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WAEMU GOVERNMENT SECURITIES MARKET TAX GUIDE

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WAEMU Government Securities Market tax guide

This document specifies the taxation applicable on investors' income (interest and capital gains) as per securities issued on the WAEMU Government Securities Market (sovereign securities issued by auction).

For each issuance of securities, the scenarios likely to arise are distinguished according to the issuing State and the location of the creditor in one of the WAEMU or non-WAEMU States.

For each country, the charts presented make it possible to clearly identify the direct and indirect taxes applicable (A) or not applicable (N/A) to government securities of each WAEMU member state.



BENIN

1- BENIN

TAX SYSTEM FOR GOVERNMENT SECURITIES ISSUED ON THE WAEMU REGIONAL MARKET

Subscription by a bank, a financial institution, an insurance company, a social security fund domiciled in Benin or in another Member State or by investors domiciled in England, USA or France.

Scenarios	Taxation in Benin of income paid to investors on securities (T-bonds, T-bills, SUKUK ...) issued by the Public Treasury of Benin					
	Direct tax and/or withholding tax applicable in Benin			Indirect tax applicable or paid in Benin (only on income and not on intermediation services)		
	Applicable (YES/NO) <i>Under current legislation</i>	Nature and tax rate	Comments <i>(highlighting current practice)</i>	Applicable (YES/NO)	Nature and tax rate	Comments <i>(highlighting current practice)</i>
Bank / financial institution and insurance company subscribers domiciled in Benin	YES	Personal income tax - 6% with the possibility of a reduced rate (maturity less than or equal to 5 years) - 3% (maturity ranging from 5 to 10 years) - 0% (maturity over 10 years) - 5% for capital gains on bonds	In practice, income from government securities is not subject to personal income tax (IRPP/RVM): Article 97 of the General Tax Code exempts them from this tax. Also, the "Information Notes" and the "Terms and Conditions" of the issuances generally mention the tax exemption of government securities.	NO	VAT and FAT	The General Tax Code has remained silent on the taxation or exemption of securities products from VAT or FAT. Therefore, in practice, proceeds from government securities are not subject to any indirect taxes.
Bank / financial institution and insurance company subscribers domiciled abroad (WAEMU)	YES	Personal income tax - 6% with the possibility of a reduced rate (maturity less than or equal to 5 years) - 3% (maturity ranging from 5 to 10 years) - 0% (maturity over 10 years) - 5% for capital gains on bonds	The General Tax Code contains no specific provisions applicable to investors domiciled in another WAEMU State and receiving income from securities issued by Benin. In practice, however, income from government securities issued by Benin is, in application of Article 97 of the General Tax Code, exempt from IRPP in Benin. However, the "Information Notes" and the "Terms and Conditions" of issuances generally state that the law governing securities income in the beneficiary's country is applicable. Pursuant to Article 12 of Regulation No. 08/CM/UEMOA adopting rules to avoid double taxation, the tax is due in Benin.	NO	VAT and FAT	The General Tax Code has remained silent on the taxation or exemption of securities products from VAT or FAT. In practice, however, proceeds from government securities are not subject to any indirect taxes. In the case of an investor domiciled in another WAEMU State, the legislation of that State shall be applied.
Provident institutions (Social Security Fund, Pension Fund, etc.) domiciled in Benin	Same as for banks and insurance companies domiciled in Benin	Same as for banks and insurance companies domiciled in Benin	Same as for banks and insurance companies Also, the statutes of the CNSS provide a tax exemption regime	Same as for banks and insurance companies domiciled in Benin	-	Same as for banks and insurance companies domiciled in Benin. Also, the statutes of the CNSS provide a tax exemption regime

Scenarios	Taxation in Benin of income paid to investors on securities (T-bonds, T-bills, SUKUK ...) issued by the Public Treasury of Benin					
	Direct tax and/or withholding tax applicable in Benin			Indirect tax applicable or paid in Benin (only on income and not on intermediation services)		
	Applicable (YES/NO) <i>Under current legislation</i>	Nature and tax rate	Comments <i>(highlighting current practice)</i>	Applicable (YES/NO)	Nature and tax rate	Comments <i>(highlighting current practice)</i>
Provident institutions (Social Security Fund, Pension Fund, etc.) domiciled abroad (WAEMU)	Same as for banks and insurance companies domiciled abroad (WAEMU).	Same as for banks and insurance companies domiciled abroad (WAEMU).	Same as for banks and insurance companies domiciled abroad (WAEMU).	Same as for banks and insurance companies domiciled abroad (WAEMU)	-	Same as for banks and insurance companies domiciled abroad (WAEMU).
Investors domiciled abroad outside the WAEMU (ENGLAND)	NO	Personal Income Tax (PIT/RMT)	Article 61 of the General Tax Code exempts from IRPP/RVM, bond income received by residents outside the WAEMU. England will apply its legislation	NO	VAT	England applies its legislation.
Investors domiciled abroad outside the WAEMU (USA)	NO	Personal Income Tax (PIT/RMT)	Article 61 of the General Tax Code exempts from IRPP/RVM, bond income received by residents outside the WAEMU. The USA applies its legislation	NO	VAT	The USA applies its legislation.
Investors domiciled abroad outside the WAEMU (FRANCE)	NO	Personal Income Tax (PIT/RMT)	Article 61 of the General Tax Code exempts from IRPP/RVM, bond income received by residents outside the WAEMU. France applies its legislation	NO	VAT	France applies its legislation.

