WTS Africa Quarterly Newsletter

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WTS Africa Quarterly Newsletter

Editorial

Recent tax developments in Africa

Dear Madam/Sir,

We hope you may find interesting our fourth edition of the WTS Africa Regional Quarterly Newsletter for 2026, where we collate and present taxation related news from nine countries on the continent.

The following participants in the WTS Global network have contributed with a diverse range of international tax topics. These contributors are from the following countries:

- Benin – FACE Africa Tax & Legal
- Cote d'Ivoire – FACE Africa Tax & Legal
- Egypt – WTS Egypt
- Ghana – WTS Nobisfields
- Kenya – Viva Africa Consulting LLP
- Mauritius – WTS Tax Consulting (Mauritius) Ltd
- Nigeria – WTS Blackwoodstone
- Senegal – FACE Africa Tax & Legal
- South Africa – WTS Renmere
- Togo - FACE Africa Tax & Legal

Our experts will be happy to answer any questions you may have.

We thank you for your interest.

Yours sincerely,

Kelly Mgbor
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Benin



Benin Strengthens Tax Compliance and Digital Administration in 2026

Benin is continuing to modernize its tax system through measures combining stricter compliance controls with the expansion of digital tax services. Recent developments include the extension of the 5% Advance Corporate Income Tax (AIB) deduction to companies with deactivated tax identifiers, the regional rollout of the DGI e-services platform, enhanced electronic reporting for transfer pricing and Country-by-Country Reporting purposes, broader use of tax compliance certificates, and the digitalization of tax audit procedures under the 2026 Supplementary Budget Law.

1. 5% Advance Corporate Income Tax (AIB): Extension to companies with deactivated Unique Tax Identifiers (IFU)

Since September 7, 2026, the General Directorate of Taxes (DGI) has been applying an automatic 5% AIB deduction on standardized invoices issued by taxpayers whose IFU has been deactivated on the CFISC platform due to non-compliance with tax obligations. This measure now applies to legal entities, in addition to the sole proprietorships and liberal professions previously targeted.
Companies already known to the DGI that were subject to the deduction during a period of non-compliance may be eligible for a right to offset following the regularization of their status.

2. Expansion of the DGI e-services platform

The DGI is continuing the rollout of its e-services platform. The announced schedule includes:

- September 21, 2026: Parakou;
- September 28, 2026: Comè;
- October 5, 2026: Lokossa.

Affected taxpayers will be able to file returns, make payments, and request tax documents online.

3. eBilan platform / Transfer pricing declaration

The platform now incorporates transfer pricing files and Country-by-Country Reporting (CbCR) data into the filing system.

4. Tax compliance certificate

Article 478 requires banks and financial institutions to demand this certificate for certain fund transfer operations or financial facilities requested by professionals.

5. 2026 Supplementary Budget Law: Strengthening tax modernization

The 2026 Supplementary Budget Law introduced an amendment to Article 517 of the General Tax Code (CGI) regarding the expansion of the digitalization of tax audit procedures. The aim is, in particular, to enable exchanges and actions related to audit procedures to be carried out electronically, with recognized legal validity.

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Cote d'Ivoire



Corporate Income Tax for Foreign Online Platforms in Côte d'Ivoire

As e-commerce expands, traditional tax rules based on a physical business presence have shown their limits. Many foreign platforms now earn substantial revenue from Ivorian customers without maintaining a physical presence in the country, making it difficult to tax them.

Until now, nonresident businesses were taxable in Côte d'Ivoire only if they had a permanent establishment, such as a branch, office, or dependent agent. Digital platforms operating remotely therefore often fell outside this rule. Withholding taxes applicable to certain services supplied by nonresidents also remained insufficient to effectively capture profits from e-commerce.

To adapt the tax system to the digital economy, Article 33 of the 2026 Tax Schedule introduces a specific tax regime for foreign online commerce and service platforms. The reform creates the concepts of significant economic presence and virtual permanent establishment, allowing certain businesses to be taxed even without a physical presence in Côte d'Ivoire.

The regime applies to platforms that generate annual revenue of at least XOF 50 million from Ivorian customers. Taxable profit is deemed to equal 10% of revenue earned in Côte d'Ivoire and is then subject to the standard 30% corporate income tax rate. Withholding taxes already paid may be credited against the tax due to prevent double taxation.

