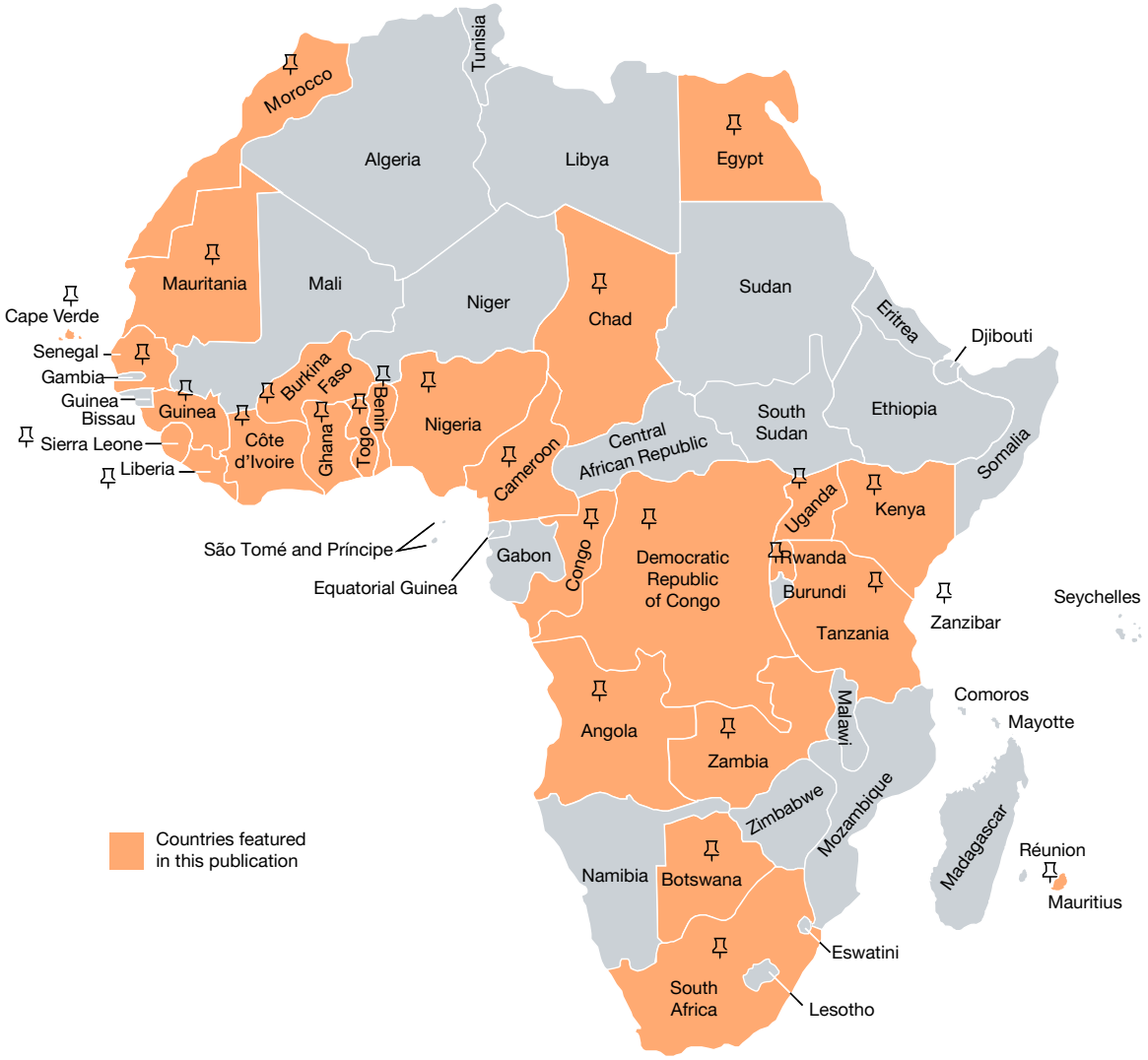
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VAT in Africa: Digital Services 2026



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Foreward



Job Kabochi
Partner | Tax and Legal Services Leader | PwC Kenya

Dear Esteemed Reader,

Welcome to the second edition of PwC's VAT in Africa: Digital Services 2026. This publication is a special edition of our annual VAT Guide in Africa, dedicated to tracking the evolving rules and measures that African countries have introduced to bring electronically supplied services ("ESS") within the scope of indirect taxation.

Africa's digital transformation continues to reshape economies and societies at an extraordinary pace. Across the continent, ESS has become deeply embedded in everyday life. From streaming platforms to cloud-based business tools, digital services tailored to African markets are now used by hundreds of millions of people and businesses, transforming how Africans learn, access healthcare and participate in the wider digital economy.

The economic promise is immense, with e-commerce revenues across Africa continuing to grow rapidly, driven by a youthful, digitally literate population and the rapid expansion of digital infrastructure. As per the **e-Conomy Africa 2020 report,** Africa's digital economy is expected to contribute approximately USD 712 billion to GDP by 2050, with its contribution expected to grow further as digital adoption deepens and diversifies.Yet alongside this promise, a fundamental question persists: How can African governments fairly and efficiently tax the value generated by the digital economy within their borders?

Consider a consumer in Senegal streaming music from a platform headquartered in Sweden, or a business in Nigeria subscribing to a cloud-based accounting tool developed in the United States. The value is consumed locally, but the supplier has no physical presence, no local establishment, and absent specific legislation, no obligation to collect and remit taxes in these African countries.

The resulting gap is both fiscal and competitive: domestic suppliers of comparable services are required to charge domestic taxes, and the failure to extend the same obligation to non-resident digital suppliers creates distortions, undermines tax neutrality and deprives governments of revenue that is rightly due.

Tax policymakers across Africa have taken decisive notice of the revenue mobilisation potential and trade distortions. Of the 54 African countries on the continent, 32 have now amended their VAT / GST and other indirect tax laws to expand the scope of taxation to cover electronic services supplied by non-residents to local consumers. This represents a significant increase from the 21 countries highlighted in our first edition of this publication in 2024.

Countries that have introduced relevant VAT rules since our last publication include Algeria, Botswana, Chad, Republic of Congo, Liberia, Malawi, Mauritania, Mauritius, Rwanda, Togo and Zanzibar. Notably, whilst the United Republic of Tanzania is politically a one country, there exist separate VAT legislation for the Mainland Tanzania and Zanzibar and hence separate ESS rules.

Additionally, several other countries, such as Namibia and Mozambique, have draft legislation in place just pending implementation dates. As such, these are countries to watch in the future.

It is also important to note that there is no harmonised framework for the taxation of the digital economy in Africa. The rules vary from jurisdiction to jurisdiction across several critical dimensions, including but not limited to:

Transaction scope: Some countries only tax business to consumer (B2C) transactions, while others have opted to only tax business to business (B2B) transactions yet others tax without distinction.	
Registration thresholds: The revenue benchmarks that trigger a non-resident supplier's obligation to register for VAT/GST differ significantly.	
Registration frameworks: Certain jurisdictions offer simplified registration regimes or permit the appointment of a tax representative while others do not.	
Invoicing requirements: Requirements and guidelines on the form and content of invoices vary widely.	

These variances make compliance a complex undertaking for any non-resident suppliers operating across multiple African markets. In this second edition, we have set out what non-resident suppliers of ESS need to know: the basic scope of each country's rules, together with practical and administrative insights to support compliance. The publication covers the law and practice across 28 countries on the continent and is based on information available as of 15 August 2026.

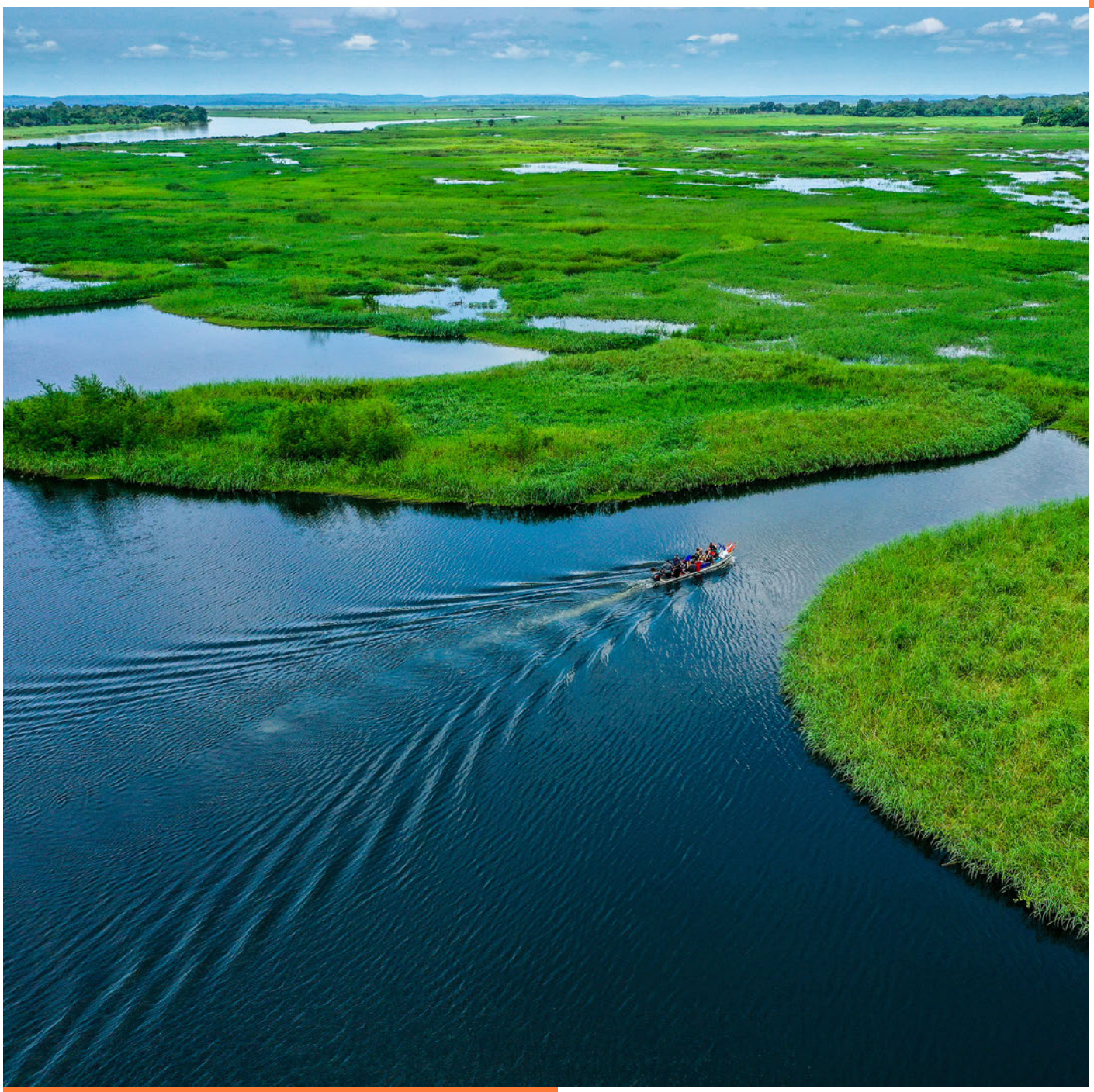
We trust that this guide will serve as a practical, go-to reference for tax professionals and businesses operating in or supplying services to Africa, and that it will stimulate further dialogue and cooperation among stakeholders involved in shaping the taxation of the digital economy on the continent.

