is another important component of Zimbabwe's social security system. This is a health insurance fund that provides medical benefits to employees. Both employees and employers contribute to the fund, with the contribution rate fixed at 3.5% for each. The benefits provided by the NHIF can vary depending on the specific plan and package chosen by the employee.

The Skills Development Levy is a levy used to fund training and development programs for employees in Zimbabwe. The contribution is made by the employer, and the rate is fixed at 5% of the employee's gross salary. The funds are typically used to support vocational training, apprenticeships, and other programs designed to improve the skills and productivity of the workforce.

Finally, **Zimbabwe also has a Workers Compensation Insurance system,** which is a type of insurance that provides benefits to employees who are injured or become ill as a result of their job. The contribution is made by the employer and is based on the employee's salary and the nature of the job. The rates can vary depending on the industry and the level of risk associated with the job.

In addition to these various taxes and contributions, Zimbabwe also has a pension system in place to support retired workers. The country's pension system is designed to provide retirement benefits to all eligible workers, regardless of their occupation or industry. The pension system is funded through a combination of employee and employer contributions, as well as government subsidies.

Overall, Zimbabwe's tax and social security systems are designed to support the needs of the country's citizens and promote economic growth. By providing support for healthcare, education, infrastructure, and other public services, the government is working to create a brighter future for all Zimbabweans

The pension system is funded through a combination of employee and employer contributions, as well as government subsidies.

Income Tax

20-40%

Burundi

Burundi's Population

12M

Income Tax

0-30%

Burundi is a small, landlocked country located in East Africa. It is bordered by Rwanda to the north, Tanzania to the east and south, and the Democratic Republic of the Congo to the west. Burundi has a population of around 12 million people, and its economy is heavily reliant on agriculture, which employs more than 90% of the population.

Social Security in Burundi is administered by the National Social Security Institute (INSS), which is responsible for managing pension and other benefits for employees. Social security contributions are mandatory for all employees in the country, and the employer and employee each contribute 3% of the employee's gross salary to the INSS.

In addition to the INSS, there are several other social security funds in Burundi that employers and employees are required to contribute to. These include the National Pension Fund (CNSS), the National Health Insurance Fund (INAMU), the National Work Injury Insurance Fund (CNAT), the Maternity Leave Fund, and the National Unemployment Insurance Fund.

For pension contributions, both the employer and employee are required to contribute 4% of the employee's gross salary to the CNSS. This fund is responsible for providing retirement benefits to workers who have contributed to the fund for at least 15 years.

Health insurance contributions are also mandatory, with both the employer and employee required to contribute 3% of the employee's gross salary to the INAMU. This fund provides healthcare benefits to workers and their families, including hospitalization, medical treatment, and medication.

The CNAT is responsible for providing benefits to workers who are injured on the job. Employers are required to contribute 1% of the employee's gross salary to this fund, which is used to provide compensation and medical treatment to workers who are injured at work.

The Maternity Leave Fund provides benefits to female workers who take time off from work due to pregnancy or childbirth. Employers are required to contribute 0.5% of the employee's gross salary to this fund, which is used to provide financial support to female workers during their maternity leave.

Finally, the National Unemployment Insurance Fund provides benefits to workers who lose their jobs due to reasons beyond their control, such as layoffs or company closures. Employers are required to contribute 1.5% of the employee's gross salary to this fund, which is used to provide financial support to unemployed workers while they search for new employment.

In conclusion, social security contributions are mandatory for all employees in Burundi, and employers are required to contribute to several different funds, including the National Social Security Institute, the National Pension Fund, the National Health Insurance Fund, the National Work Injury Insurance Fund, the Maternity Leave Fund, and the National Unemployment Insurance Fund. These funds provide benefits to workers in the form of pensions, healthcare, work injury compensation, maternity leave, and unemployment benefits.

Comoros

Income Tax.

0-30%

Comoros is a small island nation located off the southeastern coast of Africa in the Indian Ocean. It consists of four main islands and several smaller ones, and has a population of approximately 900,000 people. The country's economy is largely based on agriculture, fishing, and tourism, and its main exports include vanilla, cloves, and ylang-ylang.

Social Security Contributions: Employers in Comoros are required to contribute 14% of their employees' gross salaries to the National Social Security Fund. This fund provides retirement benefits, disability and survivorship benefits, and health insurance to eligible individuals. Employees also contribute a portion of their salaries to the fund.

Value Added Tax (VAT): The standard VAT rate in Comoros is **7%**. This tax is levied on the sale of goods and services, and is typically included in the price of the product or service. Certain goods and services, such as basic food items and medical supplies, are exempt from VAT.

Corporate Income Tax: Companies in Comoros are subject to a flat rate of 25% on their taxable income. This tax is applied to profits earned by businesses operating in the country, including both domestic and foreign companies.

Personal Income Tax: Individuals in Comoros are taxed on their income at progressive rates ranging from 0% to 30%. The tax rate increases as income levels rise, with those earning higher incomes paying a greater percentage of their earnings in taxes.

Pensions: In addition to the National Social Security Fund, Comoros also has a pension system in place for retired individuals. **The pension system is funded through contributions from employees and their employers, as well as the government.** Eligible individuals receive a monthly pension payment, which is calculated based on their years of service and their average salary during their working years. The amount of the pension payment varies depending on the individual's circumstances.

Overall, Comoros has a relatively simple tax system, with moderate tax rates and a few key taxes that apply to both individuals and businesses. The country's social security and pension systems provide support to eligible individuals, helping to ensure a basic standard of living for retirees and those who are unable to work due to disability or other factors.

Djibouti

Djibouti's Population

1M

Income Tax

2-45%

Djibouti is a small country located in the Horn of Africa, bordered by Eritrea to the north, Ethiopia to the west and south, and Somalia to the southeast. Djibouti is a developing country with a population of around 1 million people, and its economy is largely based on services related to the country's strategic location on the Red Sea and the Gulf of Aden.

In terms of social security, employers in Djibouti are required to contribute to several funds on behalf of their employees. The largest of these is the social security fund, which provides benefits such as retirement pensions, disability pensions, and survivor benefits to eligible individuals. T**he contribution rate for the social security fund is 14% of the employee's gross salary, with the employer responsible for 11.5% and the employee responsible for 2.5%.**

In addition to the social security fund, employers are also required to contribute to the national pension fund, which provides retirement benefits to eligible individuals. The contribution rate for the national pension fund is 6% of the employee's gross salary, with the employer responsible for 4.5% and the employee responsible for 1.5%.

Employers are also required to contribute to the national health insurance fund, which provides healthcare benefits to eligible individuals. The contribution rate for the national health insurance fund is also 6% of the employee's gross salary, with the employer responsible for 4.5% and the employee responsible for 1.5%.

Finally, employers are required to contribute to the work accident insurance fund, which provides benefits to employees who are injured or disabled as a result of a work-related accident. The contribution rate for the work accident insurance fund is 1% of the employee's gross salary, and it is the employer's responsibility.

In addition to these mandatory social security contributions, there are also voluntary pension plans available in Djibouti. These plans are typically offered by private insurance companies and are designed to provide additional retirement benefits to individuals who wish to save more than what is provided by the national pension fund.

Overall, while the social security system in Djibouti is still developing, it provides important benefits and protections to eligible individuals, and employers play a crucial role in funding these programs through their mandatory contributions.

Ethiopia

Population

>100M

Income Tax

0-35%

Ethiopia located in the Horn of Africa, is a landlocked country with a population of over 100 million people. The country is known for its diverse cultures, ancient history, and breathtaking landscapes. Ethiopia is also home to one of the fastest-growing economies in Africa, with a gross domestic product (GDP) growth rate of 6.1% in 2019.

Social Security: In Ethiopia, the social security system is managed by the Ethiopian Social Security Agency (ESSA). Employers are required to contribute 11% of their employees' basic salary to the ESSA. The social security system in Ethiopia provides benefits such as old age pension, disability pension, survivor pension, and maternity benefit. The benefits are based on the employee's salary and the length of their service.

Income Tax: Employers in Ethiopia are responsible for deducting and remitting employee income tax to the Ethiopian Revenue and Customs Authority (ERCA). The income tax is based on the tax brackets and rates set by the ERCA. The tax rates range from 0% to 35%, depending on the employee's income level. Employers are required to deduct the tax from the employee's gross salary before paying the net salary.