Affected operators must file and pay the tax no later than June 30 of the year following the year in which the revenue was earned, using a simplified electronic procedure. To ensure compliance, if a platform fails to file or pay after formal notice, the tax authorities may request that access to the platform be suspended in Côte d'Ivoire, without prejudice to applicable tax penalties.

Through this measure, Côte d'Ivoire modernizes its tax framework, strengthens the taxation of digital revenue generated in its market, and promotes greater fairness among economic operators.

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Egypt's Second Tax Facilitation Package: A Summary of Key Reforms

Published in the Official Gazette on 28 July 2026, Egypt's second tax facilitation package introduced significant reforms designed to support SMEs, ease dispute resolution, and refine corporate and VAT structures. These measures took effect on 29 July 2026.

1. Corporate & Transaction Tax Changes

- Bad Debts: Legal recovery requirements are reduced from 18 to 12 months from maturity. Debts ≥EGP 10,000 can be written off without legal action, capped at 1% of year-end receivables.
- Real Estate Disposal Tax (2.5%): Covers real estate or construction land, including inherited property and personal-use sales, with the payment deadline extended from 30 to 60 days. Disposals are not treated as business activities unless the Egyptian Tax Authority proves an intent to trade.
- Capital Gains Tax (CGT): Gains on EGX-listed securities are exempt for residents, while unpaid CGT liabilities from 16 June 2023 to 29 July 2026 are fully waived. Unlisted shares held ≥3 years at fair value receive inflation adjustments to acquisition costs using average CBE discount and credit rates.
- Dividends: The 10% non-deductible add-back for parent/holding companies is removed, and domestic corporate groups transition to a full participation exemption regime.
- Infrastructure & Listing Incentives: Thin-capitalization debt-to-equity ratio raised to 4:1 (from 3:1) for qualifying national projects and an offshore WHT exemption on unrelated loan interest (minimum 5-year term). New EGX-listed companies meeting specific size thresholds can deduct 15% of CIT due for up to six years.
- Stamp Duty: Listed securities rates for transactions under 33% capital are unified at 0.05% per party (0.025% for same-day trades).

2. Value-Added Tax (VAT) Updates

- Medical Devices: Medical-use devices receive a 5% reduced VAT rate. Industrial-use medical devices are eligible for a VAT suspension regime for up to 3 years.
- Refunds & Exemptions: VAT refund eligibility permitted after >4 consecutive periods (or >3 months for SMEs with turnover <EGP 20m). Natural gas loses its VAT exemption (replaced with an EGP 20 per 1,000 cubic feet schedule tax).

3. SME Support, Disputes & Risk Measures

- SME Relief: SMEs with turnover under EGP 20m pay a simplified 0.4%-1.5% turnover tax instead of CIT with various tax exemptions. A 20% one-time buffer allows businesses exceeding EGP 20m but under 24m to retain the 1.5% turnover rate for that year.
- Amnesty & Settlement: Newly registering businesses receive a 100% back-tax waiver. A 6-month grace period applies to amend post-FY2020 filings without penalty, while tax dispute requests are extended through 31 December 2026.

Compliance Risks: Requires full e-invoicing/e-receipt compliance. Unremitted WHT faces a 12.5% statutory compensation fee alongside principal and interest. Single-client

consultants (≥90% income from 1-2 clients) and artificial splits are excluded from SME perks.

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Ghana



Tax and Trade Compliance Update: Key Legislative Changes

Updates on Value Added Tax (VAT)

The Value Added Tax (VAT) Amendment Bill, 2026 passed by Ghana's parliament adjusts the VAT registration threshold to GHS 750,000 for the supply of goods.

Additionally, large-scale gold mining companies that surrender 30% of their gold output to the Bank of Ghana are exempt from paying VAT on those quantities.

Updates on Income Tax

The passing of the Income Tax (Amendment) Bill 2026 has introduced a tax exemption on the national daily minimum wage and increased the individual annual tax fee threshold to GHS 7,056: raising the monthly tax-free income to GHS 588 from GHS 490.

The threshold for the presumptive tax based on turnover has also been expanded to GHS 750,000 to align with the VAT registration threshold for businesses under the regime.

Through these amendments, the government aims to support low-income earners and SMEs as well as simplify compliance and enhance tax administration efficiency.

New Excise Legislation

Parliament has consolidated Excise Duty Act 2014 and Excise Stamp Act 2013 into a single act by passing the Excise Bill 2026.

A significant reform in the new Act is removal of the 20% excise duty on qualifying locally manufactured fruit juices and the revision of the sliding scale excise duty rates to incentivize manufacturers who use locally sourced agricultural raw materials.

