

# doing business in the Democratic Republic of the Congo (DRC)

POPULATION  
86.7M



CURRENCY  
CONGOLESE  
FRANC (CDF)

GMT+1,+2



OFFICIAL LANGUAGE  
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| country profile                     |   |                               |       |                         |        |                              |      |                                  |       |                                     |      |
|-------------------------------------|---|-------------------------------|-------|-------------------------|--------|------------------------------|------|----------------------------------|-------|-------------------------------------|------|
| <b>government structure</b>         | <ul style="list-style-type: none"> <li>• <b>Executive:</b> The president is the chief of state, and the prime minister is the head of government. The president is directly elected by simple majority popular vote for a five-year term and is eligible for a second term. The prime minister and cabinet are appointed by the president.</li> <li>• <b>Legislative:</b> The DRC has a bicameral Parliament.</li> <li>• <b>Judicial:</b> The highest courts are the Court of Cassation and the Constitutional Court. The subordinate courts are the State Security Court, Court of Appeals (organised into administrative and judiciary sections), <i>Tribunal de Grande</i>, magistrates' courts, and customary courts.</li> <li>• <b>Next presidential elections:</b> December 2023.</li> </ul>  |                               |       |                         |        |                              |      |                                  |       |                                     |      |
| <b>economic data</b>                | <table> <tbody> <tr> <td>• Nominal GDP (USD billions):</td> <td>55.39</td> </tr> <tr> <td>• GDP per capita (USD):</td> <td>502.83</td> </tr> <tr> <td>• Inflation rate (% change):</td> <td>7.50</td> </tr> <tr> <td>• Government revenue (% of GDP):</td> <td>14.79</td> </tr> <tr> <td>• Government gross debt (% of GDP):</td> <td>9.27</td> </tr> </tbody> </table> <p><i>*Source: IMF (October 2023 estimates)</i></p> <ul style="list-style-type: none"> <li>• The DRC is endowed with natural resources, which are the country's main economic resource. Mining accounts for nearly nine-tenths of total exports. The country boasts minerals such as cobalt and copper, significant arable land, hydropower potential, and immense biodiversity.</li> <li>• The DRC's main industries include mining, mineral processing, consumer products, metal products, processed foods and beverages, timber, cement, and commercial ship repair.</li> <li>• The DRC's main export partners are China, the United Arab Emirates, Saudi Arabia, and South Korea. The main export commodities include copper, cobalt, crude petroleum, tin, and diamonds.</li> <li>• The DRC's main import partners are China, South Africa, Zambia, Rwanda, Belgium, and India. The main import commodities include packaged medicines, refined petroleum, sulfuric acid, stone processing machines, and delivery trucks.</li> </ul> | • Nominal GDP (USD billions): | 55.39 | • GDP per capita (USD): | 502.83 | • Inflation rate (% change): | 7.50 | • Government revenue (% of GDP): | 14.79 | • Government gross debt (% of GDP): | 9.27 |
| • Nominal GDP (USD billions):       | 55.39   |                               |       |                         |        |                              |      |                                  |       |                                     |      |
| • GDP per capita (USD):             | 502.83  |                               |       |                         |        |                              |      |                                  |       |                                     |      |
| • Inflation rate (% change):        | 7.50  |                               |       |                         |        |                              |      |                                  |       |                                     |      |
| • Government revenue (% of GDP):    | 14.79   |                               |       |                         |        |                              |      |                                  |       |                                     |      |
| • Government gross debt (% of GDP): | 9.27  |                               |       |                         |        |                              |      |                                  |       |                                     |      |
| <b>risk ratings</b>                 | <ul style="list-style-type: none"> <li>• S&amp;P Global Overall Country Risk (Q3 2023): 200/211</li> <li>• Corruption Perceptions Index (2022): 166/180</li> </ul>  |                               |       |                         |        |                              |      |                                  |       |                                     |      |