For tailored advice, please consult your regular PwC tax advisor or any of our other specialists profiled in this publication.

Full abbreviation list VAT in Africa

Abbreviation	Meaning / use in document
B2B	Business-to-business
B2C	Business-to-consumer
DRC	Democratic Republic of Congo
DST	Digital Service(s) Tax
ESS	Electronically Supplied Services
GST	Goods and Services Tax
NRS	Nigeria Revenue Service
SaaS / SAAS	Software as a Service
SARS	South African Revenue Service
TIN	Tax Identification Number
URA	Uganda Revenue Authority
USD	United States dollar
VAT	Value Added Tax





Angola

VAT on Electronically Supplied Services (ESS)



Overview

According to the Angolan VAT Code, ESS are subject to VAT, when:

i. They are purchased by a taxable person established in Angola (B2B). In this case, the local Angolan business is required to self-account for VAT under the reverse charge mechanism;

ii. They are purchased by private individuals (B2C) which use and enjoy the services in Angola. In these cases, the non-resident supplier should register for VAT in Angola to charge the VAT due.

From a legislative perspective, when supplying B2C electronic services, non-resident suppliers should be able to register directly for VAT purposes. This VAT registration requires the non-resident supplier to appoint a local tax representative, who is jointly and severally liable for the payment of the tax. In this scenario, non-resident suppliers are required to issue invoices in accordance with the Angolan VAT rules, charge VAT, and file VAT returns.

However, the Tax Authority is not accepting declarations of commencement of activity where the non-resident supplier declares itself to be a taxable person solely for VAT purposes. Instead, the Tax Authority is requiring the non-resident supplier to also register as a taxpayer for CIT purposes, which triggers an obligation to file CIT returns.

This approach carries a significant risk from a CIT perspective, as the Tax Authority is likely to presume that the amounts invoiced for VAT purposes constitute taxable income for CIT purposes.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations.

Particulars	Description
Scope	B2C when used and enjoyed in Angola, and B2B.
Liability to remit VAT	• B2C: The supplier • B2B: Acquirer through the reverse charge mechanism
Standard VAT rate	14% on ESS
VAT regime	Standard VAT regime (turnover above AOA 350,000,000 – circa USD 380,000): this regime applies to local entities with an annual turnover. Under this regime, taxpayers are required to issue invoices and charge VAT at standard rate -14%.
	Simplified VAT regime (turnover between AOA 25,000,000 and AOA 350,000,000 i.e. between USD 27,000 – USD380,000). Under this regime, taxpayers must issue invoices without VAT but pay 7% on the total turnover received.
Taxable value	Price payable or paid.
Effective date	1 October 2019
VAT registration threshold	Above AOA 25,000,000 (circa USD 27,000)
Tax invoice	A tax invoice must be provided. Since 1 January 2026, electronic invoicing has been in force.

Services in scope

There are no specific rules for ESS. As such, the services supplied by non-resident suppliers to Angolan customers, whose effective use and enjoyment take place within Angolan territory, are subject to VAT in Angola.

Registration and compliance

A declaration of start of activities must be filed before the beginning of the activity.

As mentioned above, the Angolan tax authorities are not accepting non-resident entities to register solely for VAT purposes. Therefore, the non-resident supplier should appoint a local tax representative to carry out its VAT obligations and register as a taxpayer for CIT purposes.

Once registered for VAT in Angola, the non-resident supplier must complete and submit VAT returns on monthly basis, by the 15th day of the second month following that in which the transactions giving rise.

However, in practice, given the complexities associated with CIT registration and appointing a tax representative, we have not yet seen any non-residents registering for VAT in Angola.

Invoicing

Since 1 January 2026, electronic invoicing is mandatory for the following entities:

- Taxpayers registered with the Large Taxpayers Tax Office
- Suppliers to the Angolan State (public bodies); and
- Taxpayers issuing invoices for supplies of goods or services valued at 25 million Angolan Kwanzas (AOA) or more. For these taxpayers, the option to issue electronic invoices is optional. Alternatively, invoices may be issued through the taxpayer portal, with a limit of up to 300 invoices per year.

All other taxpayers may continue to issue invoices in paper. From October 2026 onwards, electronic invoicing will be mandatory for all taxpayers registered in Angola under the standard and simplified VAT regimes.

Note that taxpayers with an annual turnover less than AOA 25,000,000 (circa USD 27,000) may issue invoices through the Taxpayer website (not qualifying as electronic invoices, at least up to date).

The New Legal Regime for Invoices states all invoices, and equivalent documents must be written in Portuguese and must be issued by a certified software system.

The invoices and equivalent documents issued must contain the following elements:

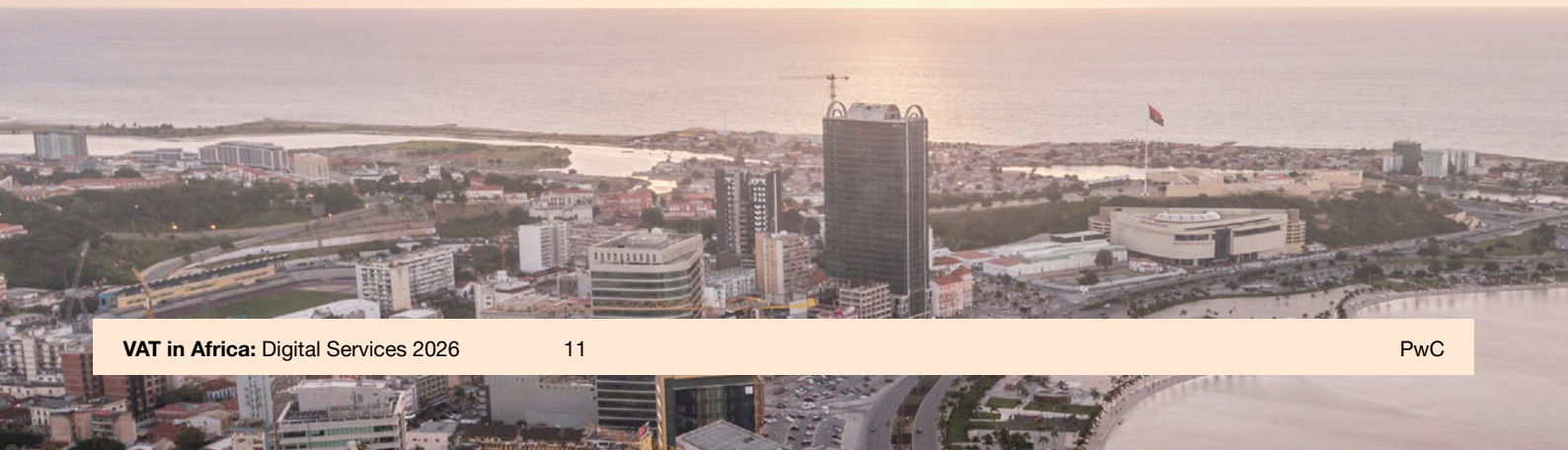
- Name
- Address
- TIN
- Sequential and chronological numbering by type of document and economic year
- Description of the goods sold and services rendered
- Quantities or units purchased
- Unit price in Angolan Kwanzas
- Total price in Angolan Kwanzas
- Applicable tax rates (when applicable)
- Tax amount due (when applicable)Unit and total price written in words
- The justification for the non-settlement of VAT, with indication of the legal norm underlying it (when applicable)
- Date hour and place on which the goods were delivered to the buyer and / or the services were provided (not applicable in case of advance receipts)
- Date on which advance payments were made (if applicable)
- Written in Portuguese
- Identification of the computer system for issuing the invoice and its certification number and hash code.

VAT on costs

The entities that are not registered in Angola are not able to deduct VAT incurred on acquisitions of goods / services in Angola. However, where a non-resident entity is registered via a tax representative, it is deemed to be an Angolan entity and, therefore, it will be able to recover any VAT incurred in Angola.

VAT on cryptocurrency/digital assets

Currently, Angola does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.



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Benin

VAT on Electronically Supplied Services (ESS)



Overview

VAT is due when a non-resident provides goods or services via an electronic platform to a resident established in Benin. VAT is charged by the non-resident regardless of the nature of the beneficiary. (Article 224 of the General Tax Code (GTC); Tax administration note of 2023)

Particulars	Description
Scope	B2C only. Where the customer is a VAT-registered business subject to the Benin VAT regime, the non-resident supplier is not required to charge VAT. In such cases, the VAT is accounted for by the customer under the reverse-charge mechanism.
Liability to remit VAT	The non-resident supplier is liable to remit VAT where the recipient is a B2C. Where recipient is a VAT registered business in Benin, the local business must account for VAT as per the reverse charge mechanism.
VAT rate	18%
Taxable value	Price payable by the recipient of the supply
Effective date	14 April 2023
VAT registration threshold	Companies or individuals with a turnover exceeding XOF 100,000,000 (circa USD 170,000)
Tax invoice	Yes

Services in scope

VAT applies to:

- The supply of digitised products in general, including software and software modifications or upgrades.
- Services that provide or support a professional or personal presence on an electronic network, such as a website or web page.
- Services generated automatically from a computer via the Internet or an electronic network, in response to the input of specific data by the recipient.
- The transfer for, consideration, of the right to offer a good or service for sale on an Internet site operating as an online marketplace, on which potential buyers make their bids by means of an automated procedure and on which the parties are notified of a sale by electronic mail generated automatically from a computer.
- Internet Service Packages (ISP) of information in which the telecommunications component forms an accessory and subordinate part (i.e. packages going beyond simple internet access and including other elements such as content pages providing access to news, weather or travel reports, playgrounds, website hosting, access to on-line debates, etc.).
- The following services: The provision of websites, website hosting, remote maintenance of programs and equipment.



Registration and compliance

Non-resident suppliers are required to register locally with the tax authorities. Once registered for VAT, they must complete and submit monthly VAT returns. VAT returns and payments are due by the 10th of every month for the preceding month.

