

DIRECTION GÉNÉRALE
DES IMPÔTS

Le Directeur général

Abidjan, le 09 OCT. 2023

N° 03949 /MBPE/DGI/DLCD-SDL/ 10-2023

**EXPLANATORY NOTE ON THE IMPLEMENTATION OF THE SYSTEM RELATING TO THE
SUBJECTION OF ONLINE SALES PLATFORMS AND DIGITAL SERVICES TO THE VALUE
ADDED TAX (VAT)**

Article 7 of the Tax Schedule to the Finance Law No. 2021-899 of December 21, 2021, regarding the State Budget for the year 2022, instituted a value added tax (VAT) on online service sales and commissions received by digital platforms that do not have professional installations in Ivorian territory.

For an efficient operationalization of this system, this explanatory note provides clarifications on:

- The scope of VAT application applicable to online digital service provisions and commissions received by digital intermediary platforms;
- The simplified procedure for remote tax registration;
- The simplified declaration procedure and the online VAT payment modalities. To allow the concerned companies to adapt their management tools to the provisions of the aforementioned Article 7, it is specified that the tax obligations of declaration and payment incumbent upon them take effect within a period mutually agreed upon, set at six (6) months from the publication date of this explanatory note on the official website of the Direction Générale des Impôts (DGI).

I. SCOPE OF APPLICATION

1. Persons targeted by the measure

The persons concerned by the simplified procedures are operators of digital platforms, regardless of their legal form, not established on Ivorian territory. A digital platform, for the purposes of this system, is defined as any website or application using software solutions to remotely connect service providers with customers, facilitate transactions between these parties, and, if applicable, allow for online payment of said transactions. Also covered by this system are digital platforms owned by service sellers that do not play an intermediary role in concluding other transactions than their own. It is specified that websites or platforms that both carry out non-revenue-generating activities and paid services fall within the scope of this system, limited to the revenues they derive from these paid services. This includes, notably, social networks that allow, on one hand, some of their users to connect and freely exchange information and, on the other hand, offer other user categories the opportunity to broadcast their advertisements on the network for a fee.

2. Operations targeted by the measure

Regarding the operationalization of the measure, it should be noted that the primary digital services offered by these platforms, without this list being exhaustive, fall into the following categories:

2.1. Online advertising services

Online advertising services refer to the paid broadcasting, on a digital platform, of an advertisement regarding products sold by a third party, targeted at platform users.

2.2. Online data services

Online data services concern the sale, granting of usage rights, or access provided for a fee by a digital platform, to data collected from its users during interactions. It is irrelevant whether this data is sold, granted, made accessible directly or indirectly, aggregated, disaggregated, anonymized, or used in other forms.

2.3. Online markets

"Online markets" refer to services through which a digital platform directly connects suppliers of goods or services with potential clients, platform users, and facilitates transactions between these parties. These markets encompass various goods and services, notably:

- Online food ordering and delivery: platforms facilitating online food orders and delivery between restaurants and clients;
- Online housing rentals: these platforms connect online landlords and potential tenants and facilitate rental contract conclusions between these parties, including accommodation in a hotel or private residence;
- Online vehicle rentals: aimed at facilitating the rental of a private or public transport vehicle, whether for a specific journey or medium-term use. The service may or may not include the vehicle's driver rental. The online vehicle rental service can also involve collective vehicle use for the same route (carpooling).

2.4. Digital content services

These services refer to the sale, granting of usage rights, access, or streaming against payment, of digital content. This can be multimedia or documentary content.

2.5. Online gaming services

Online gaming services refer to the paid provision of services offering users the opportunity to participate in all games on the internet, including video games, games of chance, virtual casino, virtual poker, and online betting.

2.6. Cloud computing services

These services are those through which digital platforms offer their users, for a fee, online hosting of data or digital content in a private space, or grant the user access to applications or software not installed on the device they use.