Value Added Tax (VAT): VAT is a consumption tax paid by businesses on their sales. The standard VAT rate in Ethiopia is 15%. Businesses are required to register for VAT if their annual turnover exceeds ETB 500,000. VAT registered businesses can claim back the VAT they have paid on their purchases.

Pension: Employers in Ethiopia are required to contribute 7% of their employees' basic salary to the National Pension Fund. The National Pension Fund is managed by the Ethiopian Social Security Agency and provides retirement benefits to employees. The retirement benefits are based on the employee's salary and the length of their service.

In conclusion, Ethiopia has a social security system that provides benefits such as old age pension, disability pension, survivor pension, and maternity benefit. **Employers are required to contribute 11% of their employees' basic salary to the Ethiopian Social Security Agency.** Employers are also responsible for deducting and remitting employee income tax and contributing 7% of their employees' basic salary to the National Pension Fund. Businesses are required to pay a 15% VAT on their sales if their annual turnover exceeds ETB 500,000.

Eritrea

Eritrea is a country located in the Horn of Africa, bordered by Sudan to the west, Ethiopia to the south, and Djibouti to the southeast. It is home to over 6 million people, with the majority of the population residing in urban areas. The country has a mixed economy that is based on agriculture, manufacturing, and mining.

Income Tax

0-30%

In Eritrea, the social security contribution rate is set at 2% of an employee's gross monthly salary. Employers are required to match this contribution with an equal amount. **The National Insurance Corporation of Eritrea (NICE) is responsible for managing social security contributions and benefits.** In addition to the 2% social security contribution, employees are also required to make a contribution of 2% of their gross monthly salary to NICE.

NICE provides a range of social security benefits to eligible contributors, including pensions, disability benefits, and survivor benefits. Pensions are provided to contributors who have reached the age of 60 and have made contributions for at least 180 months. The amount of the pension is based on the contributor's average salary over the last 60 months of their working life.

In addition to social security contributions, individuals in Eritrea are subject to income tax based on their income level.

As of 2021, **the income tax rate for individuals earning up to 4,000 Nakfa (ERN) per month is 0%.** For those earning between 4,001 and 10,000 Nakfa per month, the income tax rate is 10%. Individuals earning between 10,001 and 20,000 Nakfa per month are subject to a tax rate of 20%, while those earning over 20,000 Nakfa per month are subject to a tax rate of 30%.

It is worth noting that Eritrea has a history of imposing taxes and fees on its citizens and residents that are not always transparent or based on formal laws and regulations. For example, the government has been known to require citizens to pay a diaspora tax of 2% of their income earned abroad, and it has also imposed fees on businesses for various reasons that are not always clear.

In conclusion, Eritrea has a social security system that requires both employees and employers to contribute to NICE, with pensions being provided to eligible contributors who have reached retirement age. **The country also imposes income taxes based on a progressive tax system, with higher earners being subject to higher tax rates.** However, the government has been known to impose additional fees and taxes on its citizens and residents that are not always transparent or based on formal laws and regulations.

Kenya

Income Tax

10-35%

Kenya is a country located in East Africa with a population of over 50 million people. The country has a diverse economy, with agriculture, manufacturing, and services being the main economic sectors. Personal income tax is a major source of revenue for the Kenyan government, and the government has put in place various tax policies to ensure that all Kenyans pay their fair share of taxes.

One of the mandatory savings schemes for Kenyan employees is the **National Social Security Fund (NSSF)**. Employers are required to contribute 6% of an employee's gross salary to the NSSF, while employees contribute 6% of their gross salary. The maximum contribution for both employer and employee is Kshs. 2,160 per month. The NSSF provides various benefits, including pensions, disability benefits, and survivor benefits.

Another mandatory scheme is the **National Hospital Insurance Fund (NHIF)**, which is a medical insurance scheme for Kenyan employees. Employers are required to deduct 1.5% of an employee's gross salary, up to a maximum of Kshs. 500 per month, and remit it to the NHIF. Employees earning a gross salary of Kshs. 1,000 or more per month are also required to contribute 1.5% of their gross salary to the NHIF. The NHIF provides medical insurance cover to Kenyan employees and their dependents.

Pay As You Earn (PAYE) is a tax deducted at source from an employee's gross salary. The rates for PAYE in Kenya are progressive and depend on the employee's income. For employees earning up to Kshs. 24,000 per month, the tax rate is 10%. For those earning between Kshs. 24,001 and Kshs. 40,000 per month, the tax rate is Kshs. 2,400 plus 25% of the amount exceeding Kshs. 24,000. For those earning between Kshs. 40,001 and Kshs. 80,000 per month, the tax rate is Kshs. 6,400 plus 30% of the amount exceeding Kshs. 40,000. For those earning Kshs. 80,001 and above per month, the tax rate is Kshs. 15,200 plus 35% of the amount exceeding Kshs. 80,000.

The Skills Development Levy (SDL) is a levy imposed on employers to fund the Employers are required to contribute 1% of an employee's gross salary to the SDL. The SDL is used to fund various training and development initiatives aimed at improving the skills of Kenyan employees.

Pensions are an important aspect of the NSSF scheme. Upon retirement, an employee who has contributed to the NSSF for at least 180 months is entitled to a pension. The pension amount is calculated based on the employee's average monthly income over the last 60 months of contribution. The maximum pension amount is Kshs. 100,000 per month, while the minimum is Kshs. 1,000 per month. The NSSF also provides other benefits, including lump sum payments, withdrawal benefits, and funeral grants.

In conclusion, Kenya has put in place various tax policies to ensure that all Kenyans pay their fair share of taxes. The NSSF and NHIF are mandatory savings schemes aimed at providing various benefits to Kenyan employees, including pensions and medical insurance cover. PAYE is a tax deducted at source from an employee's gross salary, while the SDL is a levy imposed on employers to fund the training and development of employees. Pensions are an important aspect of the NSSF scheme, and employees.

Madagascar

Madagascar, officially the Republic of Madagascar, is an island country lying off the southeastern coast of Africa. It is the world's fourth largest island, the second-largest island country and the 46th largest country in the world. Its capital and largest city is Antananarivo.

Here's a breakdown of each contribution:

Social Security Contribution (CSS):
In Madagascar, the Social Security Contribution (CSS) is a mandatory contribution that both employers and employees must make to the country's social security system. The CSS is calculated as a percentage of the employee's gross wages. Employers contribute 10.8% of employees' gross wages, while employees contribute 1.8% of their gross wages. The CSS provides benefits such as retirement, disability, and survivor benefits.

National Employment Fund Contribution (CNAPS): The National Employment Fund Contribution (CNAPS) is another mandatory contribution in Madagascar that both employers and employees must make. This contribution is designed to fund programs and services that support employment, training, and social welfare. Similar to the CSS, the CNAPS is calculated as a percentage of the employee's gross wages. Employers contribute 5% of employees' gross wages, while employees contribute 1% of their gross wages.

Vocational Training Tax (FPA): The Vocational Training Tax (FPA) is a mandatory contribution that employers in Madagascar must make to support the country's vocational training programs. This contribution is calculated as a percentage of the employee's gross wages. Employers contribute 1.5% of employees' gross wages.

Health Insurance (CNAMGS):
In Madagascar, the health insurance system is known as the National Health Insurance Fund (CNAMGS). Both employers and employees are required to make contributions to this fund, which provides access to healthcare services for the population. Employers contribute 1.5% of employees' gross wages, while employees contribute 0.5% of their gross wages.

Income Tax

0-20%

Malawi

Malawi's Population

19M

Income Tax

0-30%

Malawi, officially known as the Republic of Malawi, is a landlocked country in southeast Africa. With a population of over 19 million people, Malawi is one of the least developed countries in the world. The country's economy is largely based on agriculture, with tobacco being the primary cash crop. The country also has significant deposits of uranium, which it exports to other countries.