New penalties of up to three times the excise duty have also been introduced for tampering with excise controls or stamps.

Customs Reforms

As part of ongoing tax reforms, Ghana has passed a new Customs Bill 2026 to improve revenue mobilization and curb abuses of the customs regime. The new Act is a consolidation of the Customs Act 2015, its amendments and all other customs enactments.

Key reforms include:

- Introduction of maximum warehousing periods: 3 months for perishable goods, 6 months for general goods, and 12 months for raw materials.
- Restriction of re-warehousing to 6 months.
- Mandatory use of electronic inventory systems linked to Customs by bonded warehouses for real-time monitoring.
- Introduction of a first-port duty rule, requiring duties and taxes on transit goods to be assessed in Ghana at the first port of entry.
- Mandatory use of TINs for import declarations.
- Statutory processing timelines,
- Establishment of controls that block new import declaration forms until outstanding ones are retired within set deadlines.

Mandatory Shipper Registration For Importers And Exporters

The Ghana Shipper's Authority has commenced enforcement of the mandatory registration requirement of all active importers and exporters effective August 3, 2026. The directive is in line with Section 26(1) of the Ghana Shippers' Authority Act, 2024 (Act 1122).

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Kenya



Scaling in Kenya? A Guide to Employer of Record Services in Kenya

When an international company decides to establish a local presence in Kenya, the first real operational step that arises is how to onboard employees correctly. The business may already have customers, projects, partners or a clear reason to be in the country, but what it may not have answered yet are questions like, "Who will employ the staff? Who prepares the contracts? Who runs payroll? How are taxes and statutory deductions handled? etc."

For such companies entering Kenya, an Employer of Record (EOR) can provide practical answers to many of these questions. An EOR is a third-party partner that acts as the legal employer for your workforce in Kenya. EOR offers practical solutions for

companies that want to hire local talent without setting up a legal entity in the country. While the company retains full control over the day-to-day tasks and team management, the EOR serves as the official employer for tax, payroll, compliance and legal purposes.

This arrangement makes it possible for the company to hire quickly, remain compliant and focus on business operations without dealing with the complexities of Kenyan employment laws and regulations. Simply put, the EOR serves as the legal bridge between a business and its workforce.

How the EOR Arrangement Works

The legal structure between an EOR and the client company in Kenya is a triangular relationship designed to facilitate local employment without the client needing to establish a local presence. Under this structure, the EOR acts as the legal employer on record, while the client company remains the operational manager.

The relationship is typically formalized through three distinct legal pillars: -

1. Service Agreement (EOR versus Client Company): A service contract between the EOR provider and the foreign/local client company, outlining payroll funding, fees, benefits, expenses, confidentiality, employee data, disciplinary matters, compliance responsibilities and termination.
2. Employment Contract (EOR versus Worker): A written contract compliant with the Employment Act 2007 signed between the EOR and the worker. The EOR is listed as the employer on paper. The contract should clearly set out the employee's role, pay, working hours, place of work, leave and other terms.
3. Assignment Arrangement (Employee versus Client): The employee is assigned to provide services to the client company, which directs their daily tasks, performance, and workload.

The structure is straightforward, but the responsibilities must be clear from the start.

The Value of an EOR

The value of an EOR is not simply that it can issue a pay slip every month. A professional EOR should be able to manage the main employment obligations that come with hiring staff in Kenya. These usually include preparing employment contracts, onboarding employees, maintaining employment records, running payroll, administering leave and benefits, making statutory deductions and assisting with disciplinary and termination processes.

Recent Changes in Law

For every employee, the client company should be able to see the full employment cost being, Salary + employer statutory costs + benefits + insurance + reimbursable expenses + EOR fee.

This matters because the gross salary offered to an employee is not the same as the

total amount the company will spend.

The Finance Act, 2026 introduced a new provision giving clarity on the taxable value for EOR costs for VAT purposes. Section 13, sub-section (5A) clarifies that, "where a supplier provides labour, outsourcing or employee placement services and incurs employee-related costs, such costs shall be deemed to be disbursements made by the supplier on behalf of the client". Employee related costs have been defined under Sub-section (5B) as including *salaries, wages, statutory deductions and such other related costs.*

Conclusion

An EOR does not remove questions around corporate tax, permanent establishment, immigration, licenses or sector-specific regulations. Those matters depend on what the international company is actually doing in Kenya and may require specific advice.