Invoicing	The law does not specify the invoicing method to be adopted.
VAT on costs	Non-resident suppliers registered under the simplified tax registration are precluded from recovering any VAT incurred on costs in Benin as input tax. Accordingly, any Benin VAT incurred by the non-resident suppliers are an absolute cost.
Other considerations	A withholding tax of 20% applies to all remuneration for ESS provided or used in Benin and paid to foreign electronic service suppliers located in a country with no DTA with Benin.
VAT on cryptocurrency/ digital assets	Currently, Benin does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Botswana

VAT on Electronically Supplied Services (ESS)



Overview

Botswana introduced VAT on remote services supplied by non-residents through the VAT Act, 2026 and the VAT Regulations, 2026 (giving effect to the VAT (Amendment) Act, 2025). “Remote services” are defined in section 2 of the Act as services where, at the time of supply, there is no necessary connection between where the supplier physically performs the service and where the recipient is located, excluding accredited degree or diploma programmes. This covers digital content, online platforms, software and software maintenance, cloud services, website hosting, and remotely provided professional services.

14%

VAT % for non-resident suppliers

Non-resident suppliers must charge and remit VAT at 14% on supplies to consumers (B2C), while supplies to registered persons, government entities, and large unregistered persons are reverse charged by the recipient (B2B). Registration is required where taxable remote services to Botswana exceed, or are expected to exceed, BWP 500,000 (circa USD 37,250) in any 12-month period. Registration commenced on 1 June 2026, and the charging obligation from 1 October 2026.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations

Particulars	Description
Scope	B2C
Liability to remit VAT	Depends on the status of the recipient. Where the recipient is a registered person, a government entity or a large, unregistered person, the recipient accounts for VAT under the reverse charge mechanism. Where the recipient is a non-VAT-registered consumer, the non-resident supplier (or the electronic marketplace operator treated as supplier) must register, charge, and remit the VAT.
VAT rate	14%
Taxable value	The price payable by the recipient for the supply. There are no separate levies forming part of the taxable value of remote services.
Effective date	The VAT Act, 2026 came into operation on 1 July 2026. Registration of non-resident remote service suppliers commenced on 1 June 2026, and the obligation to charge and remit VAT commenced on 1 October 2026.
VAT registration threshold	For non-resident suppliers: BWP 500,000 (approx. USD 37,250) of taxable remote services supplied to Botswana.
Tax invoice	Yes, a registered supplier of remote services must issue an invoice or receipt containing the prescribed particulars. There is currently no e-invoicing (electronic fiscal device) obligation imposed on non-resident remote service suppliers.

Services in scope

1 For the purposes of the definition of "remote services" as provided in the Act, the following services shall be remote services provided the location requirement in the definition is satisfied:

- An online supply of e-books, music, games, apps, software, software maintenance, gambling services, streaming television shows, films, podcasts and any form of digital content
- Electronic data management services including website hosting, online data warehousing file-sharing and cloud storage services
- Webinars or distance learning courses
- Website design or publishing services
- Professional services, such as legal, accounting, and consultancy services, that are provided remotely
- Any of the above services provided through an electronic marketplace
- Any other service that satisfies the location requirement in the definition of "remote services" in section 2 of the Act

2 A supply of an inbound tourism product shall not be a remote service.



Registration and compliance

Who must register

A non-resident supplier of remote services must register for VAT where the value of taxable remote services supplied to Botswana exceeds, or is expected to exceed, BWP 500,000 (approx. USD 37,250) at the end of, or at the beginning of, any period of 12 months or a lesser period (section 13 of the VAT Act, 2026). Where remote services are supplied through an electronic marketplace, the marketplace operator is deemed to be the supplier and carries the registration and compliance obligations.

A supplier is not required to register where it supplies remote services solely and exclusively to registered persons, government entities, and large unregistered persons, as those recipients account for the VAT under the reverse charge mechanism.

How to register

Registration is made through online lodgement of the form approved by the Commissioner General. The supplier must provide, among other details:

- Its name and trading name;
- Address, phone, and electronic contact details
- The compliance responsible person
- The website/URL used for the taxable activity
- Its foreign TIN; and certified copies of its incorporation/registration and tax certificates, translated into English where applicable.

A non-resident supplier or electronic marketplace operator may also be required to appoint a VAT representative, but this is not mandatory.

Filing and payment
Non-resident suppliers of remote services are required to file quarterly VAT returns for periods ending 31 March, 30 June, 30 September and 31 December. Returns must be lodged and any VAT due paid within 28 days after the end of the relevant quarter.

Key timelines

- Registration of non-resident remote service suppliers commenced on 1 June 2026
- The obligation to charge and remit VAT commenced on 1 October 2026 (BURS's Public Notice of 29 May 2026)
- The first tax period is October to December 2026, with the first return and payment due by 28 January 2027.

Invoicing

- Non-resident suppliers of remote services must issue an invoice or receipt containing the prescribed supplier, customer, service, and VAT information.
- There is currently no specific requirement for non-resident remote service suppliers to issue invoices through Botswana's electronic billing (electronic fiscal devices (EFDs)/e-invoicing) system. The electronic billing system is scheduled to commence in early 2027.
- Invoices may be issued in any foreign currency. With the approval of the Commissioner General, remote service suppliers may report and pay VAT in USD, EUR, GBP, or another approved foreign currency.
- While the legislation does not prescribe a specific invoice language, documents submitted to Botswana Unified Revenue Service (BURS) that are not in English must be translated into English. In practice, invoices and supporting records should be capable of being provided in English upon request.
- VAT records and supporting documentation may be maintained outside Botswana but must be made available to the Commissioner General upon written request.

VAT on costs

Non-resident suppliers are not entitled to recover VAT incurred in Botswana.

Other considerations

Platform liability: An electronic marketplace operator can be deemed to be the supplier and is then responsible for VAT registration and compliance.

Botswana does not levy a Digital Services Tax or SEP tax on non-resident suppliers of remote/digital services. However, certain payments (e.g. royalties, technical fees sourced in Botswana) may fall within the withholding tax (WHT) mechanism and be subject to Botswana WHT, subject to any Double Taxation Agreement (DTA) relief.

Penalties

Late-payment interest of 1.5% applies for each month (or part thereof) during which tax remains unpaid. A transitional waiver of late-payment penalties applies for 12 months from commencement of the Tax Administration Act, although interest and assessment/audit risk remain.

VAT on cryptocurrency /digital assets

The VAT legislation does not specifically address cryptocurrency or digital assets. As a result, general VAT provisions apply, and VAT is not expected to arise on the mere holding or exchange of cryptocurrencies. However, VAT may apply to the underlying supply of taxable goods or services where cryptocurrency is used as a form of payment.

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Burkina Faso

VAT on Electronically Supplied Services (ESS)



Overview

Burkina Faso introduced VAT for digital services under its 2025 Finance Act, bringing non-resident digital service providers and e-commerce platforms into the VAT regime.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2B and B2C
Liability to remit VAT	The non-resident supplier must appoint a representative domiciled in Burkina Faso. The representative is also responsible for remitting the VAT charge to the tax authority.
VAT rate	18%
Taxable value	The price payable for the service.
Effective date	1 January 2025
VAT registration threshold	Non-residents are subject to VAT upon sale to a customer in Burkina Faso.
Tax invoice	Yes.

Services in scope

Services supplied in Burkina Faso through foreign or local e-commerce platforms, including commissions charged by online platform operators in connection with these transactions.



Registration and compliance

Any non-resident supplier providing ESS to any consumer (B2B or B2C) in Burkina Faso must appoint a representative to submit the return and remit the VAT charge to the tax authority by the 15th day of the month following the VAT period.

Where sales are made to business customers (B2B), Burkina Faso does not have the concept of a reverse charge. However, where the non-resident fails to comply with its VAT obligations, the VAT is recoverable from the recipient of the taxable transaction.

Invoicing

Generally, taxpayers are required to issue standard invoices in accordance with the conditions and security features as prescribed by the Ministry of Finance.

In Burkina Faso, certified electronic invoicing is mandatory only for taxpayers falling under the Large and Medium Enterprises Directorates.

Invoices may be issued in a foreign currency; however, VAT must be reported and paid in CFA francs (XOF). Invoices and supporting documents must be retained for ten years and must be made available to the tax authorities upon request.

VAT on costs	The law is not clear on whether non-resident suppliers can recover VAT incurred in Burkina Faso. However, based on local experience, any VAT incurred on costs is not recoverable by non-residents.
VAT on cryptocurrency/ digital assets	Currently, Burkina Faso does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Cameroon

VAT on Electronically Supplied Services (ESS)



Overview

The 2020 Finance Law was officially enacted on 24 December 2019 and incorporated into the 2020 GTC which came into force on 1 January 2020. This Code, and its Circular Letter n°006/MINFI/DGI/LRI/L dated 21 February 2020, subjects non-residents supplying electronic services to both Cameroonian individuals - B2C and Cameroonian businesses - B2B - to the payment of the VAT.

The law requires both resident and non-resident operators of e-commerce platforms operating in Cameroon to pay VAT on goods and services sold within Cameroonian territory, as well as on any commissions earned. E-commerce platforms are defined as tools that remotely connect people electronically for the sale of goods or the provision of services. In line with this, Section 127(15) of the Code subjects all commercial operations conducted in Cameroon through such platforms to VAT, while Section 127(16) specifically extends VAT to commissions arising from these transactions.

Section 149 (c) of the same Code provides that the VAT due on the sale of goods and services provided through e-commerce platforms must be calculated, declared, and paid into the Treasury by the non-resident supplier, who is required to register for VAT in Cameroon.

In 2026, Cameroon introduced major additions like:

- Mandatory real time e-invoicing for VAT transactions; and
- A 3% minimum tax on gross income from Cameroon sourced digital activities for non-resident platforms and a SEP nexus with thresholds of XAF 50 million (circa USD 90,000) revenue or 1,000 users in Cameroon.



The following table provides an overview of the key provisions under the VAT regime for ESS:

Particulars	Description
Scope	Both B2B and B2C
Liability to remit VAT	Non-resident supplier
VAT rate	19.25%
Taxable value	Price payable by the recipient of the supply
Effective date	B2B and B2C sales from 1 January 2020, e-invoicing and digital platform minimum tax effective 1 January 2026
VAT registration threshold	Not applicable
Tax invoice	There is a requirement to issue a tax invoice detailing the VAT paid for the services, from 2026, mandatory certified electronic invoicing.