In Malawi, the government collects taxes from its citizens and businesses to fund public services and infrastructure. One of the main taxes collected is the **Pay As You Earn (PAYE).** This is the income tax deducted from employees' salaries or wages, which is remitted to the Malawi Revenue Authority (MRA) on a monthly basis. The rates for PAYE range from 0% to 30%, depending on the employee's income bracket. This tax is mandatory for all employees who earn a taxable income.

Another important aspect of Malawi's tax system is the National Pension Scheme (NPS). This is a mandatory contribution made by both the employer and the employee towards the employee's retirement benefits. The contribution rate is 6% of the employee's salary, and the employer is required to match the employee's contribution. The NPS is managed by the government and is intended to provide social security for employees when they retire.

The Workers Compensation Fund (WCF) is a mandatory insurance scheme that provides compensation to employees who suffer work-related injuries or illnesses. The contribution rate is 1% of the employee's salary, which is paid by the employer. The WCF is designed to provide financial support to employees who are injured or become ill as a result of their work.

In addition to these taxes and contributions, the government of Malawi also collects Value Added Tax (VAT). This is a tax on the value added to goods and services at each stage of production or distribution. The standard VAT rate in Malawi is 16%, but some goods and services may be exempt or zero-rated. VAT is paid by businesses to the government, and it is ultimately passed on to consumers in the form of higher prices.

Overall, Malawi's tax system is designed to provide the government with revenue to fund public services and infrastructure. **The PAYE, NPS, WCF, and VAT are all important components of the country's tax system,** and they help to ensure that the government has the resources it needs to support its citizens.

Mauritius

Income Tax.

0-25%

Mauritius, a beautiful island nation situated in the Indian Ocean, is known for its stunning beaches, lush forests, and diverse culture. It is also a popular destination for tourists and businesses alike, thanks to its stable political environment, well-established infrastructure, and favorable tax system.

One of the key benefits of doing business in Mauritius is its attractive tax system. The income tax rate for residents is between 0% and 25%, depending on the amount of income earned. Non-residents, on the other hand, are taxed at a flat rate of 15%. This makes Mauritius an attractive destination for individuals and businesses looking to reduce their tax burden.

In addition to income tax, there are several other taxes and levies that businesses operating in Mauritius need to be aware of. These include the National Pension Fund (NPF), Skills Development Levy (SDL), Value Added Tax (VAT), National Solidarity Fund (NSF), and Workmen's Compensation.

The National Pension Fund (NPF) is a mandatory retirement savings scheme for employees in Mauritius. Both employers and employees are required to contribute to the NPF, with the current rate set at 10% for employees and 6.5% for employers. The funds contributed to the NPF are invested in a range of assets, including government bonds and equities, with the aim of providing a secure and reliable income for retirees.

The Skills Development Levy (SDL) is a tax that employers in Mauritius are required to pay at a rate of 1.5% on the total monthly remuneration paid to all employees. The funds collected through the SDL are used to finance training and skills development programs for employees, with the aim of improving their productivity and competitiveness in the workplace.

MAURITIUS REVENUE AUTHORITY

Value Added Tax (VAT) is a tax on the value added to goods and services at each stage of production and distribution. The current VAT rate in Mauritius is 15%, and it applies to most goods and services sold in the country. Businesses operating in Mauritius are required to register for VAT and charge it on their sales, while also being able to claim back the VAT paid on their purchases.

The National Solidarity Fund (NSF) is a social security scheme that provides financial assistance to individuals in need. Employees in Mauritius are required to contribute to the NSF at a rate of 2.5% of their gross salary, which is deducted at source by the employer. The funds collected through the NSF are used to provide a range of benefits, including healthcare, education, and social housing.

Finally, **the Workmen's Compensation Fund** is a mandatory insurance scheme that provides compensation to employees who are injured or disabled while on the job. Employers in Mauritius are required to contribute to the Workmen's Compensation Fund at a rate of 1.5% of the total payroll. The funds collected through the scheme are used to provide compensation to employees in the event of an accident or injury, as well as to fund safety training and other initiatives aimed at reducing workplace accidents and injuries.

Rwanda

Rwanda, a small landlocked country located in East Africa, has made significant strides in recent years towards improving its economy and social welfare systems. In particular, the country has implemented various policies and programs aimed at improving the well-being of its citizens, including social security contributions, health insurance, payroll taxes, and pensions.

Social security contributions are mandatory for employers in Rwanda, with a requirement to contribute 5% of an employee's gross salary to the Rwanda Social Security Board (RSSB). This contribution is intended to provide a safety net for employees in the event of illness, injury, or disability. Additionally, employers are required to contribute 3.5% of an employee's gross salary to the RSSB for health insurance. This contribution is intended to help cover the cost of medical treatment for employees and their families.

Employers in Rwanda are also required to contribute 3% of an employee's gross salary to the RSSB for unemployment.

Income Tax

0-40%

In addition to social security contributions and health insurance, employers in Rwanda are also required to deduct and remit Pay As You Earn (PAYE) taxes on behalf of their employees. The PAYE tax rates in Rwanda vary based on the employee's monthly income. For monthly incomes up to 30,000 RWF, there is no tax. For incomes between 30,001 RWF and 60,000 RWF, the tax rate is 20%. For incomes between 60,001 RWF and 120,000 RWF, the tax rate is 30%. And for incomes above 120,000 RWF, the tax rate is 40%.

In addition to these mandatory contributions and taxes, employers in Rwanda are also required to contribute 7% of an employee's gross salary to a pension scheme. This contribution is intended to help employees save for retirement and ensure that they have a stable source of income after they retire.

Finally, employers in Rwanda are also required to contribute 3% of an employee's gross salary to the RSSB for unemployment insurance. This contribution is intended to provide financial support to employees who lose their jobs and are unable to find new employment.

In summary, Rwanda has implemented a range of policies and programs aimed at improving the well-being of its citizens, including social security contributions, health insurance, payroll taxes, pensions, and unemployment insurance. These programs are designed to provide a safety net for employees and their families, ensure that they have access to medical treatment, and help them save for retirement. By implementing these programs, Rwanda is taking important steps towards creating a more stable and prosperous future for its citizens.

Seychelles

Population

>98K

Income Tax

0-33%

Seychelles is a beautiful island nation located in the Indian Ocean, off the eastern coast of Africa. The country comprises 115 islands, and it is a popular tourist destination. The country's economy relies heavily on tourism, fisheries, and agriculture. The population of Seychelles is around 98,000, and the official languages are Seychellois Creole, English, and French.

Seychelles has a social security system in place to provide a safety net for its citizens. **The system comprises three main components: National Social Security Fund (NSSF), Pay-As-You-Earn (PAYE), and National Pension Fund (NPF).**

Employers in Seychelles are required to contribute to the National Social Security Fund at a rate of 3% of an employee's basic wage. The contribution is used to fund a range of benefits, including sickness, maternity, and disability benefits, as well as a pension scheme.

Employees also make a contribution of 3% of their basic wage to the National Social Security Fund. The contribution is deducted from their salary by their employer.

Pay-As-You-Earn (PAYE) is another social security component in Seychelles. Employers are required to deduct income tax from their employees' salaries and remit it to the Seychelles Revenue Commission. The tax rates range from 0% to 33%, depending on an employee's income.

The National Pension Fund (NPF) is designed to provide retirement benefits to Seychellois citizens. Employers must contribute 8% of their employees' basic wages to the National Pension Fund. Employees also make a contribution of 3% of their basic wage to the fund.

The National Pension Fund provides retirement benefits to its members, including a lump sum payment and a monthly pension payment. Members can also withdraw their funds if they meet certain criteria, such as reaching retirement age or leaving the country.

In conclusion, Seychelles has a comprehensive social security system in place to provide a safety net for its citizens. The system comprises the National Social Security Fund, Pay-As-You-Earn, and the National Pension Fund. Employers and employees contribute to these funds to provide benefits, including sickness, maternity, and disability benefits, as well as retirement benefits.

Somalia

Hirshabelle State of Somalia
Ministry of Finance

Somalia's Population

17M

Income Tax

5-25%

Somalia, a country located in the Horn of Africa, has been facing political instability and civil unrest for several decades. The lack of a well-established tax system has further complicated matters and made it difficult for the government to generate revenue to fund its various public services.