The best way to look at EOR is therefore simple. It is the local employment platform on which an international company can build its Kenyan team. The quality of that platform matters. For companies investing in Kenya, choosing the right EOR should not simply be a payroll decision. It should be treated as part of establishing a properly run local business.

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Mauritius



Qualified Domestic Top-up Tax ("QDMTT")

Mauritius has taken a further significant step in the implementation of the OECD's Pillar Two global minimum tax framework with the publication of the Income Tax (Qualified Domestic Minimum Top-up Tax) Regulations 2026 ("QDMTT Regulations").

The QDMTT Regulations were made on 28 July 2026, gazetted on 8 August 2026 under Government Notice No. 135 of 2026, and are deemed to have come into operation on 1 July 2025. They provide the detailed rules required for the practical application of the Qualified Domestic Minimum Top-up Tax ("QDMTT") framework introduced through the Finance Act 2025.

The QDMTT is broadly intended to ensure that in-scope multinational enterprise ("MNE") groups are subject to a minimum effective tax rate of 15% on relevant profits arising in Mauritius. The introduction of the detailed regulations provides greater clarity on the computation of the QDMTT and the circumstances in which relief or simplification may be available.

De minimis exclusion and safe harbour

One of the important features introduced by the QDMTT Regulations is the de minimis exclusion. Subject to the prescribed conditions and an annual election, the QDMTT for covered persons in Mauritius may be deemed to be nil where the average GloBE revenue is below EUR 10 million and the average GloBE income or loss is either a loss or below EUR 1 million.

The regulations also introduce a transitional Country-by-Country Reporting ("CbCR") safe harbour. During the transition period, the QDMTT may be deemed to be zero where specified conditions are satisfied, including where the MNE group meets the prescribed revenue and profit thresholds, satisfies the simplified effective tax rate test, or meets the substance-based income exclusion test.

These provisions may significantly simplify the compliance and computational requirements for eligible MNE groups and should therefore form an important part of any QDMTT assessment.

Alignment with OECD Pillar Two guidance

Another important aspect of the QDMTT Regulations is their express reference to OECD Pillar Two guidance. The regulations incorporate a defined body of OECD materials, including the GloBE Rules, Commentary, Administrative Guidance, safe harbour guidance and relevant examples.

This approach is important because the GloBE Rules are highly technical and involve a number of concepts that may require interpretation when applied to specific fact patterns. Reference to OECD guidance provides additional context for taxpayers in understanding how the QDMTT provisions are intended to operate and supports greater consistency with the broader international Pillar Two framework.

What should businesses consider?

For businesses with a Mauritius presence that form part of an MNE group within the scope of Pillar Two, the introduction of these provisions makes it important to assess not only whether a QDMTT liability may arise, but also whether the group can benefit from an applicable de minimis exclusion or safe harbour.

MNE groups should therefore consider reviewing their Mauritius entities, ownership structures, financial information and existing GloBE calculations to determine the potential impact of the QDMTT rules and the compliance requirements that may apply.

How can WTS assist?

WTS Mauritius can assist MNE groups throughout the QDMTT compliance process, from assessing whether the Mauritius entities fall within the scope of the regime, reviewing GloBE computations and determining potential QDMTT exposure, to assessing the availability of the de minimis exclusion and applicable safe harbours.

We can also assist with the preparation and review of QDMTT calculations, supporting information and MRA filing requirements, as well as addressing technical questions arising from the application of the Mauritius legislation and OECD Pillar Two guidance.

With the QDMTT framework now supported by detailed regulations, businesses should consider reviewing their Mauritius position and compliance processes to ensure that the available exclusions, simplifications and reliefs are appropriately considered.

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Nigeria



The Taxation of Virtual Assets in Nigeria: Highlights of The NRS Virtual Assets Guidelines

The taxation of digital assets remained a compliance grey area, notwithstanding that Nigeria has one of the fastest growing digital assets markets in Africa until the enactment of the Nigeria Tax Act 2025 (NTA) and the Nigeria Tax Administration Act 2025 (NTAA) which made provisions for the recognition and taxation of virtual assets (VA).

Consequently, the Nigerian Revenue Service (NRS), issued a guideline to regulate the taxation of virtual assets in Nigeria (the Guidelines). As virtual assets remain a novel concept with little regulation and a fast-growing market in need of adequate compliance measures, the Guidelines came at the right time. The new guidelines are aimed at taxpayers, Virtual Asset Service Providers (VASPs), Peer-to-Peer (P2P) marketplace operators, tax practitioners and individuals engaged in VA transactions. In line with the relevant provisions of the NTA & NTAA, the NRS established registration, reporting and record-keeping obligations, valuation principles, and the tax treatment of VA transactions.