Services in scope

The services affected by this law include services of any kind which are provided in Cameroon through electronic platforms by non-resident vendors/suppliers, as long as the customer is based in Cameroon. According to the Circular, an electronic platform is a digital tool that electronically connects people with a view to selling a good or providing a service. Such a platform may be used:

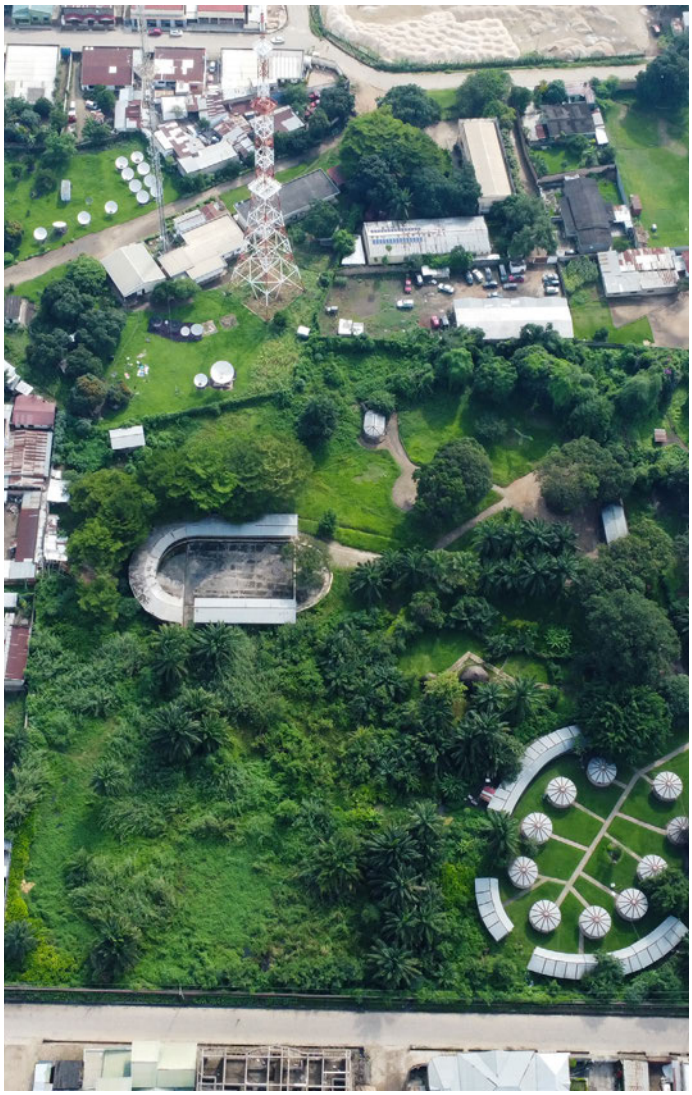
- By an operator who connects suppliers and customers; and
- By a supplier for the distribution of its products or services.

E-commerce platforms are considered foreign platforms when they are operated by non-residents. Similarly, when a non-resident supplier uses a Cameroonian platform, if their supplies are to consumers in Cameroon, then their services would be subject to VAT.

Neither the Finance Law nor its implementing circular lists any specific services that fall within the scope of application.

The scope is therefore broad, covering, without distinction:

- Sales of goods and services carried out on Cameroonian territory or through foreign or local e-commerce platforms;
- Commissions received by e-commerce platform operators in connection with transactions carried out.



Registration and compliance

Non-resident suppliers are obligated to register themselves with the Cameroon tax authorities. These suppliers benefit from a simplified registration process which can be done remotely. They must apply for registration online via the **Direction Générale des Impôts'** (DGI or Directorate General of Taxation's) website **http://www.impots.cm/**

For platforms already operating in Cameroon, this obligation must be fulfilled 15 days following the date they were notified by the tax administration of their filing obligations. The tax authorities assume non-resident platform operators have been aware of their obligation to register since 1 January 2020. Non-residents operating newly created platforms must register as soon as they begin operations in Cameroon.

In addition, they are obliged to assess, collect, and remit VAT on all services and commissions received from the performance of services rendered on Cameroonian soil. Where the transactions relate to provision of services, the VAT can be collected and remitted by the platform operator. However, it should be noted that if a service has been acquired via the platform by a taxpayer liable for VAT in Cameroon and the non-resident platform operator has failed to fulfil his obligation to collect and remit VAT, the local customer liable to VAT is exceptionally entitled to assess, collect and pay the VAT (reverse charge mechanism).

Non-resident suppliers are obliged to complete and submit monthly VAT returns online via the Directorate General of Taxation's website.
The deadline for submitting the VAT returns and payment of this VAT is by the 15th of the following month in which the services were rendered.

Invoicing

Non-resident suppliers providing the ESS are required to issue electronic tax invoices. From 1 January 2026, Cameroon mandates real-time e-invoicing using certified solutions, with structured data transmitted to the tax authority for validation/recording. Suppliers must issue compliant electronic tax invoices. Language and currency generally follow business practice (French/English; XAF), subject to specific platform requirements that will be clarified by implementing rules.



VAT on costs

The legislation does not provide a specific answer for the case of non-resident suppliers of ESS.

The general principle in force in Cameroon is that only persons liable to tax who are registered and subject to the “actual earnings tax system” (i.e., those with an annual turnover excluding tax equal to or greater than FCFA 50 million) and who are on the list of active taxpayers who are up to date with their tax obligations may recover VAT on costs.

This can be obtained through the deduction mechanism. As such, given that the law is not clear on whether non-resident supplier can recover input tax in Cameroon, the general rules should apply i.e. VAT borne in Cameroon by these entities should be deductible if they meet the general rules for input tax deduction.

Other considerations

Non-resident suppliers without presence or legal representation, should take note of the Special Income Tax (SIT) which is levied at a rate of 15% on amounts paid abroad, as remuneration for various services provided from abroad but used in Cameroon. This is similar to Withholding Tax.

From 1 Jan 2026, non-resident digital providers with SEP must also register on the DGI digital portal to report Cameroon sourced gross receipts and, where applicable, pay the 3% minimum tax or opt into standard CIT at 30% with conditions.

Whilst SIT applies to non-resident companies without presence or legal representative in Cameroon, SEP only applies to non-resident companies that have met the SEP criteria i.e. either earning 50 million XAF (circa USD 90,000) in annual turnover generated from customers in Cameroon or 1,000 or more customers or account holders located in Cameroon.

VAT on cryptocurrency/ digital assets

Currently, Cameroon does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Cape Verde

VAT on Electronically Supplied Services (ESS)



Overview

The VAT regime for ESS, was approved by Law 4/X/2021 (2022 State Budget) and came into force on 1 January 2022.

The regime was republished in 2024 through Law 41/X/2024, which approves the Legal Framework for Digital Services and Electronic Commerce, published on 12 August 2024.

This regime applies to the international e-commerce operations carried out in Cape Verde by taxpayers included in the list of large e-commerce players to be prepared by the Ministry of Finance based on data provided by financial institutions.

This regime applies to international e-commerce operations, as defined below (see “Services in Scope”), whenever the consumer has their head office, permanent establishment or domicile in national territory or whenever the payment originates in Cape Verde or is intermediated by a financial institution established therein.

E-commerce operators to be listed therein, are obliged to complete a simplified registration through the electronic page. In this regard, there are two different regimes applicable within the ESS regime:

- General regime: Applicable to the taxable persons that proceed with the simplified registration

- Subsidiary regime: Applicable to the taxable persons that do not complete the registration

VAT is due the moment the payment for the supply is authorised by the financial institution, at the VAT rate applicable (reduced or standard rate), if the taxable person is in the general regime, or only at the standard rate of 15% if the taxable person is in the subsidiary regime. Nevertheless, currently, there is only a single rate of 15% foreseen in the VAT legislation.

The following table provides an overview of the key provisions under the VAT regime for ESS:

Particulars	Description
Scope	The regime applies to all taxable persons identified on the list of main e-commerce operators and does not distinguish between the electronic supply of services provided to individuals (“B2C”) or businesses (“B2B”).
Liability to remit VAT	By the supplier of the electronic service
VAT rate	15%
Taxable value	Price payable by the recipient of the supply
Effective date	1 January 2022
VAT registration threshold	Not applicable
Tax invoice	Non-resident suppliers under the ESS regime are required to issue electronic tax invoices.



Services in scope

For purposes of applying to the ESS regime, the following operations constitute e-commerce supplies, as long as it is carried out via an electronic platform, portal, or similar interface:

- The provision of services, for providers that are not established, do not have a fixed establishment, nor a permanent address in Cape Verde.

The regime is only applicable to remittances with a value of up to 10,000 CVE (circa USD 100).

Registration and compliance

Registration requirements under the ESS regime are only applicable to designated main e-commerce operators, regardless of whether its supplies are made under a B2B or B2C arrangement.

In this regard, financial institutions must provide the Tax Authorities with data on the highest value payments made to suppliers of electronic services, which will be then compiled into a list of entities to which simplified registration is mandatory.

Provided that a non-resident supplier is included in this list, it is required to complete the registration by the end of June.

Once registered for VAT under the ESS regime, non-resident companies are required to submit quarterly VAT returns. The corresponding VAT payments must be made by the end of the month following the end of the VAT return period (quarter).

Invoicing

Non-resident suppliers providing ESS are required to issue invoices in accordance with VAT legislation requirements.

Please note that, starting on 1 January 2024, the concept of “invoices issued in legal form” granting the right to deduct input VAT, has been updated covering only invoices issued electronically.

Moreover, whilst it is acceptable for non-resident suppliers to invoice customers/recipients in a foreign currency, the invoice should always contain an explicit reference to the Cape Verdean VAT, regardless of the currency in which it is denominated.

In addition to the invoice, remittances should contain the identification of the recipient on its outer side and the VAT number attributed to the non-resident supplier under the ESS regime.

VAT on costs

The Special VAT regime for e-commerce does not addresses VAT recovery on incurred costs. Thus, the general regime foreseen in the VAT Code applies, and input VAT incurred in Cape Verde may be recovered on the quarterly VAT returns.



Other considerations	Whilst the ESS regime is legally enforced, it has yet to materialise in practice as the main e-commerce operators list has not been published by the relevant government office.
VAT on cryptocurrency/ digital assets	Although cryptocurrency related activities are legally recognised and regulated in Cape Verde, the VAT legislation does not contain any specific provisions on cryptocurrency.

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Chad

VAT on Electronically Supplied Services (ESS)



Overview

Chad has progressively extended the scope of VAT to cover electronic and digital services supplied to consumers within its territory, as part of broader reforms to modernise the VAT system and protect the domestic tax base.

The Finance Law for the 2025 fiscal year, effective from 1 January 2025, introduced amendments to the General Tax Code to explicitly bring electronic services and digital supplies within the scope of taxable VAT supplies in Chad, carried out either through foreign or local e-commerce platforms.

The Finance Law for the 2026 fiscal year, effective from 1 January 2026 subsequently defined digital services to include the supply of goods and services provided electronically through electronic communication networks and expanded the scope to include commissions received by intermediary platforms in connection with the sale of services within the Chadian territory.



The following table provides an overview of the key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	The non-resident supplier together with their accredited resident representative is liable to remit and pay the VAT. In the event that the non-resident does not have a representative or a permanent establishment in Chad, the client or customer will be required to account for the VAT through the reverse charge mechanism
VAT rate	17.5% (plus a 10% additional surcharge of the VAT amount)
Taxable value	The taxable value for services is the price of the service received.
Effective date	1 January 2026
VAT registration threshold	Annual turnover of at least XAF 50 million (circa USD 87,000)
Tax invoice	The non-resident will be required to issue standardised electronic invoices

Services in scope

Operations carried out through foreign or local e-commerce platforms, as well as commissions received by the operators of these platforms including;

- Digital services including supplies of goods or services carried out automatically over a computer and/or electronic network, and
- Commissions received by foreign digital platforms in connection with the sale of services within Chadian territory.