| international treaties and memberships                             |  |
|--|--|
| <b>international and regional organisations and customs unions</b> | <ul style="list-style-type: none"> <li>• African Continental Free Trade Area Agreement</li> <li>• African Development Bank Group</li> <li>• African Union</li> <li>• Common Market for Eastern and Southern Africa ("COMESA")</li> <li>• East African Community ("EAC")</li> <li>• Economic Community of Central African States (ECCAS)</li> <li>• Economic Community of the Great Lakes Countries</li> <li>• Group of 24</li> <li>• Group of 77</li> <li>• International Monetary Fund</li> <li>• International Organisation of the French-speaking World (<i>Organisation Internationale de la Francophonie</i>)</li> <li>• Nile Basin Initiative</li> <li>• Organisation of African, Caribbean and Pacific States ("OACPS")</li> <li>• Organization for the Harmonization of Business Law in Africa ("OHADA")</li> <li>• Southern African Development Community</li> <li>• United Nations</li> <li>• World Bank Group</li> <li>• World Customs Organization</li> <li>• The DRC receives preferential treatment under the agreements listed here: <a href="http://ptadb.wto.org/Country.aspx?code=180">http://ptadb.wto.org/Country.aspx?code=180</a></li> </ul> |
| <b>bilateral investment treaties</b>                               | <ul style="list-style-type: none"> <li>• The DRC has bilateral investment treaties in force with the Belgium-Luxembourg Economic Union, China, France, Germany, Switzerland, and the United States.</li> <li>• Treaties have been signed with Egypt, Greece, Italy, Jordan, Portugal, Republic of Korea, Rwanda, South Africa, Turkey, Ukraine, and the United Arab Emirates, but these have not yet entered into force.</li> </ul>  |
| <b>investment-related agreements / institutions</b>                | <ul style="list-style-type: none"> <li>• African Growth and Opportunity Act</li> <li>• Cotonou Agreement (may be succeeded by the European Union and OACPS Partnership Agreement)</li> <li>• Multilateral Investment Guarantee Agency</li> <li>• World Trade Organization</li> </ul>   |
| <b>dispute resolution</b>  | <ul style="list-style-type: none"> <li>• Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention)</li> <li>• OHADA</li> <li>• Permanent Court of Arbitration</li> <li>• United Nations Commission on International Trade Law (UNCITRAL)</li> <li>• United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention)</li> </ul>   |



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| <b>intellectual property ("IP") treaties</b> | <ul style="list-style-type: none"> <li>A comprehensive list of IP-related treaties signed by the DRC is available at: <a href="https://wipolex.wipo.int/en/legislation/members/profile/CD?collection=treaties">https://wipolex.wipo.int/en/legislation/members/profile/CD?collection=treaties</a></li> <li>See the trade marks section below for further detail.</li> </ul>  |
| <b>legal regime</b>                          |  |
| <b>applicable legal regime</b>               | <ul style="list-style-type: none"> <li>The DRC's legal system is based on Belgian civil law, as well as customary law.</li> </ul>  |
| <b>dispute resolution</b>                    | <ul style="list-style-type: none"> <li>The OHADA treaty provides an arbitration procedure, and disputes relating to the general OHADA Uniform Acts, or any other business dispute can be submitted to the OHADA arbitration procedure.</li> <li>The OHADA Uniform Act on Arbitration Law supersedes all national legislation on commercial law.</li> <li>The DRC also adheres to the rules of the International Chamber of Commerce.</li> </ul>  |
| <b>land acquisition, planning and use</b>    | <ul style="list-style-type: none"> <li>The state exclusively owns land in the DRC; however, it can grant companies and individuals occupancy rights through: <ul style="list-style-type: none"> <li>perpetual concession contracts only available to Congolese citizens; or</li> <li>ordinary concession contracts available to foreign investors, registered companies, and Congolese citizens with 25-year occupancy which is renewable.</li> </ul> </li> </ul>  |
| <b>competition</b><br><i>merger control</i>  | <ul style="list-style-type: none"> <li>The Law on Pricing, Freedom and Competition, 2018 (the "<b>Competition Act</b>") regulates merger control in the DRC.</li> <li>The Competition Commission of the DRC (the "<b>COMCO</b>") is currently accepting merger filings.</li> <li>The Competition Act defines an economic concentration (i.e., a merger) as deriving from any act that confers alone or jointly the possibility of exercising control or a decisive influence over one or more undertakings, notably by way of: <ul style="list-style-type: none"> <li>transfer of property or ownership on all or part of goods, rights, or obligations of another undertaking;</li> <li>creation of a joint venture; or</li> <li>rights or contracts which confer influence over the composition, deliberations or decisions of an undertaking or a group of undertakings.</li> </ul> </li> <li>A concentration meeting one of the following thresholds shall be subject to review in the DRC: <ul style="list-style-type: none"> <li>the turnover achieved in the DRC by the parties to the concentration is equal to or exceeds an amount to be determined by Decree of the Prime Minister upon proposal of the Minister of the Economy (this Decree has not yet been adopted to the best of our knowledge);</li> </ul> </li> </ul> |