One of the consequences of the lack of a formal tax system is that formal remittances are difficult to trace. **The government of Somalia relies heavily on informal fees and tariffs at ports and airports to generate revenue**. This has resulted in a high degree of corruption and inefficiencies in the economy.

The tax law in Somalia is mostly based on Islamic law and is applied on a case-by-case basis. The government has introduced several statutory remittances and rates to formalize the tax system, but implementation remains a challenge due to the ongoing civil unrest.

Income Tax is levied on individuals and businesses based on their level of income. The tax rate ranges from 5% to 25%, depending on the level of income. The tax is collected annually.

Value Added Tax (VAT) is levied on goods and services consumed in Somalia. The rate is 10% on all goods and services. The tax is collected at the point of sale.

Customs Duty is levied on imported goods. The rate varies depending on the nature and value of the goods imported. The customs duty is collected at the port of entry.

Payroll Tax is levied on the monthly salary of employees. The tax rate is 2.5% of the employee's monthly salary. The tax is collected by the employer and remitted to the government.

Excise Tax is levied on specific goods and services, such as tobacco, alcohol, and fuel. The rate varies depending on the nature of the product. The tax is collected at the point of sale.

One of the areas where Somalia has made progress in recent years is pensions. The Somali government, with the support of international organizations such as the World Bank and the International Monetary Fund, has introduced a social security scheme to provide pensions to its citizens.

The scheme is aimed at providing a safety net for retirees and their dependents. The government has established a national pension fund to manage the contributions made by employees and employers. The scheme is funded through contributions from both employees and employers.

In conclusion, Somalia's tax system is still in its infancy due to the ongoing political instability and civil unrest. The government relies heavily on informal fees and tariffs at ports and airports to generate revenue. However, there have been efforts to formalize the tax system by introducing statutory remittances and rates. Somalia has also made progress in the area of pensions, with the introduction of a social security scheme to provide pensions to its citizens.

Tanzania

Population

>60M

Income Tax

0-30%

Tanzania is a country located in East Africa with a population of over 60 million people. The country is known for its diverse wildlife, national parks, and beautiful beaches. Tanzania's economy is primarily driven by agriculture, tourism, and mining. In recent years, the government has taken steps to improve the social security system in the country.

Social security contributions are mandatory in Tanzania. Employers are required to contribute 10% of an employee's gross salary to the National Social Security Fund (NSSF), while employees are required to contribute 5% of their gross salary. The NSSF is a government-run fund that provides retirement, disability, and survivor benefits to eligible individuals. Contributions to the NSSF are tax-deductible, and the fund is administered by a board of trustees.

Pay As You Earn (PAYE) is also mandatory in Tanzania. Employers are required to deduct income tax from their employees' salaries and remit it to the Tanzania Revenue Authority (TRA) on a monthly basis. The rate of income tax varies depending on the employee's income bracket, with rates ranging from 0% to 30%. The TRA is responsible for collecting taxes and administering the tax system in Tanzania.

In addition to social security and income tax, employers are also required to contribute to the Skills Development Levy. Employers are required to contribute 0.15% of their gross payroll to the Vocational Education and Training Authority (VETA) to fund skills development programs. VETA is responsible for promoting and coordinating vocational education and training in Tanzania.

Another mandatory contribution that employers must make is to the **Workers' Compensation Fund**. Employers are required to contribute 1% of their employees' gross salaries to the Workers' Compensation Fund to provide compensation for work-related injuries and illnesses. The fund is administered by the Workers' Compensation Board and provides benefits to eligible workers who are injured or fall ill as a result of their work.

Lastly, employers are required to contribute to the National Health Insurance Fund (NHIF). Employers are required to contribute 6% of their employees' gross salaries to the NHIF to provide health insurance coverage. The NHIF is responsible for providing affordable and accessible health insurance to all Tanzanians.

Uganda

Income Tax.

0-30%

Uganda is a landlocked country located in East Africa, bordered by Kenya, Tanzania, Rwanda, South Sudan, and the Democratic Republic of Congo. It has a population of approximately 45 million people, with Kampala as its capital city.

Personal Income Tax is a tax levied on the income of individuals in Uganda. The tax is collected through the Pay As You Earn (PAYE) system, where employers deduct a percentage of the employee's salary and remit it to the Uganda Revenue Authority (URA) on a monthly basis. The rates range from 0% to 30%, depending on the employee's income level. The tax system is progressive, with higher-income earners paying a higher percentage of their income in taxes.

In addition to income tax, all employees in Uganda are required to contribute to the **National Social Security Fund (NSSF), a mandatory social security scheme**. The contribution rate is 10% of the employee's gross salary, with a maximum of UGX 3,000,000 per month. The NSSF provides benefits such as retirement pensions, disability benefits, and survivor benefits to eligible members.

Local Service Tax is a tax levied on businesses operating in specific areas within a local government jurisdiction. The rates vary from one district to another and are usually charged on a quarterly or annual basis. The tax is meant to fund local services such as road maintenance, garbage collection, and other essential services.

Value Added Tax (VAT) is a tax levied on the supply of goods and services in Uganda. The standard rate is 18%, while some goods and services are exempted or zero-rated. The exempted goods and services include agricultural inputs, educational services, and health services. The zero-rated goods and services include exports, medical supplies, and humanitarian aid.

Excise Duty is a tax levied on specific goods such as alcohol, tobacco, and petroleum products. The rates vary depending on the type of goods. The tax is meant to discourage the consumption of these products and to generate revenue for the government.

In conclusion, **Uganda has a progressive tax system, with income tax rates ranging from 0% to 30%.** All employees are required to contribute to the National Social Security Fund (NSSF), which provides benefits such as retirement pensions, disability benefits, and survivor benefits. Additionally, there are other taxes such as Local Service Tax, Value Added Tax (VAT), and Excise Duty, which are meant to generate revenue for the government and fund local services.

Statutory Remittances Country Level

Northern Africa

05

Algeria

Egypt

Libya

Morroco

Sudan

South Sudan

Tunisia

Algeria

Algeria's Population

44M

Income Tax

0-35%

المديرية العامة للضرائب
DIRECTION GÉNÉRALE DES IMPÔTS

Algeria located in North Africa, has a mixed economy that heavily relies on its natural resources, particularly its oil and gas reserves. The Algerian government collects taxes and contributions from individuals and companies to fund its operations and social programs.

Income Tax is one of the primary sources of revenue for the Algerian government. Individuals and companies are subject to income tax on their taxable income at progressive rates ranging from 0% to 35% for individuals, and a flat rate of 23% for companies. Taxable income includes income earned from employment, self-employment, investments, and other sources. Non-residents are also subject to income tax on their Algerian-source income.

Value-added Tax (VAT) is another significant source of revenue for the Algerian government. The standard rate of VAT in Algeria is 19%, but there are reduced rates of 9% and 7% for certain goods and services, such as basic food items, medicines, and transportation services. VAT is imposed on the value added at each stage of production and distribution of goods and services.

Social security contributions are mandatory for both employers and employees in Algeria. The social security system provides benefits such as health care, maternity leave, and pensions. The contribution rates vary depending on the salary and the sector of activity. For example, in the private sector, employers and employees each contribute 26% of the employee's gross salary, while in the public sector, the contribution rates are lower.

Pensions are an important part of the social security system in Algeria. **The retirement age is 60 for men and 55 for women,** with a minimum of 15 years of contributions required to be eligible for a pension. The pension amount is based on the average salary earned during the last ten years of employment, with a maximum pension amount of 100% of the average salary. In addition to the basic pension, there are also additional benefits for disability, survivorship, and dependents.

Companies in Algeria are subject to an industrial and commercial profits tax on their profits at a rate of 19%. The tax is based on the net profits earned during the fiscal year, and it is payable within three months after the end of the fiscal year. In addition, property owners in Algeria are subject to a property tax on their property at a rate of 30% of the rental value. The tax is payable annually and is calculated based on the rental value of the property.

In conclusion, Algeria has a comprehensive tax system that includes income tax, VAT, social security contributions, industrial and commercial profits tax, and property tax. Pensions are also an essential component of the social security system in Algeria. These taxes and contributions are essential for the Algerian government to fund its operations and social programs and to provide services to its citizens.

Egypt

Income Tax.