2.7. Social network platforms

A social network is an online platform meeting the following criteria:

- The platform facilitates the registration of an unlimited number of users (subscribers) through account creation or profile establishment;
- User registration grants them free access to the platform, but requires personal data sharing;
- The platform facilitates interaction among users and enables content sharing between them.

These platforms are only concerned by the provisions of article 7 of the 2022 Tax Schedule insofar as they offer paid services.

2.8. Search engines

A search engine is a website allowing its users to automatically search all databases affiliated with said engine for information specified by the users, generally by entering a search key in the dedicated search field.

Search engines are only concerned by the system of the aforementioned Article 7 for the paid services they offer to their users.

Lastly, it is specified that some platforms may cumulatively provide several of the above-described digital services or simultaneously offer free services and various paid services.

3. Business to Consumers (B2C) and Business to Business (B2B) operations

According to Article 7 of the Tax Schedule for the year 2022, both business-to-consumer (B2C) and business-to-business (B2B) transactions are encompassed.

Specifically, B2C services pertain to online sales and services facilitated by digital platforms for non-commercial users. On the other hand, B2B services relate to digital offerings and online sales of products which digital platforms extend to their commercial clientele or transact amongst themselves.

4. Territorial VAT rules for transactions through digital platforms

In the realm of online services, the established mechanism stipulates that the Value Added Tax (VAT) is payable in Côte d'Ivoire for services procured online via digital mediums, provided the user, beneficiary, or recipient of the service is located within the territorial confines of Côte d'Ivoire at the service delivery time.

The precise location of the beneficiary is ascertained either based on the details chronicled by the platform on their individual profile or, in the absence of such details, through geolocation data or the IP address associated with the device employed during the transaction.

Regarding commissions and other financial gains acquired by these platforms during online dealings, it is imperative to underscore that such gains are subject to VAT when either the operator of the digital platform, the vendor of the product or service, or the purchaser or user of the said product or service is situated on Ivorian territory upon the culmination of the transaction.

The responsibility to declare and remit the pertinent tax lies with the platform.

II. TAX LIABILITY THRESHOLD

Pursuant to the provisions of Article 7 of the Tax Schedule for the year 2022, no liability threshold has been provided. As a result, any digital company without a professional establishment in Côte d'Ivoire is required to declare the Value Added Tax (VAT) relating to their activities on Ivorian territory.

The companies concerned must charge and remit VAT on services rendered in Côte d'Ivoire, irrespective of the turnover of the operations carried out. Regarding invoicing of B2C transactions, companies will continue to issue receipts to customers according to their current business processes. These receipts, issued in accordance with current business practices, remain valid and recognized by the tax administration. For B2B invoicing, while retaining their current methods, it is imperative for non-resident companies to include the following details to enable VAT recovery for B2B customers: the customer's name, taxpayer identification number, the nature of the service, the date of the service and the amount involved.

The tax declaration and payment are made online using a simplified digital form, a copy of which is attached to this note and is also available on the official website of the Direction Générale des Impôts (www.dgi.gouv.ci).

III. SIMPLIFIED REMOTE REGISTRATION AND VAT DECLARATION PROCEDURE

III.1. Simplified Remote Registration Procedure

Operators of online service platforms who do not have a professional establishment or legal representation in Côte d'Ivoire, but who conduct taxable operations therein, are mandated to proceed with a simplified fiscal existence declaration online. This will yield a tax identifier in Côte d'Ivoire, enabling them to comply with their VAT obligations. The details required for this declaration encompass:

- Commercial designation of the platform.
- Name or corporate name of the platform operator.
- Main activities of the platform.
- Geographical, postal, electronic addresses, and telephone numbers of the platform's headquarters.
- Country of registration of the platform.
- Tax identification number in the country of registration of the platform.
- Name of the bank and account numbers dedicated to tax payments in Côte d'Ivoire (optional).
- Identities and addresses of representatives in Côte d'Ivoire (if any).

For practical purposes, this online simplified registration translates to the completion of the registration form attached.

It should be expressly noted that such registration does not create a tax link (permanent establishment) for tax purposes, nor does it subject the digital platform to other taxes in Côte d'Ivoire. Its primary objective is solely for the declaration and payment of VAT, without establishing the platform as a tax resident.