Key highlights of the Guidelines include:

1. The Classification and Tax treatments of Virtual Assets: The Guidelines classifies VAs into 6 distinct categories as follows:

   - Category 1: where cryptocurrencies and exchange tokens
   - Category 2: Stablecoins & payment tokens
   - Category 3: Security & Investment tokens
   - Category 4: Utility and governance tokens
   - Category 5: Non-Fungible Tokens
   - Category 6: Sovereign Digital Currency

   Each category has its characteristics, examples and tax treatments

2. **Applicable Taxes**: The Guideline further highlights the applicable taxes imposed on virtual assets in Nigeria as a single transaction may give rise to more than one tax liability. Notably, non-resident entities with significant economic presence may also trigger tax liabilities in relation to their Virtual Asset transactions. The Guidelines further clarifies the application and liability for VAT and Stamp duties.

3. **Taxable and Non-Taxable Events**: The Guidelines also highlight what may be considered a taxable and non-taxable event as well as the tax consequences and collection mechanism where applicable. The Guidelines lists purchase of VAs with fiat, VASPs or P2P escrow, Cross border B2B payment (Naira to token conversion by intermediary), etc., as taxable events while the holding of Virtual Assets, Transfers between wallets, staking lock-up, etc., are classified as non-taxable events.

4. **Applicable Rates and Collection Mechanisms:** The Guideline also stipulates the applicable income tax, Stamp duty & VAT rates relevant to the various taxable VA transactions (ranging from between 1% - 30% depending on the relevant tax class).

5. **Valuation and Computation of Taxable Gains**: Notably, income tax on gain arising from the disposal of VA in Category 1 is to be computed by reference to the USD value of the asset at acquisition and at disposal while Gains arising on disposal of VA in Category 2 are measured against the underlying pegged fiat currency and will in normal circumstances be nil or negligible.

Conclusion

The Guidelines move virtual asset taxation from statutory recognition to an operational compliance framework. Participants must therefore prioritise accurate transaction classification, reliable valuation, proper record-keeping and timely tax reporting. In the same view, market participants must continue to review and align on internal processes with a view to managing tax exposure and compliance risks.

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Senegal



Senegal Proposes a 3% Digital Services Tax under the Draft General Tax Code Reform

The draft reform of Senegal's General Tax Code (CGI) would introduce a 3% digital services tax (DST) on services supplied in Senegal by nonresident companies with a significant digital presence. The proposal seeks to tax more effectively the value

South Africa

generated by the digital economy, much of which remains outside traditional tax frameworks, as highlighted by the OECD's work on BEPS Action 1 and Pillar One. Following the introduction of VAT on digital services, this reform would mark a further step in the taxation of the digital economy.

1. **Scope, application, and operation of the DST**

   The proposed 3% tax would be separate from the value-added tax (VAT) that has applied since July 1, 2024, to digital services supplied in Senegal. VAT is a consumption tax collected from the customer, whereas the DST would be borne by nonresident companies with a significant digital presence in Senegal.

   Such presence would be deemed to exist for a tax year if gross fees billed to customers or users located in Senegal exceed XOF 50 million or if the number of those customers or users exceeds 1,000.

   Customer or user location would be determined from technical or commercial indicators showing that the service is actually used in Senegal.

   The tax base would be the gross amount due or paid by the customer to the service provider. If the service is provided free of charge, the base would be determined by reference to the arm's-length value of the services supplied in Senegal.

   The taxable event would be the provision of the service to the customer or the receipt of payment. Quarterly returns would be due by April 15, July 15, October 15, and January 15.

2. **Steps potentially affected businesses should take**

   Groups potentially within scope should map their digital services, revenue streams, Senegal-based users and customers, and the indicators used to establish where services are used. They should also adapt their information systems to monitor the XOF 50 million and 1,000-user/customer thresholds, identify Senegal-related transactions, and prepare the required quarterly returns.

The 3% DST remains a proposal until the CGI reform is enacted and takes effect. However, the draft already provides substantial guidance. Potentially affected businesses should assess the measure's impact, monitor the legislative process, and follow the ministerial order expected to set out its implementation details.