0-22.5%

Egypt is a country located in North Africa and is home to one of the world's oldest and most advanced civilizations. With a population of over 100 million people, Egypt is a major economic hub in the region, with a diverse economy that ranges from agriculture to manufacturing and tourism.

The country has a complex tax system that includes social security contributions, income tax, value-added tax, stamp duty, and customs duties.

Social Security Contributions: Employers in Egypt are required to contribute 26% of their employees' salaries to social security funds. This contribution is used to provide benefits to employees in the event of retirement, disability, or death. Employees, on the other hand, are required to contribute 14% of their salaries to the social security fund. This contribution is deducted from their monthly salaries and is also used to provide benefits to employees.

Income Tax: The income tax system in Egypt is progressive, which means that the more you earn, the higher your tax rate will be. The income tax rate in Egypt ranges from 0% to 22.5%. Individuals who earn less than EGP 8,000 (approximately USD 509) per year are exempt from income tax, while those who earn more than EGP 30,000 (approximately USD 1,914) per year are subject to the highest tax rate of 22.5%.

Value-Added Tax (VAT): VAT in Egypt is set at a rate of 14%. It is imposed on most goods and services, except for a few items that are exempted from VAT, such as basic food items and certain medicines. The VAT is charged at each stage of the production and distribution process, but businesses can claim back the VAT they have paid on their purchases.

Stamp Duty: Stamp duty in Egypt is 0.5% of the transaction value of the property or asset being transferred. This tax is payable by the buyer, and it is usually collected by the notary public at the time of the transaction. Stamp duty is applicable to various transactions, including property transfers, share transfers, and lease agreements.

Customs Duties: Customs duties in Egypt vary depending on the type of product being imported. The rates range from 0% to 100%. Some products, such as certain food items and medicines, are exempt from customs duties, while others, such as luxury goods and alcohol, are subject to higher rates. Importers are also required to pay a range of other fees, such as port handling fees and customs clearance fees.

Pensions: In Egypt, the social security system provides a basic pension for retirees who have contributed to the social security fund. To be eligible for a pension, individuals must have contributed to the fund for a minimum of 15 years. The amount of the pension is based on the individual's salary and the length of time they have contributed to the fund. The maximum pension amount is set at EGP 5,000 (approximately USD 319) per month.

Libya

eJraat
Libya

To qualify for a pension, an individual must have contributed to the social security system for at least 15 years and be at least 60 years old.

Income Tax

10-20%

Libya is a North African country with a population of around 6.8 million people. The country is home to vast oil reserves, making it one of the largest oil producers in Africa. However, political instability, conflict, and economic challenges have had a significant impact on the country's economy in recent years.

Social Security Contributions: In Libya, both employers and employees are required to make social security contributions. The employee's contribution is 10% of their gross monthly salary, while the employer's contribution is 19.5% of the gross monthly salary. These contributions go towards funding social security programs, including pensions and healthcare.

Pensions: The pension system in Libya is managed by the Social Security Fund, which is responsible for providing retirement benefits to eligible individuals. To qualify for a pension, an individual must have contributed to the social security system for at least 15 years and be at least 60 years old. The amount of the pension is calculated based on the individual's average monthly earnings during their working years and the number of years they have contributed to the social security system.

Income Tax: In Libya, income tax is levied on individuals based on their annual income level. The tax rates are progressive, ranging from 10% to 20%. Individuals with lower annual incomes are taxed at a lower rate, while those with higher annual incomes are taxed at a higher rate.

VAT: Value-added tax (VAT) is charged on the supply of goods and services in Libya. The standard VAT rate is 5%, and it applies to most goods and services.

Customs Duties: Customs duties are charged on imported goods in Libya, with rates varying depending on the type of product being imported.

Payroll Tax: Payroll tax is charged on the gross payroll of employees in Libya. The tax rate is 5% and is payable by the employer.

Stamp Duty: Stamp duty is charged on the value of transactions in Libya, with the rate set at 1% of the transaction value.

Municipal Tax: Municipal tax is charged on the annual rent of property in Libya, with the rate set at 2% of the annual rent.

Property Tax: Property tax is charged on the annual rental value of properties or the annual income generated from the property. The tax rate is 5% of the annual rental value or 10% of the annual income generated from the property.

Morocco

Morocco is a country located in North Africa that is known for its rich history, diverse culture, and stunning landscapes. With a population of over 36 million people, Morocco is a major player in the region's economy and a popular destination for tourists from around the world.

In terms of social security, Morocco has a system that requires both employers and employees to contribute to various funds. The contributions are mandatory and are used to provide social protection for workers and their families.

Social Security Contributions: Employers in Morocco are required to contribute 20.35% of their employee's gross salary to the social security system. This contribution is made to the Caisse Nationale de Sécurité Sociale (CNSS), which is responsible for managing the country's social security program.

Employees are also required to contribute to the system, with a contribution rate of 3.6% of their gross salary. This contribution is deducted from the employee's salary each month and is also paid to the CNSS.

The social security system in Morocco provides coverage for a range of benefits, including healthcare, maternity leave, disability, and retirement. The system also provides benefits to the families of deceased workers.

National Health Insurance: In addition to the social security contributions, employers in Morocco are required to contribute 2.26% of their employee's gross salary to the National Health Insurance Fund. This fund provides healthcare coverage to Moroccan citizens and residents.

Employees are also required to contribute 2.26% of their salary to the fund, which is deducted from their salary each month. The contributions are used to provide healthcare services to workers and their families.

The National Health Insurance Fund covers a range of medical services, including doctor's visits, hospitalization, and medication. The fund also provides coverage for maternity care and chronic illnesses.

Unemployment Insurance: Employers in Morocco are required to contribute 2.4% of their employee's gross salary to the Unemployment Insurance Fund. This fund provides financial support to workers who have lost their jobs.

Employees do not contribute to this fund, as the entire contribution is made by the employer. The funds are used to provide unemployment benefits to workers who are actively seeking employment.

Pension Fund: Finally, employers in Morocco are required to contribute 6.24% of their employee's gross salary to the Pension Fund. This fund provides retirement benefits to workers who have reached the age of retirement.

The social security system in Morocco provides coverage for a range of benefits, including healthcare, maternity leave, disability, & retirement.

Income Tax

0-38%

Sudan

Income Tax.

10-30%

Sudan is a country in Northeast Africa that has been undergoing significant economic reforms in recent years. The country has implemented various tax policies and other measures to boost its economy and attract foreign investment.

Value-Added Tax (VAT): One of the main tax policies implemented in Sudan is the value-added tax (VAT). The VAT rate in Sudan is 17%, and it is applicable to the supply of goods and services. This tax is imposed on the value added at each stage of production and distribution.

Income Tax: Income tax is another significant tax policy in Sudan. It is imposed on individuals, partnerships, and companies based on their taxable income. The income tax rate ranges from 10% to 30%, depending on the income level.

Social Security Contributions: Employers in Sudan are required to contribute to social security funds for their employees. The contribution rate is 18% of the employee's gross salary. The funds are used to provide retirement pensions, disability benefits, and other forms of social protection.

Pensions: In Sudan, retirement pensions are provided through the social security system. To qualify for a pension, an individual must have contributed to the social security fund for at least 15 years. The pension amount is based on the individual's average monthly earnings and the number of years of contributions.

Customs Duties: Customs duties are another type of tax imposed in Sudan. These duties are applicable to imported goods, and the duty rate varies depending on the type of goods. The purpose of customs duties is to protect domestic industries and generate revenue for the government.

Withholding Tax: Withholding tax is applicable to payments made to non-residents in Sudan. The withholding tax rate is 10% of the gross amount. This tax is imposed to ensure that non-residents pay their fair share of taxes on income earned in Sudan.

In conclusion, Sudan has implemented various tax policies and measures to improve its economy and attract foreign investment. These policies include value-added tax, income tax, social security contributions, customs duties, and withholding tax. The social security system provides retirement pensions to individuals who have contributed to the system for at least 15 years.

South Sudan

South Sudan's Population

>10M

Income Tax

0-20%

South Sudan officially known as the Republic of South Sudan, is a landlocked country located in East-Central Africa. The country gained independence from Sudan in 2011, making it the newest country in the world. Since gaining independence, South Sudan has faced significant challenges such as political instability, civil unrest, and economic challenges.