Registration and compliance

The non-resident supplier liable for VAT must, within 15 days following the start of their activity, submit a declaration of existence to the Directorate of Large Enterprises together with an application for registration as a person liable for VAT.

Once registered, taxpayers are required to submit monthly declarations via the tax management system (e-TAX), accompanied by the mandatory supporting documents, by the 15th of the following month. The operations of registration, declaration and payment of taxes collected by the operators of e-commerce platforms can be carried out online through the administration's e-Tax portal.



Invoicing

Taxpayers are required to issue standardised electronic invoices through electronic invoicing machines certified by the General Directorate of Taxes. For taxpayers with business invoicing systems for their own account, the systems must meet the technical specifications issued by the General Directorate of Taxes and must be approved before use in Chad.

Invoices must be issued in Central African CFA Franc (XAF). Based on the General Tax Code, the taxable base should be rounded down to the nearest thousand, for VAT calculation purposes.

VAT on costs

Non-resident suppliers may recover the VAT incurred on the cost components of a taxable transaction in the month following that in which the taxable transactions are carried out, provided that the relevant conditions are met.

Other considerations	In accordance with Chadian tax laws, non-resident suppliers are required to appoint an accredited solvent representative, resident in Chad, who is jointly and severally liable with them for the payment of VAT.
VAT on cryptocurrency/ digital assets	Currently, Chad does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Côte d'Ivoire

VAT on Electronically Supplied Services (ESS)



Overview

VAT on ESS was introduced in Côte d'Ivoire in 2022 to address the growing use of digital services and e-commerce. Following its enactment, an explanatory note was issued by the Minister of Finance to address implementation concerns surrounding the law in October 2023.

The following table provides an overview of the key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	Non-resident supplier
VAT rate	18%
Taxable value	Price payable by the recipient of the supply
Effective date	VAT on ESS was introduced in January 2022. In addition to the explanatory note issued by the Minister, the law took effect from April 2024 to allow affected persons time to integrate it into their systems.
VAT registration threshold	Contrary to the monetary thresholds for the mandatory registration of VAT in Côte d'Ivoire, non-residents providing ESS must charge and remit VAT on services when services have been provided irrespective of turnover.
Tax invoice	Yes

Services in scope

Online advertising services, online data services, online markets, digital content services, online gaming services, cloud computing services, social network platform, and search engine.

Registration and compliance

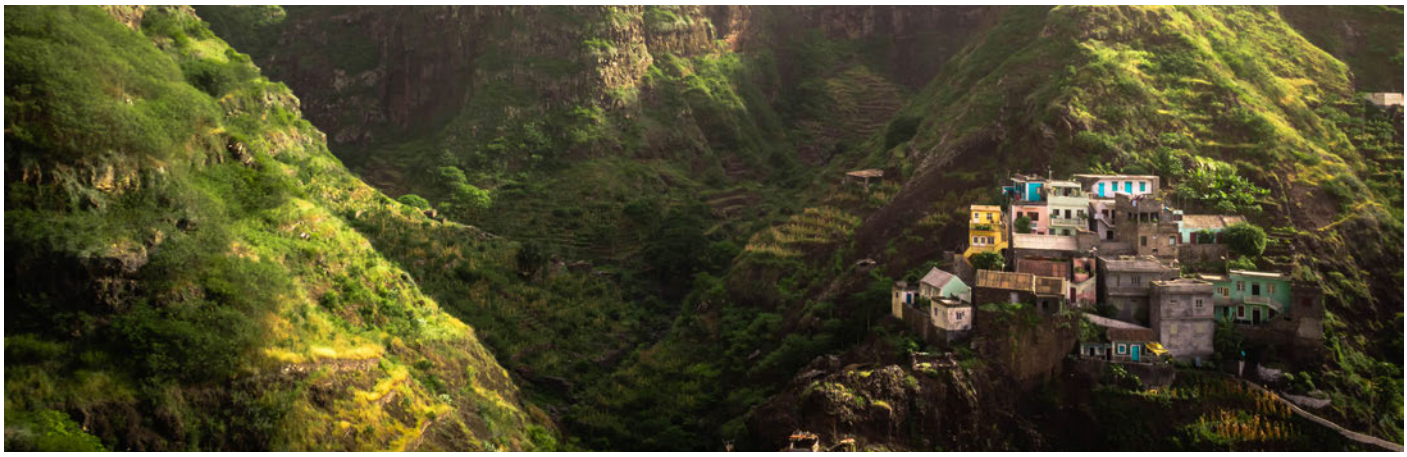
Non-residents suppliers must register for the simplified remote registration and VAT declaration procedure. However, this registration, does not create a permanent establishment for the person in Côte d'Ivoire.

The simplified VAT return is filed and paid quarterly via the e-Impôts portal of tax administration, no later than by the 20th of the month following the end of each quarter, i.e. by 20 April, 20 July, 20 October and 20 January of each year.

Invoicing

For invoicing B2C, companies will continue to issue receipts to customers in accordance with their existing procedures.

For B2B invoicing, while companies will continue to use their current methods. However, it is imperative for non-resident companies to include the following details to allow VAT to be deducted for B2B customers (the customer's name, taxpayer identification number, the nature of the service, the date of the service and the amount charged).



VAT on costs

Non-resident suppliers providing ESS in Côte d'Ivoire cannot claim deductions for any input VAT incurred in the course of their business.

Other considerations

A withholding tax of 20% applies to payments for ESS provided or used in Côte d'Ivoire paid to foreign electronic service suppliers located in a country with no Double Taxation Agreement ("DTA") with Côte d'Ivoire.

Côte d'Ivoire has also introduced the SEP Tax, effective from 2026, which applies to digital platforms once they generate at least CFA 50 million in remote turnover from Ivorian consumers.

The tax is assessed at a rate of 30% on a deemed profit equal to 10% of the turnover derived from services provided to customers in Côte d'Ivoire. To avoid double taxation, any tax already withheld at source on these services may be credited against the SEP tax payable on the platform's profits.

10%

Turnover derived from services provided to customers

VAT on cryptocurrency/ digital assets

Côte d'Ivoire does not have specific VAT rules on cryptocurrency as cryptocurrency related activities are not legally recognised in Côte d'Ivoire.

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Democratic Republic of Congo

VAT on Electronically Supplied Services (ESS)



Overview

VAT on ESS was introduced in the Democratic Republic of Congo ("DRC") by Ordinance Law no. 10/001 on 20 August 2010, and Decree no. 011/42 of 22 November 2011, which included implementing procedures.

Under this law, foreign ESS providers must appoint a tax representative in the DRC, otherwise, VAT is collected and paid by the service consumer based in the DRC.

In such cases, the reverse charge mechanism is available, allowing service consumers to charge for VAT declared on behalf of foreign service providers who do not have a tax representative in the DRC and automatically take an input VAT deduction.

The law makes no distinction in the application of legal provisions concerning services to individual consumers (B2C) or to businesses (B2B). However, it is difficult for the tax authorities in the DRC to collect VAT on services supplied by foreign providers to local consumers.

If a foreign supplier does not appoint a tax representative, the VAT burden shifts to the local customer. However, individuals usually do not meet the VAT-registration threshold under the VAT law. Which means they are not VAT-registered and cannot file VAT returns to declare the tax. As a result, the VAT due on these transactions often goes uncollected.



The following table provides an overview of the key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	A non-resident without a permanent establishment in the DRC providing electronic services to DRC resident customers (B2B or B2C) is required to appoint a tax representative to comply with VAT regulations. If no tax representative is appointed, a reverse charge mechanism applies, where the local customer is required to declare the VAT on behalf of the foreign supplier and deduct.
VAT rate	16%
Taxable value	Price payable by the recipient of the supply
Effective date	20 August 2010
VAT registration threshold	Non-resident providers of ESS are not subject to a VAT registration threshold.
Tax invoice	VAT must appear on an invoice or any other supporting documents in place of an invoice in order to be deducted. Non-resident ESS providers without local representatives are allowed to issue invoices without VAT. However, VAT must be accounted for using the reverse charge mechanism in order to be claimable as a deduction. In all situations, the foreign service provider must issue an invoice that allows the local customer to justify the expenditure. Otherwise, the deductibility of the item may be called into doubt with regards to CIT.

Services in scope

Electronic services supplied online include:

- The supply and hosting of computer sites
- The online supply and updating of software
- The supply of images, text, and information
- The provision of databases
- The supply of music, films, and games
- The supply of digitised books and publications
- The supply of distance learning services, and the remote maintenance of programs and equipment.



Registration and compliance

Foreign service providers with no permanent establishment in the DRC are not required to register for VAT in the DRC. Instead, they are required to appoint a tax representative resident in the DRC. The representative must be designated by means of a legalised or notarised letter addressed to the tax authorities and will then be approved by the tax authorities. If no fiscal representative is appointed, VAT should be accounted for by the local customer as per the reverse charge mechanism.

VAT on ESS in the DRC must be filed and paid monthly, with both the return and the payment are due by the 15th of the following month.

Invoicing

According to Order No. 23/10 of 3 March 2023, economic operators are required to provide standardised invoices and use electronic fiscal equipment to issue bills. However, these requirements are not applicable to non-resident suppliers.

VAT on costs	Foreign companies charged with VAT on goods or services consumed in the DRC are not allowed to reclaim this VAT. However, if the goods or services are not meant to be consumed in the DRC, they are not subject to VAT.
Other considerations	A levy of 14% is charged on payments made to non-resident service providers. This tax is withheld by the service consumer at the payment of the bill. The tax must be declared and paid to the tax administration not later than the 15th of the month following the month of payment.
VAT on cryptocurrency/ digital assets	Currently, the DRC does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets

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Egypt

VAT on Electronically Supplied Services (ESS)



Overview

As part of the Egyptian government's ongoing digital transformation efforts, the Egyptian Tax Authority ("ETA") has implemented a simplified VAT registration and compliance framework for non-resident vendors and electronic distribution platforms (EDPs), that sell or provide remote services to final consumers in Egypt.

In addition, an Application Programming Interface (API) platform has been introduced for B2B transactions, enabling non-resident suppliers to verify their customers' Tax Registration Number (TRN) or Unique Identification Number (UIN). Please note that it is mandatory for non-resident suppliers to implement the API platform as this is the only way to verify their Egyptian customer's TRN or UIN.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	**B2C case:** The non-resident is required to collect and remit the VAT due. **B2B case:** The non-resident is required to collect and remit the applicable VAT if the service recipient (resident in Egypt) does not provide a valid TRN or UIN, and if the non-resident has not implemented the API platform. **B2B case:** If the non-resident supplier has implemented the API platform and the business customer in Egypt has provided its TRN or UIN, then the service recipient (resident in Egypt) shall apply the reverse charge mechanism.
VAT rate	• Supplies made on the e-service are subject to VAT at the rate of 14%. However, if the API cycle is fully completed as set out above, then the non-resident is not required to charge VAT and the Egyptian customer to account for VAT under the reverse charge mechanism. • Professional and consultancy services are subject to VAT at the rate of 10%.
Taxable value	The total amount of the provided service
Effective date	20 June 2023
VAT registration threshold	• EGP 500,000 (circa USD 9,500), or equivalent in any other currency for any period of 12 months, for services subject to the general VAT rate of 14%. • Companies providing professional and consultancy services, are required to register for VAT from day one, with no registration threshold applicable.
Tax invoice	The service provider shall provide a tax invoice including the due VAT amount.