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|                             | <ul style="list-style-type: none"> <li>the parties to the concentration hold a combined market share of 25%; or</li> <li>the contemplated transaction creates / reinforces a dominant position.</li> <li>The DRC is a pre-implementation regime and failure to notify constitutes a violation of merger control rules. In terms of the Competition Act, non-compliance with the merger control provisions exposes offenders to the temporary closure of the merged entity and/or a fine of up to CDF 100-million.</li> <li>The DRC is a member of three regional competition bodies, COMESA, the EAC and OHADA. OHADA does not yet have an operational regulator and it is understood that its merger control regime is not yet functional.</li> <li>While the EAC has an operational competition law regime and a partially operational regulator, it is understood that its merger control regime is not yet functional. It is understood that the attention of the EAC competition regulator is currently focused on investigating potential anticompetitive practices and undertaking sectoral studies.</li> <li>COMESA, on the other hand, has an operational merger control regime. Merger activities in the DRC should thus be conducted with the EAC and COMESA in mind.</li> </ul>   |
| <i>prohibited practices</i> | <ul style="list-style-type: none"> <li>The Competition Act prohibits cartels (whether through a formal agreement or a concerted practice) which aim at: <ul style="list-style-type: none"> <li>restricting access to the market by competitors;</li> <li>enabling businesses to carve up markets amongst them or fix prices;</li> <li>hampering production, outlets, investments, or technical and technological advances; or</li> <li>skewing the outcome of a competitive bid.</li> </ul> </li> <li>Exemptions may, however, be granted by the COMCO in respect of anticompetitive agreements which contribute to promoting economic progress, job creation and maintenance.</li> <li>The Competition Act prohibits abuses of dominance and abuses of economic dependence. It also prohibits restrictive trade practices (i.e., resale price maintenance, excessive pricing, discriminatory practices, refusal to supply and sudden termination of established commercial relationships).</li> <li>Anticompetitive agreements, cartels and abuses of dominance are subject to a maximum fine of 50% of the profit or 20% of the turnover achieved by the infringing company in the DRC.</li> <li>Resale price maintenance is subject to a fine ranging from CDF 10-million to CDF 50-million.</li> <li>OHADA does not regulate prohibited practices. COMESA and the EAC regulate prohibited practices within their respective common markets. Activities in the DRC should thus be conducted with these regional competition bodies in mind.</li> </ul> |