One of the significant challenges facing South Sudan is the lack of social security systems to protect the welfare of its citizens. In response, the government has introduced several mandatory contributions, including the Social Security Fund, the National Health Insurance Fund, Pay-As-You-Earn (PAYE) Tax, and Corporate Tax.

The Social Security Fund is a mandatory contribution that both employers and employees are required to make. The contribution is 10% of the employee's gross salary, with 7% paid by the employer and 3% by the employee. The Social Security Fund is intended to provide benefits to employees, including pensions, disability benefits, and survivor benefits. The fund is managed by the South Sudan National Social Security Fund (SSNSSF), which was established in 2011.

The National Health Insurance Fund is another mandatory contribution that both employers and employees are required to make. The contribution is 2% of the employee's gross salary, with 1% paid by the employer and 1% by the employee. The National Health Insurance Fund is intended to provide access to affordable and quality healthcare to all citizens, especially those in the informal sector who cannot afford private healthcare services.

PAYE tax is a system of tax collection where an employer deducts tax from the employee's salary at source and remits it to the government. The rate of PAYE tax in South Sudan ranges from 0% to 20%, depending on the employee's income level. PAYE tax is a significant source of revenue for the government and is used to fund public services such as healthcare, education, and infrastructure development.

Corporate Tax is another mandatory contribution that companies in South Sudan are required to pay on their profits. The rate of corporate tax is 15%. Corporate tax is a significant source of revenue for the government and is used to fund public services such as healthcare, education, and infrastructure development.

Pensions in South Sudan are managed by the South Sudan National Social Security Fund (SSNSSF). The SSNSSF is responsible for collecting contributions from both employers and employees and managing the pension scheme. The pension scheme is intended to provide a secure retirement income to employees who have contributed to the scheme. The pension scheme also provides disability benefits and survivor benefits to the beneficiaries of the pension scheme.

In conclusion, South Sudan has introduced several mandatory contributions, including the Social Security Fund, the National Health Insurance Fund, PAYE Tax, and Corporate Tax, to protect the welfare of its citizens.

Tunisia

The minimum retirement age in Tunisia is 60 years old, although some individuals may be eligible for early retirement.

Income Tax

0-35%

Tunisia is a North African country that is home to around 11 million people. Its economy is diversified, with key industries including agriculture, manufacturing, and services. Tunisia has a well-developed social security system that provides pensions, health care, and other benefits to its citizens.

One important aspect of Tunisia's social security system is the **National Social Security Fund (CNSS).** Employers and employees are required to contribute to the CNSS, with the employer's contribution being 16.75% of the employee's gross salary and the employee's contribution being 7.75% of their salary. These contributions go towards providing pensions and other benefits to eligible individuals.

In addition to social security contributions, Tunisia also has an income tax system that is based on a progressive tax rate. **The tax rates range from 0% to 35%, with higher rates applied to higher levels of income.** Businesses are required to withhold income tax from their employees' salaries and remit it to the tax authorities.

Tunisia also has a value-added tax (VAT) system, with a standard rate of 19%. Businesses that sell goods or services subject to VAT are required to register for VAT and collect the tax from their customers. The collected VAT is then remitted to the tax authorities.

Corporate Tax is another important aspect of Tunisia's tax system. Tunisian companies are subject to a corporate tax rate of 25%, which is applied to their profits. Non-resident companies that have income sourced in Tunisia are subject to a withholding tax of 20%.

Pensions are an important part of Tunisia's social security system. Eligible individuals can receive a pension based on their contributions to the CNSS. The amount of the pension is based on the individual's salary, the number of years they have contributed to the CNSS, and other factors. The minimum retirement age in Tunisia is 60 years old, although some individuals may be eligible for early retirement.

Overall, Tunisia's tax and social security systems play an important role in providing support to its citizens. By contributing to the CNSS and paying taxes, individuals and businesses help to fund pensions, healthcare, and other important benefits that are available to eligible individuals.

Statutory Remittances Country Level

Central Africa

06

Angola

Cameroon

CAR

Chad

DRC

Equitorial Guinea

Gabon

Sao Tome & Principe

Angola

AGT ADMINISTRAÇÃO GERAL TRIBUTÁRIA

To be eligible for a pension, individuals must have contributed to the social security system for at least 15 years.

Income Tax.

7-17%

Angola is a country located in southern Africa. It has a population of approximately 31 million people and is t**he seventh-largest country in Africa.** Angola is rich in natural resources, including diamonds, oil, and minerals, and has experienced significant economic growth in recent years. The country's economy is heavily dependent on oil exports, which account for over 90% of its total exports.

Social Security Contributions: **In Angola, employers are required to contribute 8% of the employee's gross monthly salary to social security,** while employees are required to contribute 3% of their gross salary. These contributions go towards funding the country's social security system, which provides benefits such as retirement pensions, disability benefits, and healthcare.

Pensions: Retirement pensions in Angola are provided through the National Institute of Social Security (INSS). To be eligible for a pension, individuals must have contributed to the social security system for at least 15 years. The amount of the pension is based on the individual's average salary over the last 36 months of their working life.

Personal Income Tax (PIT): The PIT rates in Angola range from 7% to 17%, depending on the income bracket. The tax is levied on all income earned by individuals, including salaries, wages, and other forms of income such as rental income and investment income.

Value Added Tax (VAT): The VAT rate in Angola is 14%. This tax is levied on the value added at each stage of production and distribution of goods and services. It is ultimately borne by the final consumer and is an important source of revenue for the government.

Industrial Tax: The industrial tax rates in Angola range from 1% to 35%, depending on the industry and sector. This tax is levied on the income generated by businesses engaged in industrial activities, such as manufacturing and mining.

Municipal Taxes: Local governments in Angola may also impose additional taxes on businesses and individuals operating within their jurisdiction. **These taxes can vary depending on the location and type of business, and are typically used to fund local infrastructure projects and services.**

In conclusion, Angola has a range of taxes and contributions that individuals and businesses are required to pay. Social security contributions and pensions are important for ensuring that individuals have access to basic social protections in retirement, while taxes such as PIT, VAT, and industrial tax are crucial for funding the government and providing public services. Municipal taxes can also be an important source of revenue for local governments and can vary depending on the location and type of business.

Cameroon

Population

26M

Income Tax

11-38.5%

Cameroon is a country located in Central Africa with a population of over 26 million people. The country is known for its diverse culture and natural resources such as oil, timber, and agriculture. In recent years, Cameroon has made significant strides in improving its economic growth and reducing poverty. However, the country still faces significant challenges in its social security and pension systems.

Social Security Contribution (CNPS): The Cameroonian government requires both employers and employees to contribute to the Social Security Contribution (CNPS). Employers are required to contribute 8.2% of their employee's gross salary, while employees are required to contribute 6.2%. The CNPS is responsible for providing social security benefits to workers, including healthcare, maternity leave, and retirement benefits.

National Employment Fund (NEF): The National Employment Fund (NEF) is a public institution established by the Cameroonian government to provide financial assistance to unemployed individuals seeking employment. Employers in Cameroon are required to contribute 2% of their employee's gross salary to the NEF. The NEF also provides vocational training and employment programs to individuals seeking employment.

National Health Insurance Fund (NHIF): The National Health Insurance Fund (NHIF) is a public institution responsible for providing health insurance coverage to all Cameroonian citizens. Both employers and employees are required to contribute to the NHIF. Employers are required to contribute 2.5% of their employee's gross salary, while employees are required to contribute 2%. The NHIF provides medical coverage for hospitalization, surgical procedures, and other medical services.

Professional Training Fund (PTF): The Professional Training Fund (PTF) is a public institution established to provide vocational training and education programs to workers in Cameroon. Employers are required to contribute 1% of their employee's gross salary to the PTF. The PTF provides training programs in various fields, including agriculture, construction, and healthcare.

Pensions: In Cameroon, the pension system is divided into two tiers: the first tier is a mandatory system that covers all workers in the formal sector, while the second tier is a voluntary system that covers workers in the informal sector. The first tier is managed by the National Social Insurance Fund (CNPS) and provides retirement, disability, and survivor benefits to workers. The second tier is managed by private pension schemes and provides retirement benefits to workers in the informal sector.

