



OIL & GAS

New Oil & Gas Regulations Enacted

The legal framework applicable to the oil & gas industry has been supplemented by two important statutes, which are of particular relevance with respect to the taxation of petroleum activities and of gas flaring and venting activities:

1. Decree No. 2022-1858, of 12 October 2022, supplements the provisions of the Hydrocarbons Code with specific tax rules on the assessment, collection, deductibility and recoverability of petroleum charges, including taxes, bonuses, contributions, fees, royalties and provisions which are payable under the law and petroleum contracts. This statute also includes provisions on taxes which are non-specific to exploration and production activities, but which are applicable thereto under the provisions of the Hydrocarbons Code;
2. Decree No. 2022-1856, of 12 October 2022, prohibits the flaring and venting of gas in the context of hydrocarbons exploration and production activities, with the exception of flaring for testing, safety or other *ad hoc* work, conforming with the best practices of the international oil & gas industry. In addition to those exceptions, special authorizations may be granted by the Minister of

Hydrocarbons, subject to a specific authorization procedure being followed. This statute further lays down the sanctions for non-compliance with its rules.

TAX

Congo and Rwanda Put an End to Double Taxation

By means of Decree No. 2022-485, of 16 August 2022, the President of the Republic ratified the Convention for the Avoidance of Double Taxation and the Prevention of Tax Evasion entered into between the Republic of Congo and the Republic of Rwanda. The Convention aims to create a favorable environment for bilateral exchanges between the two countries, to regulate and protect investments, whilst also setting forth mechanisms to mitigate the effects of double taxation and to strengthen cooperation in combating tax evasion.

COMPLIANCE AND ANTICORRUPTION

Congo Tackles Conflicts of Interest

Following the adoption in March 2022 of a new regime on the Prevention and Combating of Corruption and related Offences, the Republic of Congo has just adopted a regime governing the prevention and management of conflicts of interest. Decree No. 2022-467, of 3 August 2022, specifies the prohibited actions on the part of public officials likely to generate conflicts of interest, as well as the procedures to be followed once such conflicts of interest arise, including the obligation to declare existing conflicts and the creation of a central record to which the general public may have access online. This regime is further supplemented by the adoption of new Public Service General Regulations in mid-August, which also provide for a number of ethics-related obligations incumbent upon public officials.

BUSINESS

Obligations and Administrative Procedures Systematized

With a view to ensuring the consistent adoption of procedures throughout the country, the Republic of Congo has adopted two separate statutes, which systemize, on the one hand, authorized legal audits to be carried out in the country, and on the other hand, transactions and administrative procedures requiring a taxpayer number. Decree No. 2022-1855, of 12 October 2022, provides for a comprehensive list of audits to be carried out to private companies under the law, the entities in charge of carrying out such audits and the respective legal framework. For its part, Order No. 25550, of 12 October 2022, includes the supply of services, issuance of special authorizations and transfers of funds abroad, among others, in the transactions for which the taxpayer number will be required.

ENVIRONMENT

Congo Moves Towards Sustainable Development

Congo took a critical step to implement its strategic plan to implement sustainable development initiatives. Law No. 74-2022, of 16 August 2022, enacts mandatory principles that must be followed by the State, local authorities, the public sector, the private sector, civil society and all citizens as key players in achieving sustainable development. This new statute applies in particular to areas such as energy, urban planning, biosecurity, agriculture, and industry, among others, and is expected to be supplemented by other statutes in the near future.

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