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| <b>employment</b>   |  |
| <i>immigration</i>  | <ul style="list-style-type: none"> <li>Foreign individuals intending to work in the DRC are required to obtain a work permit and corresponding working visa, generally valid for two years and renewable.</li> <li>Work permit quota regulations apply to the main industries, including mining, in the DRC. Work permits cannot be granted in respect of certain positions that are reserved for DRC citizens.</li> </ul>   |
| <i>local employment vs secondment</i>                         | <ul style="list-style-type: none"> <li>In terms of the DRC's employment legislation, an employee may be seconded to the DRC. However, a secondee may become the local entity's employee depending on certain factors, such as the types of duties performed, the level of control over the secondee and integration into the organisation.</li> </ul>  |
| <i>fixed-term contracts and temporary employment services</i> | <ul style="list-style-type: none"> <li>It is legally permissible to conclude a limited or fixed-term contract which will terminate at the end of a project. Fixed-term contracts are limited to a two-year period and may only be renewed once.</li> <li>A contract is presumed to be for an indefinite period unless it is specified as a fixed-term contract.</li> <li>The use of duly appointed labour brokers is permitted.</li> </ul>   |
| <i>payment in local currency</i>                              | <ul style="list-style-type: none"> <li>Immigration rules require, as a condition for obtaining a work visa, an employee to have a local bank account and receive all or a part of his/her remuneration under the employment contract in such local bank account.</li> </ul>  |
| <i>restraint of trade agreements</i>                          | <ul style="list-style-type: none"> <li>Restraint of trade agreements are not valid and enforceable and protection in this regard must be incorporated into the contract of employment.</li> </ul>  |
| <b>foreign investment regime</b>                              |  |
| <b>investment regime</b>                                      | <ul style="list-style-type: none"> <li>The Investment Code (Law No. 004/2002 of 21 February 2002) governs foreign investment in the DRC.</li> <li>Corporate issues, including formation, incorporation, management, and dissolution of companies, are regulated by the OHADA Uniform Act on Commercial Companies and Economic Interest Groupings, which supersedes all contradictory provisions of national legislation.</li> <li>An investment one-stop shop (<i>Agence Nationale pour la Promotion des Investissements</i> ("ANAPI")) has been established to facilitate business registration and increase transparency in licensing procedures.</li> </ul> |

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| <b>registration / licensing requirements</b>          | <ul style="list-style-type: none"> <li>Companies must register with ANAPI for purposes of obtaining: <ul style="list-style-type: none"> <li>a Commercial Registry (<i>Registre du Commerce et du Crédit Mobilier</i>, RCCM) number;</li> <li>a tax number from the Directorate General of Taxes (<i>Direction Générale des impôts</i>, DGI);</li> <li>a National Institute for Social Security (<i>Institut National de Sécurité Sociale</i> ("INSS")) number;</li> <li>a National Office of Professional Training (<i>Institut National de Préparation Professionnelle</i> ("INPP")) number; and</li> <li>a certificate of registration from the National Employment Office (<i>l'Office National de l'Emploi</i> ("ONEM")).</li> </ul> </li> <li>Operating permits may also be required from municipal councils.</li> </ul> |
| <b>non-industry specific registrations / licences</b> | <ul style="list-style-type: none"> <li>See above.</li> </ul>  |
| <b>industry-specific licences</b>                     | <ul style="list-style-type: none"> <li>Industry specific licences may be required.</li> </ul>   |
| <b>incentives</b>                                     | <ul style="list-style-type: none"> <li>Incentives include: <ul style="list-style-type: none"> <li>a preferential tax regime under the Investment Code to promote direct investment in certain regions and in specific sectors or activities, including exemption from corporate income tax, property tax and import and export duties; and</li> <li>various incentives available to holders of mining or quarrying licences and their subcontractors under the Mining Code.</li> </ul> </li> </ul>  |
| <b>exchange control regulation</b>                    | <ul style="list-style-type: none"> <li>Exchange control regulations apply in the DRC. Commercial banks are generally authorised, subject to relevant taxes being paid, to transfer funds out of the country.</li> <li>Mining companies are required to receive 60% to 100% of their proceeds from export sales in the DRC and to use such funds for domestic purposes only.</li> <li>Any transfer of funds to or from the country is subject to a foreign exchange levy (<i>redevance de suivi de change</i>) at the rate of 0.2% (in addition to bank charges).</li> </ul>   |