Scenarios	Taxation in Benin of income paid to investors on government securities (T-bond, T-bill, SUKUK ...) issued by another WAEMU State					
	Direct tax and/or withholding tax applicable in Benin			Indirect tax applicable or paid in Benin (only on income and not on intermediation services)		
	Applicable (YES/NO) <i>Under current legislation</i>	Nature and tax rate	Comments <i>(highlighting current practice)</i>	Applicable (YES/NO)	Nature and tax rate	Comments <i>(highlighting current practice)</i>
Bank / financial institution and insurance company	YES	Personal Income Tax (PIT) - 6% with the possibility of a reduced rate (maturity less than or equal to 5 years) - 3% (maturity ranging from 5 to 10 years) - 0% (maturity over 10 years) - 5% for capital gains on bonds	The applicable legislation is that of Benin. However, the General Tax Code does not make any provision for this. However, the practice is non-taxation since income from government securities issued by Benin is not taxed. Pursuant to Article 12 of Regulation No. 08/CM/UEMOA adopting rules for the avoidance of double taxation. The tax must be established in Benin	NO	VAT	No indirect taxation is provided by the General Tax Code. In practice, no indirect taxation is based on this income.
Provident institutions (Social Security Fund, Pension Fund, etc.)	YES	Same as for bank/financial institution and insurance company	Same as for bank/financial institution and insurance company	NO	VAT	Same as for bank/financial institution and insurance company
Investors domiciled abroad outside the WAEMU (ENGLAND)	NO	Same as for bank/financial institution and insurance company domiciled outside the WAEMU	Same as for bank/financial institution and insurance company domiciled outside the WAEMU	NO	-	Same as for bank/financial institution and insurance company domiciled outside the WAEMU
Investors domiciled abroad outside the WAEMU (USA)	NO	Same as for bank/financial institution and insurance company domiciled outside the WAEMU	Same as for bank/financial institution and insurance company domiciled outside the WAEMU	NO	-	Same as for bank/financial institution and insurance company domiciled outside the WAEMU
Investors domiciled abroad outside the WAEMU (FRANCE)	NO	Same as for bank/financial institution and insurance company domiciled outside the WAEMU	Same as for bank/financial institution and insurance company domiciled outside the WAEMU	NO	-	Same as for bank/financial institution and insurance company domiciled outside the WAEMU

The image features the national flag of Burkina Faso, which consists of two horizontal stripes of red (top) and green (bottom), separated by a yellow five-pointed star. The flag is shown waving on a black flagpole. In the background, a large, modern, yellow and white monument with a tiered, tower-like structure is visible against a clear blue sky. The ground in the foreground is a dry, brownish field.

BURKINA FASO

2- BURKINA FASO

TAX SYSTEM FOR GOVERNMENT SECURITIES ISSUED ON THE WAEMU REGIONAL MARKET

Subscription by a bank, a financial institution, an insurance company, a social security fund domiciled in Burkina Faso or in another Member State or by investors domiciled in England, USA or France.

Taxation in Burkina Faso of income paid to investors on securities (T-bond, T-bill, SUKUK...) issued by the Public Treasury of Burkina Faso