Services in scope

Relevant services include any services where, at the time they are performed, there is no required connection between the recipient's physical location and the place where the service is physically performed, as detailed below:

- Supplies of digital content, such as e-books, movies, TV shows, music, and online newspaper subscriptions
- Website design or publishing services
- Online supplies of games, apps, software, and software maintenance
- Legal, accounting, or consultancy services

In other words:

1. The service is delivered online or remotely
2. The customer and the supplier are in different countries
3. The physical location of the customer does not affect how the service is delivered

Registration and compliance

To register under the simplified vendor registration regime, the vendor should create an account on the Egyptian Tax Authority (ETA)'s website.



Filing VAT returns

Non-resident suppliers providing services to a non-VAT-registered consumers in Egypt are required to file a monthly tax return with the ETA as they fall under the simplified electronic VAT return. The return must be submitted by the end of the month following the relevant taxable period, along with payment of the VAT due. Please note that the ETA currently accepts payments in USD, EURO, GBP only.

Invoicing

The invoice/receipt which can be in any format, must contain the following information:

- A clear description of the service, the amount charged, the rate, and the VAT amount.
- Invoice/receipt issuing date.
- The name and registration number of the non-resident supplier.
- Invoice/receipt number.



VAT on costs

Non-resident suppliers registered under the simplified tax registration are not allowed to recover any VAT incurred on costs in Egypt as input tax on the monthly VAT returns. However, the non-resident could submit a letter to request for this VAT refund directly to the ETA.



Other considerations

Platform Liability

With effect from 1 June 2023 the Egyptian VAT Act introduced a new definition for the Electronic Distribution Platform (EDP) as follows:

> A digital platform, such as a website, internet portal, online store, digital market, or others that enables both the vendor of the commodity or the service provider and the beneficiary of the commodity or the service recipient to interact in order to supply the commodity or perform the service through it.

EDPs are online platforms that connect sellers and customers. Some examples include:



1. Online marketplaces
2. App stores
3. Digital platforms
4. Online portals

The Ministerial Decree illustrates how this mechanism applies by addressing the conditions that need to be fulfilled, for the platform not to be responsible for collecting and remitting the tax to the authority:

1. An agreement must be in place between the service provider and the platform confirming that the service provider, rather than the platform, is responsible for remitting the tax to the authority.
2. The invoice or the receipt issued to the unregistered person (service recipient) must indicate that the person who interacts with the platform for the service is the same person who provides this service and must clearly describe the nature of the service.
3. The platform's general terms and conditions must clearly state that the platform does not provide the service to its recipients, and it is not authorised to collect tax from those who provide services through it.

In addition, the terms and conditions should not include anything expressly or implicitly indicating that the platform has a role in completing the provision of the service to its recipients.

Furthermore, the EDP is not be responsible for any tax that may be due in excess of the value of the tax acknowledged and paid by the service provider in case the platform has collected the tax and remitted it to the tax authority based on the data correctly provided by the service provider or any third party.

If any of the conditions above are not met, then the EDP may be responsible for paying the tax due to the ETA on behalf of the vendor.

VAT on cryptocurrency/ digital assets

Currently, Egypt does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Ghana

VAT on Electronically Supplied Services (ESS)



Overview

Section 15 of Ghana's Value Added Tax Act, 2025 (Act 1151) ("VAT Act") requires non-resident persons who supply telecommunication services or electronic commerce (e-commerce) services for use or enjoyment in Ghana, other than through a VAT-registered agent, to register for VAT if they make taxable supplies.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	Non-resident supplier
VAT rate	VAT rate of 15%, National Health Insurance Levy ("NHIL") of 2.5%, Ghana Education Trust Fund Levy ("GETFL") of 2.5%. Effective rate of 20%
Taxable value	Base value (cost)
Effective date	April 2022 (first introduced by an earlier law now repealed)
VAT registration threshold	There is no threshold for registration
Tax invoice	Required to be issued. It may be the non-resident supplier's own system generated tax invoice following approval from the Commissioner-General. The Revenue Authority has currently begun onboarding non-resident suppliers onto the E-VAT system.

Services in scope

1. Telecommunications Services, including services that relate to the transmission, emission or reception of information of any nature by wire, radio, optical or other electromagnetic systems.

2. Electronic Commerce - business transactions that takes place through the electronic transmission of data over a communication network such as the internet.

3. Digital Services, including social networking, online gaming and digital marketplace operations.

Registration and compliance

Non-resident persons who supply telecommunication services or electronic commerce services for use or enjoyment in Ghana, other than through a VAT-registered agent, are required to register for VAT. Registration is by application to the Tax Authority.

Monthly VAT returns must be filed and payment made on or before the last day of the month following the month in which the return relates to.

Invoicing

The non-resident supplier is required to issue VAT invoices.
The invoice may be its own system-generated tax invoice if the non-resident has the Tax Authority's approval to do so. Otherwise, the non-resident needs to be onboarded to the E-VAT system in order to issue VAT invoices.

VAT on costs

Non-resident suppliers are unable to recover input VAT incurred. However, non-resident suppliers may recover 7% withholding VAT suffered.



Other considerations	No other considerations or provisions apply to non-resident suppliers of ESS to consumers in Ghana.
VAT on cryptocurrency/ digital assets	Currently, Ghana does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Guinea

VAT on Electronically Supplied Services (ESS)



Overview

Guinea has established a structured legal framework to govern electronic transactions and the taxation of digital services. Law L/2016/035/AN sets out the foundational rules for electronic transactions, covering any activity conducted through an electronic message. Decree D/2021/092/PRG/SGG builds on this framework by detailing the practical rules applicable to all parties engaging in electronic transactions within the country.

In parallel, Law L/2021/032/AN, which introduced the current General Tax Code, effective 1 January 2022, includes VAT provisions for ESS. Under this law, an e-commerce platform is defined as any intermediary that connects service providers with customers, sets or influences transaction conditions, processes payments, and receives either a fixed or proportional commission.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	B2C suppliers only, as where supplies are to a B2B in Guinea, the local business is to account for VAT under the reverse charge mechanism.
Liability to remit VAT	B2C supplies – the non-resident supplier is liable to remit VAT. B2B supplies – the local B2B consumer to account for VAT under the reverse charge mechanism.
VAT rate	18%
Taxable value	The consideration received or to be received by the supplier or service provider from the buyer, the lessee or a third party. When the consideration is received totally or partially in kind, the value of this consideration is determined based on the “market price” of a delivery or similar service
Effective date	1 January 2022
VAT registration threshold	None
Tax invoice	The non-resident is not within the scope of electronic invoicing. However, there is a requirement to issue a document showing all of the compulsory information required (refer to Invoicing below).

Services in scope

The law on electronic transactions applies to any transaction of whatever nature, as long as it takes the form of an electronic message, including:

- Electronic commerce operations
- Electronic advertising
- The conclusion of contracts or legal acts electronically
- Streaming services
- Subscriptions to digital content
- Online storage services (cloud services or others)

Registration and compliance

A non-resident supplier that is required to register for VAT must appoint a single tax representative. This representative must be established in Guinea, registered for VAT, fully compliant with all tax obligations, and formally authorised through a written mandate.

The representative is responsible for issuing invoices on behalf of the non-resident supplier and must clearly indicate their role as a tax representative on those invoices. The representative must also file VAT returns and fulfil all other tax formalities on the supplier's behalf.

VAT returns must be submitted to the competent tax office no later than the 15th of each month.

Invoicing

Guinea has introduced an electronic invoicing system, although it is currently aimed primarily at resident companies. Non-resident companies are not yet in scope. Nevertheless, invoices issued by non-resident suppliers must be issued in French and must include the following mandatory information:

1. The name, address and telephone number of the taxable person
2. The name, address and telephone number of the customer
3. TIN and VAT registration key taxable person

4. The TIN and VAT registration key of the customer for services for which the customer is liable to pay for VAT

5. Where the customer is liable for VAT, the reference to Article 373 Bis indicating that the customer is liable for VAT

6. Where the person liable for VAT is a tax representative, the representatives TIN and VAT registration key registration key, as well as their name, address and telephone number; and number

7. A unique number based on a chronological and continuous sequence

8. The invoice date

9. If different from the invoice date:
   a. The date on which the goods or services were supplied services
   b. The date on which an advance payment is made

10. For each of the goods delivered or services rendered: the quantity, the unit price exclusive of tax and the rate of VAT legally applicable or, where applicable, the reference to the provision of the code exempting the supply; and service

11. Any rebates, discounts, or refunds earned and quantifiable at the time of the transaction and directly linked to that transaction

12. The total amount of VAT payable on the transaction

13. Total amount exclusive of tax

14. The total price inclusive of all taxes



VAT on costs	A non-resident supplier may recover VAT incurred in Guinea through its appointed tax representative, provided that the underlying VAT is deductible under local rules.
Other considerations	DST - Article 12 of the 2023 Finance Law provides that a tax of 5% is applied to revenues generated by digital services by foreign or local e-commerce platforms.
VAT on cryptocurrency/ digital assets	Currently, Guinea does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Kenya

VAT on Electronically Supplied Services (ESS)



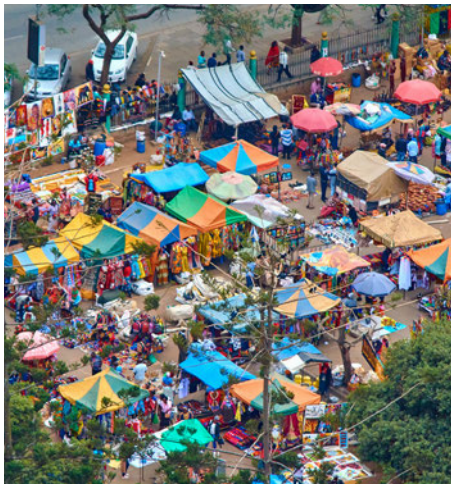
Overview

The VAT (Digital Marketplace Supplies) Regulations, 2020 (the "VAT DMS Regulations") came into effect in October 2020, subjecting non-residents supplying electronic services to Kenyan individuals - B2C to VAT. These Regulations were effective from 1 April 2021.

