Guinea

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A. At a glance

Corporate Income Tax Rate (%)	35 (a)
Capital Gains Tax Rate (%)	35 (b)
Branch Tax Rate (%)	35 (a)
Withholding Tax (%)	
Dividends and Directors' Fees	10
Interest	10
Royalties from Patents, Know-how, etc.	15 (c)
Capital Gains on Shares	10
Payments for Services	15 (d)
Rent	15 (e)
Technical Services	15
Management Services	15
Financial Services	5 to 13 (f)
Insurance Services	5 to 20 (g)
Gambling Gains	15 (h)
Branch Remittance Tax	10 (i)
Net Operating Losses (Years)	
Carryback	0
Carryforward	3

(a) The minimum tax is 3% of turnover unless exempt (see Section B).
(b) The tax may be deferred if proceeds are reinvested (see Section B).
(c) This tax applies to payments to nonresidents.
(d) This tax applies to payments by residents to nonresidents for services, including professional services, performed in Guinea.
(e) This tax applies only to rent paid to individuals.
(f) This tax applies to banks only.
(g) This tax applies to insurance companies only.
(h) This tax applies to lottery tickets sold by gambling companies.
(i) See Section B.

B. Taxes on corporate income and gains

Corporate income tax. Guinean companies are taxed on the territoriality principle. As a result, Guinean companies carrying on a trade or business outside Guinea are not taxed in Guinea on the related profits. Foreign companies with activities in Guinea are subject to Guinean corporate tax on Guinean-source profits only.

Tax rates. The regular corporate income tax rate is 35%. Since the issuance of the amended Mining Code in April 2013, the rate for the mining sector is 30% (applicable to mining companies only; not applicable to subcontractors). The annual minimum tax payable is 3% of annual turnover. However, under the 2012 Financial Law, it cannot be less than GNF15 million or more than GNF60 million.

Profits realized in Guinea by branches of foreign companies are deemed to be distributed and therefore are subject to a branch withholding tax of 10% on after-tax income.

Corporations may apply for various categories of priority status and corresponding tax exemptions. The priority status varies, depending on the nature of the project and the level of investment.

Capital gains. Capital gains are taxed at the regular corporate rate. The tax, however, may be deferred if the proceeds are used to acquire new fixed assets in Guinea in the following three financial years.

Capital gains on transfers of shares are taxed at a rate of 10%.

Administration. The fiscal year is from 1 January to 31 December. Tax returns must be filed by 30 April of the year following the fiscal year.

Companies must pay the relevant annual minimum tax before 15 January of the year following the fiscal year. Two advance payments of corporate tax, each equal to 33⅓% of the corporate tax for the previous year, are due on 15 June and 30 September of the fiscal year. Any balance due must be paid by 30 April of the following year.

Dividends. Dividends are subject to a 10% withholding tax, which may be credited by the recipient against corporate income tax.

Foreign tax relief. Foreign tax credits are not allowed. Income subject to foreign tax that is not exempt from Guinean tax under the territoriality principle is taxable net of the foreign tax.

C. Determination of trading income

General. Taxable income is based on financial statements prepared according to generally accepted accounting principles and the rules contained in the Organization for the Harmonization of Business Law in Africa (Organisation pour l'Harmonisationen Afrique du Droit des Affaires, or OHADA) Uniform Act on Accounting Law (SYSCOHADA).

Business expenses are generally deductible unless specifically excluded by law. The following expenses are not deductible:
- Head office overhead in excess of 10% of turnover derived by a Guinean branch
- Interest paid on loans from shareholders to the extent the rate exceeds the current rate of the Central Bank and all of the interest on shareholder loans if the capital of the company is not fully paid
- Corporate income tax and withholding tax on real estate
- Certain specific charges

Inventories. Inventory is normally valued at the lower of cost or market value.

Provisions. In determining accounting profit, companies must establish certain provisions, such as a provision for a risk of loss or for certain expenses. These provisions are normally deductible for tax purposes if they provide for clearly specified losses or expenses that are probably going to occur and if they appear in the financial statements and in a specific statement in the tax return.

Capital allowances. Land and intangible assets, such as goodwill, are not depreciable for tax purposes. Other fixed assets may be depreciated using the straight-line method at maximum rates specified by the tax law.

Relief for tax losses. Losses may be carried forward for three years. Losses may not be carried back.

Groups of companies. Fiscal integration of Guinean companies equivalent to a consolidated filing position is not available.

D. Other significant taxes

The following table summarizes other significant taxes.

Nature of tax	Rate (%)
Value-added tax, on sales of goods and services and on imports	
Standard rate	18
Business activity tax (*patente*), calculated based on the nature of the business activity and the rental value of the place of business	Various
Registration duties, on transfers of real property or businesses	2 to 14
Payroll taxes; paid by employers on salaries	6
Training tax; paid by employers on salaries	1.5/3
Social security contributions, on an employee's annual gross salary, up to GNF1,500,000	
Employer	18
Employee	5

E. Foreign-exchange controls

Exchange-control regulations exist in Guinea for foreign financial transactions.

F. Tax treaty

Guinea has entered into a double tax treaty with France.