Scenarios	Direct tax and/or withholding tax applicable in Burkina Faso			Indirect tax applicable or paid in Burkina Faso (only on income and not on intermediation services)		
	Applicable (YES/NO) <i>Under current legislation</i>	Nature and tax rate	Comments <i>(highlighting current practice)</i>	Applicable (YES/NO)	Nature and tax rate	Comments <i>(highlighting current practice)</i>
Bank / financial institution and insurance company subscribers domiciled in Burkina Faso	NO This is a general and real exemption which does not take into account the residence or nationality of the beneficiary of the interest, nor the maturity of the bond. Article 134-5° of the General Tax Code	IRVM 6% (Article 140-2 of the General Tax Code)	Income from T-bond, T-bill, SUKUK, etc. issued by Burkina and received by Burkinabe banks/financial institutions and insurance companies is subject to corporate tax at the rate of 27.5%.	YES	VAT 18%	Any provision of the General Tax Code exempts the proceeds from government securities or from value added tax (VAT). Article 307-9 of the General Tax Code only provides for exemption from VAT for : - the income from shares and social shares - the transfers of securities and receivables In practice, however, these bond products are not subject to both taxes.
Bank / financial institution and insurance company domiciled abroad (UEMOA)	NO This is a general and real exemption which does not take into account the residence or nationality of the beneficiary of the interest, nor the maturity of the bond. Article 134-5° of the General Tax Code	IRVM 6% (Article 140-2 of the General Tax Code)	For banks/financial institutions and insurance companies established abroad (WAEMU), no direct tax is applied in Burkina.	YES	VAT 18%	Any provision of the General Tax Code exempts the proceeds from government securities or from value added tax (VAT). Article 307-9 of the General Tax Code only provides for exemption from VAT for : - the income from shares and social shares - the transfers of securities and receivables In practice, however, these bond products are not subject to both taxes.
Provident institutions (Social Security Fund, Pension Fund, etc.) domiciled in Burkina Faso	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies	For provident institutions (social security funds, pension funds, etc.) domiciled in Burkina Faso, no direct tax is applied in Burkina.	Same as for banks/financial institutions and insurance companies	Same as for banks/financial institutions and insurance companies	Same as for banks/financial institutions and insurance companies. Provident institutions (Social Security Fund, Pension Fund, etc.) are exempt from all direct and indirect taxes depending on their status.
Provident institutions (Social Security Fund, Pension Fund, etc.) domiciled abroad (WAEMU)	Same as for banks/financial institutions and insurance companies	Same as for banks/financial institutions and insurance companies	For provident institutions (social security funds, pension funds, etc.) domiciled abroad (WAEMU), no direct tax is applied in Burkina.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies

Taxation in Burkina Faso of income paid to investors on securities (T-bond, T-bill, SUKUK...) issued by the Public Treasury of Burkina Faso						
Scenarios	Direct tax and/or withholding tax applicable in Burkina Faso			Indirect tax applicable or paid in Burkina Faso (only on income and not on intermediation services)		
	Applicable (YES/NO) <i>Under current legislation</i>	Nature and tax rate	Comments <i>(highlighting current practice)</i>	Applicable (YES/NO)	Nature and tax rate	Comments <i>(highlighting current practice)</i>
Investors domiciled abroad outside the WAEMU (ENGLAND)	Same as for banks/financial institutions and insurance companies	Same as for banks/financial institutions and insurance companies	For investors established abroad outside the WAEMU (England), no direct tax is applied in Burkina.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies.
Investors domiciled abroad outside the WAEMU (USA)	Same as for banks/financial institutions and insurance companies	Same as for banks/financial institutions and insurance companies	For investors established abroad outside the WAEMU (USA), no direct tax is applied in Burkina.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies.
Investors domiciled abroad outside the WAEMU (FRANCE)	Same as for banks/financial institutions and insurance companies	Same as banks/financial institutions and insurance companies	For investors established abroad outside the WAEMU (France), no direct tax is applied in Burkina.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies.	Same as for banks/financial institutions and insurance companies.

Taxation in Burkina Faso of income paid to investors on government securities (T-bond, T-bill, SUKUK, ...) issued by another WAEMU State						
Scenarios	Direct tax and/or withholding tax applicable in Burkina Faso			Indirect tax applicable or paid in Burkina Faso (only on income and not on intermediation services)		
	Applicable (YES/NO) <i>Under current legislation</i>	Nature and tax rate	Comments <i>(highlighting current practice)</i>	Applicable (YES/NO)	Nature and tax rate	Comments <i>(highlighting current practice)</i>
Bank / financial institution and insurance company	NO It is the responsibility of the issuing State to operate the RASRVM.	IRVM	Income from T-bond, T-bill, SUKUK, etc. issued by another State and received by the Burkinabe bank/financial institution and insurance company is subject to corporate tax at the rate of 27.5%.	NO	VAT 18%	No indirect tax is provided for by the General Tax Code with regard to extraterritoriality.
Provident institutions (Social Security Fund, Pension Fund, etc.)	NO It is the responsibility of the issuing State to operate the RASRVM.	IRVM	For provident institutions (social security funds, pension funds, etc.) domiciled in Burkina Faso, no direct tax is applied in Burkina.	NO	VAT 18%	Same as for banks and insurance companies
Investors domiciled abroad outside the WAEMU (ENGLAND)	NO It is the responsibility of the issuing State to operate the RASRVM.	IRVM	The transaction is not carried out in Burkina Faso and does not involve a Burkina Faso entity.	NO	VAT 18%	The service provided is not used in Burkina Faso and does not involve a Burkina Faso entity.
Investors domiciled abroad outside the WAEMU (USA)	NO It is the responsibility of the issuing State to operate the RASRVM.	IRVM	The service provided is not used in Burkina Faso and does not involve a Burkina Faso entity.	NO	VAT 18%	The service provided is not used in Burkina Faso and does not involve a Burkina Faso entity.
Investors domiciled abroad outside the WAEMU (FRANCE)	NO It is the responsibility of the issuing State to operate the RASRVM.	IRVM	The service provided is not used in Burkina Faso and does not involve a Burkina Faso entity.	NO	VAT 18%	The service provided is not used in Burkina Faso and does not involve a Burkina Faso entity.