Central African Republic(CAR)

CAR's Population

~4.9M

Income Tax

0-40%

Located in the heart of Africa, the CAR is a landlocked country known for its vast natural resources, including diamonds, gold, timber, and uranium. The country has a population of approximately 4.9 million people, with the majority living in rural areas. Despite its wealth in natural resources, the country has been plagued by political instability, violence, and poverty.

Political History: CAR gained independence from France in 1960, and it has experienced a series of political upheavals, including coups and rebellions. In 2013, the country experienced a coup that ousted the government and led to a period of violence and instability. A transitional government was established, and elections were held in 2015. However, the country has continued to experience violence and conflict between various armed groups, with the government struggling to maintain control.

Economy: CAR's economy is primarily based on agriculture, with over 70% of the population employed in the sector. The country's main cash crops include cotton, coffee, and tobacco. The country also has significant reserves of minerals and is home to several large mining operations. However, the instability and violence in the country have severely impacted the economy, with many businesses shutting down, and many people losing their livelihoods.

Pensions: In CAR, there are several social security funds that provide retirement benefits to workers. The National Social Security Fund (CNSS) is responsible for managing pensions. Employers are required to contribute 6.25% of their employees' gross salaries to the CNSS, while employees contribute 2.5%. The fund provides retirement, disability, and survivor benefits.

In addition to the CNSS, there are several other funds that provide social security benefits in CAR. **The National Health Insurance Fund (CNAM) provides health insurance coverage, with employers contributing 2.25% of their employees' gross salaries, while employees contribute 1%.** The National Housing Fund (FONAL) provides housing benefits, with employers contributing 1% of their employees' gross salaries, while employees contribute 0.5%. The National Training Fund (FDFP) provides training and education benefits, with employers contributing 0.5% of their employees' gross salaries.

In conclusion, CAR continues to face significant challenges, including political instability, violence, and poverty. The country's economy has been severely impacted by these challenges, with many businesses shutting down, and many people losing their livelihoods. However, the country has a social security system in place that provides retirement, health, housing, and education benefits to workers. While the system may not be perfect, it provides an important safety net for the country's workers, who continue to face significant challenges in their daily lives.

Chad

Chad has a complex taxation system that includes social security contributions, income tax, customs duties, and VAT.

Income Tax

0-30%

Chad is a landlocked country in Central Africa. It has a population of approximately 16 million people and is known for its diverse cultures and natural resources. The economy of Chad is heavily dependent on oil exports, which account for about 90% of its export earnings. However, the country still faces many economic challenges, including high poverty rates, high unemployment, and low levels of economic diversification.

In Chad, social security contributions are mandatory for both employees and employers. **The employer must pay a rate of 13.75% of the employee's gross salary, while the employee contributes 3.75% of their gross salary.** These contributions are used to fund social security programs, including health care and pensions.

Pensions are an important aspect of social security in Chad. The country has a defined benefit pension system, which means that retirees receive a fixed amount of money based on their salary and years of service. **To qualify for a pension, an employee must have worked for at least 10 years and reached the age of 60.** The pension amount is calculated based on the average salary earned in the last five years of service.

In addition to social security contributions, employers in Chad are also responsible for deducting tax from their employees' salaries. **The tax rate varies depending on the salary earned, with a minimum rate of 2% and a maximum rate of 60%.** This tax revenue is used to fund government programs and services, such as education, health care, and infrastructure.

Imported goods in Chad are subject to customs duties, which vary depending on the product and its origin. These duties are collected by the Customs Administration and are used to generate revenue for the government. Chad also has a value-added tax (VAT), which is a tax on the value added at each stage of production and distribution. **The standard VAT rate in Chad is 18%, while a reduced rate of 8% is applied to some essential goods and services.**

Non-residents who earn income in Chad are subject to a withholding tax of 20% on their gross income. This tax is deducted by the employer or payer of the income and is used to generate revenue for the government.

In conclusion, Chad has a complex taxation system that includes social security contributions, income tax, customs duties, and VAT. Pensions are an important part of the social security system in Chad, and employers are responsible for contributing to their employees' pensions. Despite these efforts to generate revenue, the country still faces economic challenges that require further attention and investment.

Congo-Brazzaville

Withholding tax is levied on certain payments made by companies to non-residents in the Republic of the Congo.

Income Tax.

0-40%

Congo-Brazzaville, also known as The Republic of the Congo, is a country located in Central Africa. Its capital city is Brazzaville, and it shares borders with Gabon, Cameroon, the Central African Republic, the Democratic Republic of the Congo, and the Atlantic Ocean.

The Congolese economy is largely dependent on oil exports, which account for about 80% of the country's export revenue. Other important sectors include mining, timber, and agriculture. The government has made efforts to diversify the economy in recent years, but progress has been slow.

Social Security Contribution: Employers in the Republic of the Congo are required to make a monthly contribution to the National Social Security Fund (CNSS) for their employees. The contribution rate is 11.5% of an employee's salary, while employees contribute 3% of their gross salary. The CNSS provides social security benefits such as retirement pensions, disability pensions, and survivor pensions.

Retirement Pensions: The retirement pension in the Republic of the Congo is provided by the CNSS. To qualify for a pension, an employee must have contributed to the fund for at least 15 years, and must have reached the age of 60 (55 for certain professions). The amount of the pension is based on the employee's average salary over the last 10 years of employment, and the number of years of contributions.

Personal Income Tax: Personal income tax is levied on the income of individuals, including employees, in the Republic of the Congo. The tax is levied at a progressive rate ranging from 0% to 40%. The tax rates are as follows:

0% for income up to 500,000 CFA francs
15% for income between 500,000 and 1,500,000 CFA francs
25% for income between 1,500,000 and 3,500,000 CFA francs
35% for income between 3,500,000 and 10,000,000 CFA francs
40% for income above 10,000,000 CFA francs

Value Added Tax (VAT): Value Added Tax (VAT) is levied on the sale of goods and services in the Republic of the Congo. The VAT rate is 18%, and it applies to most goods and services. Certain goods and services, such as basic foodstuffs, are exempt from VAT.

Withholding Tax: Withholding tax is levied on certain payments made by companies to non-residents in the Republic of the Congo. The tax is levied on payments such as dividends, royalties, and interest payments. The withholding tax rate is 20% for dividends, 20% for royalties, and 15% for interest payments.

In conclusion, the Republic of the Congo has a social security system that provides retirement pensions and other benefits to employees. **Employers and employees are required to contribute to the National Social Security Fund (CNSS).** The country also levies personal income tax, value-added tax, and withholding tax on certain payments made to non-residents.

Democratic Republic of Congo

Income Tax.

0-40%

The Democratic Republic of the Congo (DRC) also known as Congo-Kinshasa, is a country located in Central Africa. It is the second-largest country in Africa by land area and is rich in natural resources such as diamonds, gold, and copper.

Despite its vast potential, the country has been plagued by political instability, corruption, and armed conflict for many years, leading to widespread poverty and underdevelopment.

One area of concern for both employers and employees in the DRC is the country's social security system, which includes pensions. Employers are required to contribute 17.5% of their employees' gross salary to the social security system, which includes a pension scheme. The pension scheme provides a retirement benefit to eligible employees who have contributed to the scheme for a specified period.

In addition to social security contributions, **the DRC also imposes personal income tax on all income earned by individuals, including employment income, business income, and investment income.** The tax rates range from 0% to 40%, depending on the income bracket. The tax system is progressive, meaning that higher-income earners pay a higher rate of tax than lower-income earners.

Corporate Income Tax is levied on the profits earned by companies operating in the DRC. The tax rate is 30% for most companies, but certain sectors may be subject to higher or lower rates. The DRC also has a value-added tax (VAT) system, which is a tax on the value added to goods and services at each stage of production and distribution. **The standard rate is 16%, but certain goods and services may be subject to lower or higher rates.**

Overall, the tax and social security system in the DRC is complex and can be challenging for both employers and employees to navigate. However, these systems are necessary to provide essential services such as healthcare, education, and social security benefits to the people of the DRC. As the country continues to develop and stabilize, it is hoped that these systems will become more efficient and effective in supporting the country's economic growth and improving the lives of its citizens.