With effect from 1 July 2022, the Finance Act, 2022, amended the VAT DMS Regulations by removing the distinction between B2B and B2C supplies. As a result, the recipients of B2B supplies from non-resident suppliers could no longer rely on the reverse charge mechanism for VAT compliance in Kenya. Furthermore, the Finance Act, 2022, also clarified that there is no VAT registration threshold for the non-resident suppliers of taxable services.

The above changes meant that all non-resident suppliers of taxable services via a 'digital marketplace' must register for VAT in Kenya and charge VAT at the standard rate, currently 16%, on all relevant supplies. A digital marketplace is defined as an online platform which enables users to sell goods or provide services to other users.

The VAT DMS Regulations have since been revoked and replaced by the VAT (Electronic, Internet and Digital Marketplace Supply) Regulations, 2023 (the "VAT EIDMS Regulations") to take account of additional changes in relation to the taxation of supplies through a digital marketplace.



Outlined below is an overview of the relevant key provisions applicable under the VAT EIDMS Regulations for non-resident suppliers:

Particulars	Description
Scope	Non-residents supplying electronic services to Kenyan individuals B2C or B2B
Liability to remit VAT	By the non-resident supplier
VAT rate	16%
Taxable value	Price payable by the recipient of the supply
Effective date	B2C sales from 1 April 2021 B2B sales from 1 July 2022
VAT registration threshold	Not applicable
Tax invoice	No requirement to issue electronic tax invoices but there is a requirement to issue a document showing the VAT paid by the Kenyan consumer.

Services in scope

Regulation 3 of the VAT EIDMS Regulations states that the following services constitute 'taxable supplies' when made electronically, through the internet or through a digital marketplace:

- Downloadable digital content including downloadable mobile applications, e-books and films.
- Subscription-based media including news, magazines and journals;
- Over-the-top services including streaming television shows, films, music, podcasts and any form of digital content.
- Software programmes including software, drivers, website filters and firewalls.
- Electronic data management including website hosting, online data warehousing, file-sharing and cloud storage services.
- Music and games
- Search engine and automated helpdesk services including customisable search engine services.
- Tickets for live events, theatres or restaurants

- Distance teaching through pre-recorded media or e-learning including online courses and training but excluding education services exempted under the First Schedule to the Act.
- Digital content for listening, viewing or playing on any audio, visual or digital media.
- Services that link the supplier to the recipient including transport hailing services or platforms.
- Electronic services under section 8(3) of the VAT Act, 2013 - VAT Act.
- Sales, licencing, or any other form of monetising data generated from users' activities.
- Facilitation of online payment for, exchange or transfer of digital assets excluding services exempted under the Act.
- Any other service provided through an electronic, internet and digital marketplace that is not exempt under the Act.

Electronic services under section 8(3) of the VAT Act as stated in the extract above means any of the following services, when provided or delivered through a telecommunications network:

- Websites, web-hosting or remote maintenance of programs and equipment
- Software and the updating of software
- Images, text and information
- Access to databases
- Music, films and games, including games of chance
- Political, cultural, artistic, sporting, scientific and other broadcasts and events including broadcast television.



Registration and compliance

The non-resident supplier that provides any of the above electronic services to customers/recipients in Kenya, irrespective of whether done under B2B or B2C arrangement, is required to register for VAT under the simplified tax registration framework.

The Kenyan VAT law also contains a provision for non-residents to register for VAT using a tax representative but in practice. However, this option is more complex compared to registering under the simplified tax registration framework.

Once registered for VAT under the simplified tax framework in Kenya, the non-resident company will be required to complete and submit monthly VAT returns. These returns must be submitted by the 20th day of the month following the end of the VAT return period (calendar month). Where there are no sales to reflect in a month, the non-resident is required to file a nil VAT return. All VAT payments to the Kenya Revenue Authority (KRA) are required to be made by the 20th of the month.

Invoicing

Whilst the non-resident supplier providing the electronically supplied service is exempt from issuing electronic tax invoices, it should issue invoices or receipts showing the value of the supplies made to its Kenyan customers and the VAT charged. For business customers in Kenya, the non-resident supplier is also required to reflect its customer's tax identifier i.e. Personal Identification Number (PIN) on the face of the invoice/receipt otherwise the recipient of the services will not be able to recover the VAT charged as input tax. In Kenya, the PIN is equivalent to a VAT ID number in other jurisdictions.

In addition, whilst it is acceptable for the non-resident supplier to invoice in a foreign currency, such foreign currency amounts should be translated to Kenyan Shillings on the face of the invoice using either the Central Bank of Kenya's daily exchange rate or any other universally accepted foreign exchange conversion rate. This helps ensure that there are no forex differentials between the VAT amount declared and paid by the non-resident supplier to KRA (output tax) and the amount of VAT claimed by the Kenyan business as input tax.

VAT on costs

Non-resident suppliers registered under the simplified tax registration are excluded from recovering any VAT incurred on costs in Kenya as input tax, i.e. any Kenyan VAT incurred by the non-resident suppliers is an absolute cost.

Other taxes for non-resident suppliers to consider

1. **Income tax** – With effect from 27 December 2024, non-resident suppliers of ESS to Kenya will need to consider if their supplies are subject to SEP Tax which is chargeable at an effective rate of 3%. Prior to the introduction of SEPT, non-resident suppliers were required to account for Digital Services Tax (DST) from 1 January 2021 to 26 December 2024 at a rate of 1.5% on eligible sales.

2. **Excise duty** – With effect from 27 December 2024, non-resident suppliers that provide advertisement on the internet, social media, television, print media, billboards and radio stations on alcoholic beverages, betting, gaming, lotteries and prize competitions shall be liable to charge and account for excise duty at a rate of 15%.



Cryptocurrency/digital assets – indirect tax

1. **VAT** - Any fees earned by non-resident suppliers for facilitating payments, exchanges, or transfers of digital assets (including NFTs) in Kenya, are subject to VAT at the standard rate of 16%.
2. **Excise duty** - In addition to VAT and with effect from 1 July 2025, Kenya introduced excise duty on virtual assets. Excise duty will be levied on fees charged on virtual assets transactions by virtual asset providers at 10% of the excisable value.

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Liberia

VAT on Electronically Supplied Services (ESS)



Overview

Currently, Liberia still operates the Goods and Service Tax (“GST”) and there is no explicit provision on ESS.

However, in May 2024, a new VAT Act was approved to amend Part III chapter 10 of the Revenue Code 2000 to provide for VAT, thereby replacing the GST. This transition is expected to begin in July 2026, with full effective implementation from January 2027. This new VAT law has provision on ESS.

The expected VAT Act introduces provisions for remote services or electronically ordered goods, including those supplied through electronic distribution platforms. In line with the VAT Act, where an underlying supplier provides remote services or electronically ordered goods via an electronic distribution platform operated outside Liberia without a place of business in Liberia, and the place of supply is Liberia, the operator of the platform is deemed to have made the supply for VAT purposes. The place of supply is Liberia if:

i. The supply involves the goods being delivered in Liberia

ii. The supply is made through an electronic distribution platform

iii. The operator of the platform either:

- Delivers the goods in Liberia; or

- Procures, arranges, or facilitates the delivery of the goods in Liberia.

The Act generally defines “electronic services” to include services

provided via internet, automatically, using information technologies, as well as services provided through phones, tablets, television, and other digital services. The VAT Regulations also provides a non-exhaustive list of electronic services.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Non-residents supplying electronic services to natural persons (“B2C”) or legal persons (“B2B”)
Liability to remit VAT	Non-resident supplier of ESS and in where the supply is B2B, then the customer will be required to self-account for VAT under the reverse charge mechanism
VAT rate	15%
Taxable value	The value of a supply shall be the consideration for the supply.
Effective date	1 January 2027
VAT registration threshold	US$20,000
Tax invoice	The non-resident supplier may issue electronic invoices.



Services in scope

A non-exhaustive list of electronic services is given below:

- Supply of electronic copies, granting access to images, texts, and information providing access to databases.
- Supply of electronic copies and/or the provision of access to audiovisual works, video and audio on demand, games, including supply of services on participation in such games, supply of services for access to television programs (channels) or their packages, except for access to television programs simultaneously with their broadcasting through the television network.
- Access granted to information, commercial, entertainment electronic resources, and other similar resources.
- Supply of distance learning services via the Internet, which conducting and providing does not require human participation (with certain exceptions).
- Supply of cloud services in relation to the provision of computing, storage resources, or electronic communications systems using cloud computing technologies.
- Supply of software and updates to it, including electronic copies, provision of access to them, as well as remote maintenance of software and electronic equipment.
- Provision of advertising services on the Internet, mobile apps, and other electronic resources, providing advertising space.



Registration and compliance

A non-resident without a permanent establishment providing ESS is required to register if the total value of supplies is equal to or exceeds USD 20,000 annually. This registration is required by March 31 of the year following the year in which the threshold was reached.

To ensure compliance, the Liberia Revenue Authority ("LRA") may require a non-resident who meets the above threshold to lodge a security with the LRA. If the non-resident fails to comply, the person may be required to appoint an agent who will be responsible for all compliance requirements in Liberia including accounting for VAT on behalf of the non-resident. If a non-resident has registered a permanent establishment (PE) or has a place of business in Liberia, this may not apply.



Invoicing

The VAT Act and Regulations provide the invoicing requirement as follows:

1. A taxable person may issue electronic invoices.
2. Electronic invoices should contain all the data required in a paper tax invoice (Refer to Appendix 1 below for a sample of a tax invoice). Please note that invoices must be raised in either US Dollars (USD) or Liberian Dollars (LRD)
3. Tax invoices sent via fax or email should consider all the data and information required in tax invoices. These invoices shall be considered valid documents to preserve the taxable person's right to request VAT deductions. The data sent by fax shall be copied on normal paper that does not decompose over time.

VAT on costs	A non-resident is not entitled to claim an input tax credit.
VAT on cryptocurrency/ digital assets	Currently, Liberia does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Mauritania

VAT on Electronically Supplied Services (ESS)



Overview

Mauritania's 2026 Amending Finance Law (LFR 2026) introduces a dedicated VAT framework for ESS. It addresses digital services used or exploited in Mauritania, including those supplied by non-resident providers and digital platforms.

The new ESS VAT regime forms part of Mauritania's General Tax Code (CGI). Its specific rules operate alongside the general VAT provisions, except where specific rules apply. The responsibility for collecting and paying VAT depends on the customer's VAT status and the platform's role.