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| <b>types of entities available for foreign investment</b> | <ul style="list-style-type: none"> <li>The forms of doing business available in the DRC are mainly the following provided for by the OHADA Uniform Act on Commercial Companies and Economic Interest Groupings: <ul style="list-style-type: none"> <li>public limited company (<i>société anonyme</i> ("SA"));</li> <li>simplified limited liability company (<i>société par actions simplifiée</i> ("SAS"));</li> <li>private limited liability company (<i>société à responsabilité limitée</i> ("SARL"));</li> <li>general partnership (<i>sociétés en nom collectif</i>, SNC);</li> <li>limited partnership (<i>société en commandite simple</i>, SCS);</li> <li>joint venture (<i>sociétés en participation</i>);</li> <li>de facto partnership (<i>sociétés de fait</i>);</li> <li>economic interest grouping (<i>groupements d'intérêt économique</i>, GIE);</li> <li>registered branch of a foreign company; and</li> <li>representation or liaison office.</li> </ul> </li> </ul> |
| <b>private limited liability company</b>                  |  |
| <b>minimum number of shareholders</b>                     | <ul style="list-style-type: none"> <li>SARL   SA   SAS: A minimum of one shareholder is required.</li> <li>In principle, local shareholders are not required, but may be required in certain specified sectors such as mining, oil and gas.</li> <li>In terms of the Subcontracting Law, 2017 more than 50% of the shares in any subcontracting company must be held by DRC citizens and its management must consist of a majority of DRC citizens.</li> </ul>   |
| <b>minimum share capital</b>                              | <ul style="list-style-type: none"> <li>The following minimum share capital requirements apply: <ul style="list-style-type: none"> <li>SARL: F.CFA1-million (approximately USD2 000). The nominal value of each share may not be less than F.CFA5 000 (USD10);</li> <li>SA: F.CFA10-million (approximately USD20 000), divided into shares of a face value of not less than F.CFA10 000; and</li> <li>SAS: no minimum required share capital. In practice, a minimum capital of USD2 000 is usually required by the Commercial Registry.</li> </ul> </li> </ul>   |
| <b>directors</b>  | <ul style="list-style-type: none"> <li>SARL: must have at least one managing director (<i>gérant</i>). It is recommended that someone who is either based in or regularly travels to the DRC be appointed as managing director, as it is required for such a person to hold a long term-visa. There is no requirement to appoint directors / managers in addition to the managing director.</li> <li>SA: must appoint a chairperson of the board who can also act as general manager of the company (<i>directeur général</i>). A board of directors with three to 12 members, including a chairperson, is to be appointed.</li> <li>SAS: free to determine its management structure, which should, as a minimum, consist of one chairperson. There is no requirement to appoint a board of directors.</li> </ul>  |

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| <b>company secretary</b>    | <ul style="list-style-type: none"> <li>There is no requirement to appoint a company secretary in the DRC.</li> </ul>  |
| <b>auditor</b>              | <ul style="list-style-type: none"> <li>SARL and SAS: must appoint a statutory auditor when two of the following three conditions are met at the end of the financial year: <ul style="list-style-type: none"> <li>its total balance sheet exceeds F.CFA125-million (approximately USD200 390);</li> <li>the annual turnover exceeds F.CFA250-million (approximately USD400 780); or</li> <li>the permanent staff exceeds 50 employees.</li> </ul> </li> <li>SA: appointment of an auditor is mandatory.</li> <li>SAS: appointment of an auditor is mandatory where an SAS effectively controls one or more companies, or where an SAS is effectively controlled by one or more companies.</li> <li>With effect from 2023, financial statements of companies that are subject to the substantive tax regime must be "certified" by a chartered accountant duly registered to the DRC National Chamber of the Chartered Accountants (ONEC), in order to be accepted by the tax authorities when filed with the annual corporate income tax return.</li> </ul> |
| <b>registered address</b>   | <ul style="list-style-type: none"> <li>Every company must have a registered office in DRC which must be indicated in the Articles of Association.</li> <li>The address of the company's accountants or lawyers may be used as registered address for an interim period.</li> </ul>  |
| <b>shelf companies</b>      | <ul style="list-style-type: none"> <li>There are no shelf companies available in the DRC.</li> </ul>  |
| <b>registration process</b> | <ul style="list-style-type: none"> <li>Companies are registered at the Commercial Registry, and it takes approximately four to six weeks to complete registration once all the required documents have been submitted.</li> </ul>   |
| <b>tax</b>                  |   |
| <b>tax system</b>           | <ul style="list-style-type: none"> <li>The DRC has a sourced-based tax system in terms of which both residents and non-residents are subject to tax on income earned from a source in the DRC.</li> </ul>   |
| <b>corporate residence</b>  | <ul style="list-style-type: none"> <li>A company is resident in the DRC if is incorporated in the DRC and its head office and principal place of business are located in the DRC.</li> </ul>  |



