

Doing Business in Congo-Brazzaville — Payroll Operations

1. Government requirements

Registration requirements

Company registration with the tax authority

A company that employs people has payroll obligations for the taxable remuneration provided to employees. The company must obtain an ID number called “NIU” (a Tax Identification Number) in order to file tax returns. The request for an NIU is made by submitting a form and certain documents: the contract of service (if any), proof of entry in the Congolese trade register and the article of incorporation. The fees related to registration are XAF10,000.

The request is made to one of three main tax authorities (all under general tax direction - DGI acronym) in Congo namely:

- The divisional inspection of oil taxation called IDFP, which becomes the unit of oil taxation, UFP, for oil companies
- The association of medium business companies called UME, for small and medium businesses
- The association of large companies called UGE for large businesses

Please note that companies are affiliated to the tax administration according to their turnover, except for oil companies and oil subcontractors.

Employee registration with the tax authority

An employee must be registered with the tax authorities to obtain an NIU. An NIU will allow them to declare their income in accordance to with their obligation. The fee for registration is XAF1,500.

The registration is made by submitting a form and specific identity documents.

Registration with the Social Security Fund

Companies must register at the moment of their establishment, or installation in the case of a foreign company. There are no fees to be paid for registration. In order to request registration, the following documents must be provided:

- A copy of the company's entry in the trade register
- A copy of confirmation of the NIU
- A copy of SCIEN and SCIET (statistic authorities where you need to file a request when registering
- a company in Congo)
- A copy of the business license or the proof of payment for a business license

The registration of employees must be made by the employer. Also, in accordance with Law No. 004- 86, 25 February 1986, related to the social security code, foreign employees must be affiliated to social security after three consecutive months of presence in Congo. There are no fees to be paid for registration. The documents to be filed are:

- A copy of the passport
- Four ID pictures
- A copy of the work contract with a visa from A.C.P.E. (Congolese Agence for Employment) - former National Office for Employment and Work ONEMO - "Office Nationale de l'Emploi et de la Main d'Oeuvre") or the acknowledgement receipt for the request of a visa
- A copy of the birth certificate
- A copy of a recent payslip

Company registration with the labor administration

Companies must provide an the opening statement to the labor administration. This declaration must include the information on the number of employees, their sex and nationalities.

Registration must be made with Labour Administration in order to obtain a certificate of registration.

Labor administration - for employees

Employees must register with the ACPE.

Ongoing compliance requirements

Monthly tax returns

Since the financial law of 2016, there has been a single tax return for all taxes and duties to be paid.

Personal income tax (for which the employee is responsible) and the single tax return (for which the employer is responsible), must be filed to the tax authorities before or on the 20th of the following month, except during August when the deadline for the declaration and payment of taxes is the 25th.

The rate of PIT is applicable on the taxable base obtained after a 20% deduction, less social contributions plus benefits in kind granted to the employee. The PIT rates are:

- One percent on income up to XAF464,000

- Ten percent on income between XAF464,001 and XAF1 million
- Twenty-five percent for income between XAF1,000,001 and XAF3 million
- Forty percent for income above XAF3 million

Also, net revenue has the following taxes deducted:

- The occupancy (Temporary Occupation License, TOL) of XAF5,000 for those who live downtown and XAF1,000 for others
- Rental tax
- The departmental or regional tax (set at XAF2,400 per person per year)

The tax return is submitted to the tax administration allocated according to turnover or activities (see comments on the three main activities).

Annual tax returns

The employer must provide an annual declaration of their income. The annual declaration is filed with the tax administration and the social security fund using a special form by 20th February for the preceding year at the latest.

2. Pension requirements

Registration requirements

The governing authority is the National Social Security Fund (CNSS or “Caisse Nationale de Sécurité Sociale”). The formalities relating to registration for pensions vary according to the collective agreement.

However, in general, two steps are mandatory: notification of retirement to the employee and the transmission of the employee's file to the CNSS. The employer is responsible for these steps.

Ongoing compliance requirements

The governing authority is the CNSS.

The governing authority is the CNSS. The return is filed monthly by employers with more than 20 employees. If the employer has less than 20 employees, the CNSS return can be filed quarterly. The CNSS must be paid no later than the 15th of each month for the preceding month. The CNSS collects the following contributions:

- Family allowances: 10.035% with an annual ceiling of XAF7.2 million, hence contribution does not apply on the part of the monthly salary higher than XAF600,000

- Workplace accidents: 2.25% with an annual ceiling of XAF7.2 million, hence contribution does not apply on the part of the monthly salary higher than XAF600,000
- Old age pension, death, disability: 12% shared by the employer (8%) and the employee (4%); the annual ceiling of XAF14.4 million means that the contribution does not apply on the part of monthly salary higher than XAF1.2 million.

Corporate executives, including the CEO, are treated as employees in terms of social security. As such, they are subject to social security contributions to the CNSS. However, under the Labor Law, they do not have employee status unless they hold a contract of employment.

3. Employment obligations

Each employer's obligations depend on the applicable collective conventions of their sector of activity. However, common obligations are stated below.

Employment and the Labor Law

Law No. 22-88 of 17 September 1988 relates to ONEMO, which specifies the requirements relating to the employment of local and foreign employee, and registration of their contracts notes that:

- The employment of a foreign person is subject to a request for labor authorization after payment of a fee (XAF220,000) and the filing of files with the labor authorities.
- Temporary workers must be covered by a temporary work permit (AET), obtained after the amount of XAF110,000 has been paid and the request for the AET has been filed.
- The contract of a local employee must be registered by paying a fee of XAF500 (paid by the employer) and filing the request for the registration of the contract.

Minimum wages

Wages to be paid for normal working hours must exceed the minimum standards of wages provided under the Minimum Wages Act. The minimum wage is fixed at XAF50,400 per month in accordance with the law.

Annual paid leave

The employer must allow employees who have worked for more than one year in the company to take annual paid leave. The method for determining the amount of annual paid leave varies according to each collective agreement.

Public holiday and days off

The employer must give employees one or two days off per week. Public holidays are paid as working days.

4. Payroll requirements

In accordance with the Labor Code, the employer must pay salaries within eight days after the end of month.

For those who receive weekly or fortnight payments, salaries must be paid within four days after the week or fortnight.

5. Banking requirements related to payroll

Salaries can be paid in cash, by check or by bank order. In the case of a bank transfer, payment must be made into a Congolese bank account. Foreign exchange regulation allows the repatriation of part of the salary to the home country, to support family members.

Salaries must be paid in the legal currency in Congo, XAF. The payment of all or part of the wage in alcohol or drink, or the payment of all or part of the salary in kind, is formally forbidden.