III.2. Simplified VAT Declaration Procedure

The streamlined declaration process entails:

- Identification of the platform (designation, corporate name, taxpayer account number).

- The tax period in question (year, quarter).
- Type of taxable operations carried out with Ivorian clients (e.g., services).
- Overall pre-tax amount derived from transactions with Ivorian clients during the stipulated period.
- The pre-tax amount which is subject to VAT.
- VAT charged to clients in Côte d'Ivoire.

The provisions of Article 7 of the Tax Schedule for the year 2022, do not require the concerned businesses or platforms to maintain or produce commercial and accounting books and registers in French in accordance with Ivorian standards.

Moreover, there is no systematic obligation to provide a list of clients in Côte d'Ivoire. However, such a list can be requisitioned by the Tax Administration, particularly during audits. Furthermore, additional information relating to clients may be solicited during tax audits.

Moreover, digital platforms that are non-residents are under no obligation to appoint a tax representative in Côte d'Ivoire.

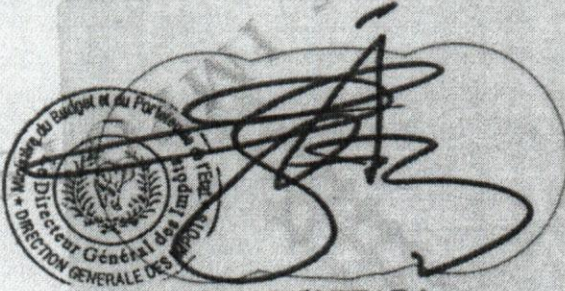
IV. PAYMENT OF VAT

VAT is paid quarterly by electronic means via the e-impôts portal of the Direction Générale des Impôts through the simplified declaration procedure. This must be accomplished no later than the 20th of the month following the end of each quarter; that is, no later than April 20th, July 20th, October 20th, and January 20th of each year. The applicable rate stands at 18%.

It is imperative to note that neither the provisions of Article 7 of the Tax Schedule for the year 2022 nor its implementation mechanism require the companies or digital platforms to maintain an account with an Ivorian banking establishment.

Companies will be able to declare and pay VAT in the following foreign currencies: euros or US dollars, into bank accounts that will be communicated on the official website of the Direction Générale des Impôts (www.dgi.gouv.ci).

The enforcement of the present note will commence six (6) months from the date of its signature.


Sié Abou OUATTARA

Attached :

- Simplified registration form
- Simplified VAT declaration

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MINISTRY OF BUDGET AND STATE PORTFOLIO

GENERAL TAX DIRECTORATE



**SIMPLIFIED FORM FOR ONLINE TAX REGISTRATION OF
DIGITAL PLATFORMS (Art. 71-2° of CGI)**

SERVICE STAMP

DATE OF RECEIPT

1- IDENTIFICATION OF THE DIGITAL PLATFORM

Trade Name	Company name of operator (if applicable)	Telephone	Email address	Official website

Country of establishment (tax residence)	Head office address

2- IDENTIFICATION OF ONLINE TAX ACCOUNT MANAGER

Last name and first name of designated online account administrator (e-tax account administrator)	Telephone	Designated administrator's e-mail address

3- ACTIVITIES OF THE DIGITAL PLATFORM

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PORTFOLIO

GENERAL TAX



VALUE ADDED TAX FOR DIGITAL
PLATFORMS

SERVICE STAMP

DATE OF RECEIPT

(Article 7 of the tax schedule to law no. 2021-899 of December 21, 2021 on the state budget for 2022)

PERIOD OF DECLARATION

Quar		Year
ter		

Trade name :

Tax identification number :

Company name :

Adress : Country of residence :

Postal and physical

Tel:

Email address :

Nature of main activity :

01 TAX COMPUTATION

	Gross sales before tax	Rate	AMOUNTS	CURRENCY	Rate	FCFA (XOF)
			0			
02	VAT PAYABLE		0			