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| <b>corporate tax rate</b>  | <ul style="list-style-type: none"> <li>Resident companies and permanent establishments of foreign companies are subject to corporate income tax at the rate of 30%.</li> <li>Small companies (as defined) are subject to corporate income tax on a turnover basis.</li> <li>A minimum tax (<i>impôt minimum</i>) applies to all companies except micro and small companies. Regardless of a company's taxable profit, the tax payable may not be less than 1% of its declared turnover.</li> <li>Companies which do not realise any turnover during a tax year, have to pay a flat tax as follows: <ul style="list-style-type: none"> <li>CDF2.5-million for large companies;</li> <li>CDF750 000 for medium-sized companies; and</li> <li>CDF30 000 for small companies.</li> </ul> </li> </ul> |   |   |
| <b>capital gains tax ("CGT")</b>   | <ul style="list-style-type: none"> <li>Capital gains are generally included in ordinary taxable income and subject to corporate income tax at the standard rate.</li> <li>The direct or indirect sale of shares in a company holding a mining title is subject to a specific CGT regime.</li> </ul>  |   |   |
| <b>withholding tax ("WHT") rates</b>   | <b>WHT rate</b>  |   |   |
|  | <b>payment to</b>  | <b>residents</b>  | <b>non-residents*</b>   |
|  | branch profits   | N/A   | 20% on 50% of after-tax profits   |
|  | dividends  | 20%<br>10% (mining licence holders)<br>0% (paid to an active shareholder in a company other than a joint-stock company) | 20%<br>10% (mining licence holders)   |
|  | interest   | N/A   | 20%<br>0% (foreign currency loans concluded abroad by mining companies)<br>0% (government and treasury bonds) |
|  | royalties  | 14% (effective rate)  | 14% (effective rate)  |
| management, consulting, and technical service fees                                     | N/A  | 14%   |   |
| * The withholding tax rate may be reduced in terms of a relevant double tax agreement. |  |   |   |