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Togo



Promulgation of Statutory APA Regulations and Operational Framework

South Africa has reached a major milestone in its international tax architecture: on 7 August 2026, the Minister of Finance published a comprehensive suite of Income Tax Notices in Government Gazette 55152, establishing the binding statutory framework for the Advance Pricing Agreement (APA) system under sections 76C to 76P of the Income Tax Act 58 of 1962 (ITA). Following SARS's introductory announcement of its dedicated APA webpage in mid-July, this extensive regulatory release, supported by the updated 'Advance Pricing Agreements – External Guide' issued on 6 August 2026, officially transitions South Africa's bilateral APA pilot programme from high-level policy into active operational reality.

The gazetted notices establish the complete administrative and legal infrastructure required to process and evaluate APA applications. Notice 7788 issued under section 76C prescribes the eligible categories of persons permitted to apply, while Notice 7787 under section 76D sets out the official fee structure for processing applications. Rejection criteria are strictly defined in Notice 7789 under section 76I(b), complemented by Notice 7790 and Notice 7791 under section 76J, which detail the application requirements and essential information for preliminary Double Taxation Agreement (DTA) APA filings. Finally, Notice 7792 under section 76P establishes the binding operational procedures and guidelines governing the implementation of the DTA APA regime.

The formalisation of these regulatory rules aligns South Africa's transfer pricing enforcement with international best practice, specifically OECD/G20 BEPS Action 14 recommendations. By focusing the initial 2026 pilot strictly on bilateral APAs with DTA treaty partners, SARS provides multinational enterprise (MNE) groups with a structured mechanism to secure ex ante certainty regarding complex, high-volume cross-border transactions such as distribution models, contract manufacturing, and intra-group services. Participating in the pilot allows MNEs to replace reactive, costly transfer pricing audits with binding, multi-year prospective agreements, significantly reducing double taxation exposure.

For taxpayers, the immediate question is one of readiness. An application in terms of section 76J requires a fully documented functional and risk analysis, supporting benchmarking, and a clear articulation of the covered transactions and the critical assumptions, and the prescribed fee is payable irrespective of the outcome. Given that the pilot is limited in scope and in the volume of applications SARS is able to process, MNE groups with material intra-group flows into or out of South Africa should engage with the pre-application consultation process early and should satisfy themselves that existing transfer pricing policies and documentation are capable of withstanding scrutiny before an application is lodged.

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Import-Export Activities Now Trigger an Irreversible Shift from the Simplified TPU Regime

The Togolese Revenue Authority (OTR) has recently clarified the tax treatment of individuals operating under the Taxe Professionnelle Unique (TPU) who undertake import or export transactions. Avis n°008/2026/OTR/CG/CI/CDDI, issued on September 2nd, 2026, recalls that individuals carrying out import and/or export operations are not eligible for the TPU and must move to the real tax regime.

According to clarifications provided by the OTR, a single import or export operation is sufficient to trigger the change of regime, irrespective of the transaction's frequency or value. A taxpayer intending to undertake even an isolated cross-border transaction should therefore assess its tax status before the operation.

The OTR has also clarified that the use of a customs broker does not alter this principle: the broker acts for the importer and uses the principal's tax identification number (NIF). The taxpayer therefore remains concerned where the transaction is carried out during its business.

For import transactions, the practical timing is critical. The taxpayer must change regime before the goods are released from customs. If this has not been done, the goods may remain under customs control until the tax regime is regularized.

The move to the real regime is presented by the OTR as definitive and irreversible. This is particularly relevant for small businesses considering a one-off import, such as equipment, or a first export. By contrast, a strictly private import by an individual carrying on a TPU business may be made using the individual's personal NIF, according to the OTR's clarification.

For international businesses and advisers, the development is relevant when assessing local distribution and sourcing structures. A foreign group supplying the Togolese market should determine at an early stage which local entity will act as importer, which tax regime applies to that entity, and how customs, VAT and accounting requirements will be managed.

The shift to the real regime also has an important VAT dimension. While compliance and accounting requirements are more demanding, the real regime provides a framework for input VAT deduction and, for eligible exporters, access to VAT refund mechanisms subject to the applicable conditions. The OTR therefore considers that maintaining an exporter under the TPU may be inappropriate where the business would benefit from the VAT treatment available under the real regime.

For companies planning to establish or expand cross-border operations in Togo, the key message is simple: **tax-regime analysis should precede the first customs transaction**. Importers, exporters, foreign investors and their advisers should incorporate the TPU eligibility rules into their market-entry, supply-chain and customs planning before goods are shipped.

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