Equatorial Guinea

Population

~1.6M

Income Tax

10-35%

Equatorial Guinea is a small country located in Central Africa. It is one of the wealthiest countries in Africa, mainly due to its abundant oil and gas resources. The country's economy has been growing steadily over the past few years, with a focus on diversification beyond oil and gas.

In terms of taxation, **Equatorial Guinea has a personal income tax system that ranges from 10% to 35% depending on the income level.** This means that individuals with higher incomes are subject to a higher tax rate. The country also has a corporate income tax rate of 35%, which applies to all companies operating in the country.

Employers and employees in Equatorial Guinea are required to contribute to the country's social security scheme. The employer's contribution rate is 8% of the employee's monthly salary, while the employee's contribution rate is 3% of their monthly salary. These contributions go towards providing social security benefits to employees in the event of sickness, disability, or old age.

Equatorial Guinea also has a Value Added Tax (VAT) system, with a rate of 15%. This tax is applied to the value added at each stage of the production and distribution process, and is ultimately borne by the end consumer.

In addition to these taxes, Equatorial Guinea has a pension system in place to provide retirement benefits to its citizens. **The country's pension system is divided into two main parts: the National Social Security Fund (CNSS) and the Civil Service Pension Fund (CSPF).**

The CNSS is a compulsory pension scheme for private sector employees, while the CSPF is for civil servants. Both schemes are funded by employer and employee contributions, with the employer typically contributing more than the employee.

Employees in the private sector are required to contribute 6% of their monthly salary to the CNSS, while employers contribute 10%. Civil servants, on the other hand, contribute 7.5% of their salary to the CSPF, while the government contributes 15%.

The pension system in Equatorial Guinea has been criticized for its low coverage and benefits, as well as for the lack of transparency and accountability in its management. However, the government has recently taken steps to reform the system and improve its effectiveness.

In conclusion, **Equatorial Guinea has a relatively simple tax system, with a focus on personal income tax, corporate income tax, social security contributions, and VAT.** The country also has a pension system in place, although it is in need of reform to ensure greater coverage and benefits for its citizens.

Gabon

Population

2.3M

Income Tax

0-35%

Gabon officially known as the Gabonese Republic, is a country located in West-Central Africa. It is bordered by Equatorial Guinea to the northwest, Cameroon to the north, the Republic of the Congo to the east, and the Gulf of Guinea to the west. Gabon is a former French colony, gaining independence in 1960. Its capital and largest city is Libreville.

Gabon has a mixed economy that relies heavily on oil exports, which account for approximately 80% of its export revenue. The country has a population of approximately 2.2 million people, with the majority residing in urban areas. Gabon is known for its rich biodiversity and is home to several national parks and wildlife reserves.

Social Security: Employers in Gabon are required to contribute 18.5% of an employee's gross salary to the National Social Security Fund (CNSS), while employees are required to contribute 3% of their gross salary. The CNSS provides social security benefits such as healthcare, maternity leave, disability, and old-age pensions to eligible individuals.

Pensions: The CNSS also provides a pension scheme to eligible individuals. The pension scheme is based on the number of years an individual has contributed to the CNSS and their average salary during their working years. The retirement age in Gabon is 60 for men and 55 for women, with a minimum of 180 months of contributions required to qualify for a pension. The amount of the pension is based on a formula that takes into account the individual's average salary during their working years and the number of years of contributions.

Income Tax: The income tax rate for individuals in Gabon ranges from 0% to 35%, depending on the individual's income. The tax system is progressive, meaning that individuals with higher incomes pay a higher percentage of their income in taxes. The tax year in Gabon runs from January 1st to December 31st.

Value-Added Tax (VAT): The standard VAT rate in Gabon is 18%. VAT is levied on the supply of goods and services in Gabon, including imports.

Withholding Tax: The withholding tax rate for non-residents is 20%. Withholding tax is levied on income earned by non-residents in Gabon, such as dividends, interest, and royalties.

National Housing Fund: Employers in Gabon are required to contribute 1% of an employee's gross salary to the National Housing Fund. The fund provides loans to eligible individuals to purchase or build a home.

São Tomé and Príncipe

Population

>200K

Income Tax

10-35%

São Tomé and Príncipe is a small island country located in the Gulf of Guinea, off the west coast of Africa. It is one of the smallest countries in Africa, with a population of just over 200,000 people. Despite its size, São Tomé and Príncipe is known for its stunning natural beauty, with lush rainforests, pristine beaches, and abundant wildlife.

Economy: São Tomé and Príncipe is classified as a lower-middle-income country, with a gross domestic product (GDP) of around $400 million. The economy is largely dependent on agriculture, with cocoa and coffee being the country's main export crops. In recent years, the government has also been promoting tourism as a way to diversify the economy and create new job opportunities.

Taxation

Personal Income Tax: Personal income tax is levied on the income earned by individuals in São Tomé and Príncipe. This includes salaries, wages, bonuses, and other sources of income. The tax rate ranges from 10% to 35%, depending on the amount of income earned. Individuals who earn less than 60,000 dobras (approximately $2,500 USD) per year are exempt from paying income tax.

Corporate Income Tax: Corporate income tax is levied on the profits earned by companies operating in São Tomé and Príncipe. The tax rate is 30%. However, companies that engage in certain industries, such as agriculture and tourism, may be eligible for tax exemptions or reductions.

Value-Added Tax (VAT): Value-added tax (VAT) is levied on the sale of goods and services in São Tomé and Príncipe. The standard VAT rate is 15%. However, certain items, such as basic food items and medicine, are exempt from VAT.

Social Security Contributions: Both employees and employers are required to contribute to the social security system in São Tomé and Príncipe. The employee's contribution is 7% of their salary, while the employer's contribution is 10% of the employee's salary. These contributions are used to fund a range of social security programs, including pensions, healthcare, and unemployment benefits.

Pensions: The social security system in São Tomé and Príncipe provides pensions to retired workers. **To qualify for a pension, an individual must have contributed to the social security system for at least 15 years**. The amount of the pension is based on the individual's average salary over their working life, as well as the number of years they contributed to the system. The maximum pension amount is 70% of the individual's average salary.

Conclusion

This comprehensive White Paper has shed light on the transformative potential of technology-enabled digital platforms in bolstering tax collection across the diverse landscape of 53 African countries. We have explored critical tax components such as Pay As You Earn PAYE (PAYE), Value Added Tax (VAT), Social Security Contributions, and Health Insurance, which serve as primary revenue sources for many nations on the continent, supporting essential public services.

One of the study's most important conclusions is that the average employment income tax burden for an individual earning the equivalent of GDP per capita in Africa is relatively low, at around 8.6%. This varies across the continent, ranging from 0% to approximately 24%. The most significant challenge has been accountability, as some Africans question how their taxes are used. This continuous problem emphasizes the crucial need for new techniques for tax collection, primarily through technology.

As indicated by the experiences of nations such as Ethiopia and Rwanda, which have effectively adopted electronic tax reporting and collection platforms, technology has already shown promise in transforming tax collection. Furthermore, the informal sector, which frequently operates outside of government control, represents a wasted opportunity for Domestic Resource Mobilization (DRM), and technology-driven solutions can assist in bridging this gap. The desire to raise tax-to-GDP ratios from 16.5% to levels more aligned with Latin America, the Caribbean (21.9%), and OECD countries (33.5%) has enormous promise. African governments may increase income production and improve the lives of their citizens by embracing new and innovative tax-collecting methods at scale via tech-enabled digital platforms.

In essence, this White Paper aims to empower African governments to embrace technology-driven approaches that will accelerate their economies towards long-term growth. One example of this digital shift is the gradual adoption of payroll systems, exemplified by Kenya's electronic tax reporting mandate. Such changes improve taxpayer identification monitoring capabilities while lowering compliance expenses.

The findings highlight that embracing new and innovative revenue collection methods via tech-enabled digital platforms could assist African countries in improving their tax-to-GDP ratios, which are now at 16.5%. This transition aligns with global standards and promises to enhance the lives of African citizens. The combined power of technology and effective taxation can further catalyze long-term economic growth and development across the continent. We hope this White Paper will inspire and guide the reforms to bring this vision to fruition.

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