| <b>double tax agreements ("DTAs")</b>        | <ul style="list-style-type: none"> <li>DTAs are in force with Belgium and South Africa.</li> </ul>  |                                |          |                 |    |                        |     |                         |     |                 |     |
|--|---|--------------------------------|----------|-----------------|----|------------------------|-----|-------------------------|-----|-----------------|-----|
| <b>losses</b>                                | <ul style="list-style-type: none"> <li>Losses may be carried forward indefinitely. However, the deduction of losses brought forward is capped at 60% of the net taxable profit of the particular year in respect of which the loss deduction is claimed.</li> <li>A company that fails to submit its tax return on time for a specific tax year forfeits the right to carry forward the losses incurred in that year.</li> </ul>  |                                |          |                 |    |                        |     |                         |     |                 |     |
| <b>transfer pricing</b>                      | <ul style="list-style-type: none"> <li>In terms of the DRC's transfer pricing rules, where a DRC company is directly or indirectly connected to / associated with a non-resident company, any undue benefit granted to the latter company would be re-characterised as an abnormal act of management and ignored for corporate income tax purposes. In order to avoid reassessment in such situation, the resident company must provide evidence that the transaction has been carried out independently without any consideration for the group company's interest.</li> <li>"Associated persons" is broadly defined and includes participation in capital or through holdings.</li> </ul>   |                                |          |                 |    |                        |     |                         |     |                 |     |
| <b>limitations on interest deductibility</b> | <ul style="list-style-type: none"> <li>Interest payments to a direct shareholder of a SARL are not deductible.</li> <li>Interest payments to a foreign shareholder or any other related party are deductible only if the loan is repayable within a maximum period of five years and the interest rate does not exceed the annual average rate applied by banks established in the country of the lending entity.</li> <li>Interest payments to shareholders that legally or factually have the power to manage the company are deductible only if the total interest paid does not exceed the amount of the paid share capital.</li> <li>Specific rules apply to the mining sector.</li> </ul>   |                                |          |                 |    |                        |     |                         |     |                 |     |
| <b>employee taxes</b>                        | <p>The income tax rates applicable to resident individuals are:</p> <table border="1"> <thead> <tr> <th>annual chargeable income (CDF)</th> <th>tax rate</th> </tr> </thead> <tbody> <tr> <td>up to 1 944 000</td> <td>3%</td> </tr> <tr> <td>1 944 001 – 21 600 000</td> <td>15%</td> </tr> <tr> <td>21 600 001 – 43 200 000</td> <td>30%</td> </tr> <tr> <td>over 43 200 000</td> <td>40%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The tax is calculated based on a progressive scale and the overall tax shall not, in any case, exceed 30% of taxable income.</li> <li>A flat rate of 15% income tax applies to the gross remuneration of casual workers.</li> <li>In addition to employment income tax, employers are liable for exceptional tax on the remuneration of expatriates (<i>impôt exceptionnel sur les rémunérations des expatriés</i>) in respect of remuneration paid to</li> </ul> | annual chargeable income (CDF) | tax rate | up to 1 944 000 | 3% | 1 944 001 – 21 600 000 | 15% | 21 600 001 – 43 200 000 | 30% | over 43 200 000 | 40% |
| annual chargeable income (CDF)               | tax rate  |                                |          |                 |    |                        |     |                         |     |                 |     |
| up to 1 944 000                              | 3%  |                                |          |                 |    |                        |     |                         |     |                 |     |
| 1 944 001 – 21 600 000                       | 15%   |                                |          |                 |    |                        |     |                         |     |                 |     |
| 21 600 001 – 43 200 000                      | 30%   |                                |          |                 |    |                        |     |                         |     |                 |     |
| over 43 200 000                              | 40%   |                                |          |                 |    |                        |     |                         |     |                 |     |



# doing business in the Democratic Republic of the Congo (DRC)

POPULATION  
86.7M



CURRENCY  
CONGOLESE  
FRANC (CDF)

