

REPUBLIC OF THE CONGO

November 2016 through January 2017

STATE

STATE BUDGET FOR 2017

The Congolese State Budget for 2017 has been enacted by means of Law No. 33/2016, of 31 December 2016. Among other measures, this statute sets out news transfer pricing requirements for related legal entities, which henceforth will have to submit a transfer pricing file to the Tax Administration. The 2017 State Budget also includes other changes of relevance for different taxpayers, including the increase of some existing penalties, as well as changes to the rate and payment period of the real estate tax. These measures are effective as from 1 January 2017.

LABOR / OIL AND GAS

REVISION OF SALARY GRID FOR E&P COMPANIES UNDERWAY

Order No. 12826, of 27 December 2016, approves the composition of the joint committee in charge of revising the salary grid applicable to workers of hydrocarbons exploration and production companies. The changes to the salary grid are part of the ongoing reform of the hydrocarbons sector, prompted by the New Hydrocarbons Code, approved by Law No. 28/2016, of 13 October 2016.

INSURANCE

INSURANCE AND REINSURANCE BROKERAGE COMPANIES WITH NEW MINIMUM CAPITAL REQUIREMENTS

Pursuant to Order No. 11783, of 25 November 2016, the minimum share capital of insurance and reinsurance brokerage companies, as well as that of general incorporated insurance agents was increased to FCFA 15,000,000.00. Companies are afforded a period of 2 years to comply with the new capital requirements.

ENVIRONMENT

PARIS AGREEMENT ON CLIMATE CHANGES RATIFIED

With a view to coordinate strategy on a worldwide level to tackle global warming, the Paris Agreement was signed on 12 December 2015. This Agreement lays down guidelines on the cooperation and exchanges between the signatory countries, aiming to set a worldwide cap on greenhouse gas emissions. Pursuant to Decree No. 2016-319, of 1 December 2016, Congo has now ratified such agreement.

BANKING AND FINANCE

ESTABLISHMENT OF THE AFRICAN MONETARY FUND RATIFIED

In the context of the Constitutive Act of the African Union and with a view to achieving the common objectives defined therein, the Member States of the African Union signed the Protocol on the establishment of the African Monetary Fund on 27 June 2014. Such instrument, which adopts the Articles of Agreement of said Fund, was recently ratified in Congo by means of Decree No. 2017-3, of 23 January.

TELECOMMUNICATIONS

RATIFICATION OF FINANCING CONVENTION WITH THE AFRICAN DEVELOPMENT BANK ("ADB") FOR THE CENTRAL AFRICAN BACKBONE PROJECT

A Financing Convention between the Congo and the ADB, which had previously been signed by the Congolese Minister of Finance on 25 May 2016, was now ratified by Decree No. 2016-320. The purpose of this EUR 52 million facility is to fund the Central African Backbone Project in Congo, which seeks to reduce the price of telecommunications by supplying the project countries with fiber-optic backbone.

SHIPPING

MERCHANT NAVY COOPERATION WITH ANGOLA

The Cooperation Agreement signed by the Republic of Angola and the Republic of the Congo on 31 March 2015, relating to the Merchant Navy, was ratified by the Congo this past 23 January, by means of Decree No. 2017-1. This Agreement aims at encouraging and facilitating the exchanges between the two Nations, particularly with regard to (i) bilateral maritime traffic, (ii) international exchange of goods and passengers, (iii) maritime safety, and (iv) professional training, among others.

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