GMT+1,+2



OFFICIAL LANGUAGE  
FRENCH

|                                      |  |
|--------------------------------------|--|
|                                      | expatriates at a rate of 25% (12.5% for mining companies during the first 10 years of the mining project).   |
| <b>social security contributions</b> | <ul style="list-style-type: none"> <li>Both employees and employers must make monthly social security contributions to the INSS on the employee's remuneration, including the salary, bonuses, the value of fringe benefits and leave pay.</li> <li>The employer contribution rate consists of: <ul style="list-style-type: none"> <li>family welfare: 6.5%;</li> <li>professional risk: 1.5%; and</li> <li>retirement pension: 5%.</li> </ul> </li> <li>The employee contribution rate is 5%.</li> </ul>  |
| <b>payroll tax</b>                   | <ul style="list-style-type: none"> <li>A monthly professional training contribution (<i>cotisation pour l'institut national de préparation professionnelle</i>) is payable by employers to the INPP at a rate of: <ul style="list-style-type: none"> <li>3% for public companies and companies with a workforce of 1 to 50 employees;</li> <li>2% for companies with 51 to 300 employees; and</li> <li>1% for companies with a workforce of over 300 employees.</li> </ul> </li> <li>Employers are also obliged to contribute 0.2% of remuneration to ONEM and cover all the medical costs of its employees and their families.</li> </ul> |
| <b>stamp duty</b>                    | <ul style="list-style-type: none"> <li>The DRC does not levy stamp duties.</li> <li>The transfer of mining shares is subject to 1% tax on the nominal value of the shares transferred.</li> <li>The transfer of immovable property is subject to registration duty at the rate of 6% of the price (1.5% in the case of a merger and 3% in the case of a transfer of business activities).</li> </ul>   |
| <b>value added tax ("VAT")</b>       |  |
| <i>taxable supplies</i>              | <ul style="list-style-type: none"> <li>VAT is levied on the supply of goods and services in the DRC and on the importation of goods and services.</li> </ul>   |
| <i>VAT rate</i>                      | <ul style="list-style-type: none"> <li>16%</li> <li>8% (specified essential goods including meat, fish, milk, water, and soap, as well as the sale of airline tickets on domestic routes)</li> </ul>   |
| <i>registration threshold</i>        | <ul style="list-style-type: none"> <li>Any person or entity who carries on business in the DRC and has an annual taxable turnover / expected annual taxable turnover exceeding CDF80-million must register for VAT.</li> <li>Businesses whose turnover is below the registration threshold would cease to be subject to VAT from the following year but may apply for voluntary registration.</li> </ul>   |

|  |  |
|--|--|
| <i>reverse VAT on imported services</i>                      | <ul style="list-style-type: none"> <li>A non-resident is required to designate a VAT representative in the DRC who will be jointly liable for payment of VAT. Where such non-resident fails to appoint a VAT representative, the VAT due is payable by the recipient of the service in the DRC.</li> </ul>   |
| <b>trade marks</b>   |  |
| <b>international conventions, treaties, and arrangements</b> | <ul style="list-style-type: none"> <li>Paris Convention</li> <li>World Intellectual Property Organization Convention</li> <li>World Trade Organization / Trade-Related Aspects of Intellectual Property Rights (TRIPS)</li> </ul>  |
| <b>first-to-file jurisdiction</b>                            | <ul style="list-style-type: none"> <li>The first person or entity that applies for a trade mark will obtain registration and may prevent others from using it. This person or entity will have the rights thereto, regardless of whether another has built a reputation using the mark in that country without trade mark registration.</li> </ul> |
| <b>classification</b>  | <ul style="list-style-type: none"> <li>The International Classification of Goods and Services (Nice Classification) applies.</li> <li>A multi-class trade mark filing system is followed.</li> </ul>   |
| <b>categories of trade marks</b>                             | <ul style="list-style-type: none"> <li>Provision is made for: <ul style="list-style-type: none"> <li>collective marks; and</li> <li>goods and service marks.</li> </ul> </li> </ul>  |
| <b>filing requirements</b>                                   | <ul style="list-style-type: none"> <li>Power of attorney (in French), simply signed;</li> <li>reproductions of the trade mark;</li> <li>certified copy of the priority document, if applicable, with a certified French translation; and</li> <li>specifications of goods / services to be provided in French.</li> </ul>                          |
| <b>procedure</b>   | <ul style="list-style-type: none"> <li>Applications are examined as to formal and substantive requirements.</li> </ul>   |
| <b>oppositions and non-use cancellations</b>                 | <ul style="list-style-type: none"> <li>No provision is made but an interested party may invoke the nullity of a trade mark.</li> <li>A registered trade mark may be cancelled on action by an interested party if it has not been used for a continuous period of three years after the date of registration.</li> </ul>                           |
| <b>duration and renewal</b>                                  | <ul style="list-style-type: none"> <li>A trade mark registration is effective for an initial period of 10 years from the date of filing and, thereafter, renewable for further periods of 10 years.</li> </ul>   |



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ENSAfrica is a full-service law firm with significant experience and specialist expertise that spans all commercial areas of law, tax, forensics, and IP across Africa. For more information or assistance please contact:

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