The following table provides an overview of the key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2B (VAT-taxable customers) and B2C (non-taxable final consumers) ESS used or exploited in Mauritania, subject to applicable statutory VAT exclusions and exemptions. Liability depends on the customer's VAT status and the platform's role.
Liability to remit VAT	**B2C:** The non-resident supplier or designated platform collects and remits VAT on taxable supplies to non-taxable final consumers domiciled in Mauritania. **B2B:** Where VAT is due, the accredited representative accounts for it; if no representative is appointed, the Mauritanian customer pays the VAT on the non-resident's behalf through a separate return. The specific platform-liability rules also apply where relevant and are not expressly limited to B2C supplies.
VAT rate	The standard VAT rate of 16% applies under Mauritania's general VAT rules.
Taxable value	The taxable amount is the total consideration received or receivable for the supply, including applicable taxes, duties and ancillary charges, but excluding VAT itself and any price reductions or other amounts that qualify for exclusion under the general VAT rules.
Effective date	10 August 2026.
VAT registration threshold	The ESS provisions specify no separate VAT registration threshold. Turnover below the domestic VAT threshold does not provide an exemption from non-resident registration.
Tax invoice	Tax invoices are required under the general invoicing rules. The ESS provisions do not require electronic tax invoicing.

Services in scope

The new ESS VAT regime expressly covers digital services supplied electronically, including:

- Online advertising
- Cloud computing, including hosting and data storage
- Software and applications made available electronically, including SaaS
- Electronic intermediation, notably through digital platforms or marketplaces, for a commission or other remuneration
- Streaming of audio, video or multimedia content
- Artificial intelligence, automated assistance, content generation and data analysis
- Automated services supplied over the internet or any electronic network

Location of consumption

Under this regime, a digital service is deemed used or exploited in Mauritania where one or more of the following indicators is present:

- The beneficiary is domiciled or established in Mauritania
- The customer's billing address is in Mauritania
- Payment is made using an instrument issued in Mauritania
- The IP address used is located in Mauritania
- The telephone number used is Mauritanian; or
- Other evidence establishes that the service is consumed in Mauritania.

Registration and compliance

Registration and records

Non-resident ESS suppliers and non-resident platforms designated as liable for VAT must register, file the required returns and retain information on their Mauritanian transactions. The registration requirement is not expressly limited to B2C supplies; VAT payment by a B2B customer does not establish an exemption from registration. Businesses should document the customer's VAT status, location indicators and the party responsible for collecting VAT. A TIN alone does not establish a customer's VAT status.

Invoices and supporting records must be retained for at least ten years following the year in which the relevant transactions were recorded, in accordance with the general record-retention rules.



Simplified electronic compliance

The new ESS VAT regime provides for simplified electronic registration, filing and payment. The law assigns the practical arrangements, including any adapted filing frequency, to an order of the Minister responsible for finance. Businesses must meet the deadlines applicable under the implementing framework; the simplified regime does not grant a deferral. The ESS amendments do not themselves specify a filing calendar, payment currency or portal details.

Under the general VAT rules, tax on services becomes chargeable when payment or an advance is received, unless an authorised debit-based regime applies. This determines when VAT arises and is separate from the return-filing deadline.

Invoicing

The ESS VAT regime operates within the CGI's general VAT framework. Accordingly, the general invoicing requirements apply to ESS suppliers subject to Mauritanian VAT, including non-resident suppliers, except where a specific provision expressly provides otherwise. Simplified compliance does not exempt suppliers from invoicing obligations.

Invoices must identify the supplier and customer as well as, include the legal form and registered name for legal entities. It should also include a sequential invoice number, the issue date and a precise description of the services. Supplier particulars also include the NIF, commercial registration number, post office box and telephone number, bank account details, signature and stamp. The customer's NIF is required for supplies to legal entities or traders.

Invoices issued by VAT-taxable suppliers must separately show the VAT-exclusive amount, the applicable VAT rate and amount, or the prescribed 'Exonéré' (exempt) statement where relevant, and the total inclusive of applicable taxes. A supplier charging VAT must also provide its VAT-status certificate to a customer subject to VAT, unless a regulatory exemption applies.

The general document-language requirements continue to apply. Documents and returns prepared in a language other than Arabic or French must be translated into one of those languages by a sworn translator.

The ESS provisions do not introduce separate invoice-currency requirements or mandatory electronic tax invoicing. Their electronic procedures relate only to registration, filing and payment. Any specific exemption or adaptation must be supported by an applicable legal provision.

VAT on costs

Under Mauritania's general VAT rules, input VAT on qualifying costs used for taxable operations may be deducted from VAT due, subject to statutory exclusions, allocation rules and documentary requirements. Excess deductible VAT is carried forward against VAT due on subsequent returns. Cash refunds are available only in legally eligible cases and under the prescribed procedures.

The new ESS VAT regime neither creates a dedicated recovery procedure nor expressly excludes non-resident suppliers from recovery. Simplified registration alone does not establish a right to deduct VAT or obtain a refund. Claims must meet the applicable substantive and procedural requirements, supported by properly issued invoices and, where required, the supplier's VAT-status certificate. Without the required certificate, invoiced VAT is not deductible; a NIF alone does not replace that certificate.

Other considerations

Platform liability

The new ESS VAT regime covers digital platforms, whether or not established in Mauritania, that participate in concluding, invoicing, collecting payment for or facilitating an ESS. A platform is liable for VAT on its own intermediation commission or remuneration. It is also designated as the sole person liable for VAT on the underlying supply where at least one of the following conditions is met:

- It collects, directly or indirectly, all or part of the price from the final customer.
- It determines, alone or jointly with the supplier, one or more essential transaction terms, including the price, payment arrangements, or general conditions of supply.
- It acts as the contractual interface between the parties, notably where the final customer does not know the underlying supplier's identity or contracts exclusively with the platform.

Payment of VAT by the platform on the underlying supply discharges the supplier's liability for that VAT. However, the supplier remains jointly and severally liable for the tax and any related penalties in cases of fraud or collusion with the platform. Unless a regulatory exemption applies, the supplier retains simplified reporting obligations and must keep supporting documents identifying the platform that collected VAT on its behalf and the value of the transactions concerned.

Businesses should distinguish between the consideration for the underlying supply from the platform's commission and reconcile collection responsibilities to avoid collecting the same VAT twice. The net amount remitted to the supplier is not automatically the taxable value of the underlying supply.

Tax representative

Where VAT is due, supplies by non-residents to VAT-taxable customers established or domiciled in Mauritania remain subject to the ordinary non-resident representation and payment rules. The accredited representative must be domiciled and VAT-registered in Mauritania. Accreditation requires notification to the Director General of Taxes and a signed, dated mandate covering the prescribed responsibilities. The non-resident supplier's VAT must be reported separately from the representative's own VAT. If no accredited representative is appointed, the Mauritanian customer pays the VAT and any related penalties on the non-resident's behalf through a separate return. The simplified ESS regime does not provide a blanket exemption from tax representation.



Other taxes and permanent establishment

Registration under the ESS regime is exclusively for VAT purposes. It does not, create a permanent establishment or liability to other Mauritanian taxes. This safeguard does not exempt a supplier from tax liabilities arising independently under other applicable rules. The ESS provisions do not introduce a separate digital services tax or SEP Tax.

For B2B services, the CGI expressly excludes qualifying non-resident services from VAT where they are subject to the specified non-resident withholding tax. The ESS amendments do not expressly amend that exclusion. VAT and withholding-tax treatment must therefore be determined by reference to the applicable provisions and the facts of the transaction, rather than by ESS registration alone. Neither a blanket exemption for all B2B ESS nor automatic cumulative taxation follows from the new regime.

Payment reporting

Banks, financial and payment institutions, and electronic money institutions established in Mauritania must report, at the end of each month, payments made during the preceding month to non-resident ESS suppliers or platforms. Reports must include the beneficiary's identification details and information and the related financial flows, in accordance with the arrangements prescribed by the tax administration. This is a reporting obligation for local financial institutions, not a filing deadline for non-resident suppliers. The tax administration may also use applicable international administrative assistance mechanisms for tax control and collection.

Enforcement

Where non-compliance continues after a formal notice, the tax administration may request a suspension or restriction of access to the relevant digital services, the blocking of payment flows relating to taxable transactions or the delisting of the services in Mauritania. The competent telecommunications and financial-services authorities must cooperate in implementing these measures. The law delegates implementation arrangements to a joint order. General tax and criminal sanctions remain applicable under their own conditions and procedures, independently of the formal notice required for these ESS-specific measures.

VAT on cryptocurrency/ digital assets

The ESS provisions in LFR 2026 do not introduce a specific VAT regime for cryptocurrency or digital assets. ESS connected with digital assets must be classified according to their actual nature and assessed against the scope of the ESS rules, where applicable. The absence of asset-specific provisions establishes neither automatic taxation nor an exemption.

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Mauritius

VAT on Electronically Supplied Services (ESS)



Overview

Mauritius introduced VAT on digital and electronic services through the Finance Act 2025, effective 1 January 2026. Foreign suppliers are required to register, comply and charge VAT when providing digital and electronic services to Mauritian customers from this date.

Where the foreign supplier exclusively supplies to Mauritian customers who account for VAT under the reverse charge mechanism, VAT on digital and electronic services is not applicable.

However, if the foreign service provider makes both B2B and B2C supplies, it will be required to register for VAT in Mauritius, and the reverse charge mechanism will cease to apply. The foreign supplier must then charge Mauritian VAT on all supplies.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Where a foreign suppliers provide supplies to either B2C only or to both B2B and B2C customers, the foreign supplier must register for VAT in Mauritius and charge VAT on all sales to Mauritian customers. A foreign supplier is not required to register for VAT if: 1. Its annual turnover of taxable supplies is less than MUR 3m (circa USD 66,000) per annum 2. the supplier makes taxable supplies exclusively to a VAT registered person. In such a case, the VAT reverse charge mechanism will apply.
Liability to remit VAT	The foreign supplier should pay and report the VAT.
VAT rate	15%
Taxable value	Sales Value (exclusive of VAT)
Effective date	1 January 2026
VAT registration threshold	Between 1 January and 30 September 2026, there was no VAT registration threshold. However, with effect from 1 October 2026, the VAT registration threshold is MUR 3 million or more (circa USD 66,000)
Tax invoice	There is no particular prescribed format for invoicing that non-resident suppliers need to adhere to as they are not required to issue VAT invoices.

Services in scope

The digital and electronic services in scope are services supplied over the internet, or an electronic network which is reliant on the internet. These services include those specified in Part III of the Tenth Schedule and comprise the following:

- Supplies of images or texts, such as photographs, screensavers and other digitized documents
- Supplies of music, films, television shows, games and programmes on demand
- Supplies of applications, software and software maintenance
- Website supply or web hosting services
- Advertising space on a website
- Online magazines
- Distance maintenance of programmes and equipment
- Commission, fee or other consideration receivable by operators of an online marketplace

Registration and compliance

A foreign supplier must register for VAT electronically via the MRA website **(www.mra.mu)** and submit an email to registration@mra.mu with mandatory details.

Once the information has been submitted, the MRA will issue a Tax Account Number and a password to log into the online VAT registration system. After processing, the application the MRA issues a VAT Registration Number, and a confirmation notice to either the foreign supplier or their tax representative.

Thereafter, the foreign supplier is required to file either quarterly VAT returns for calendar quarters (applies to foreign suppliers whose annual taxable turnover does not exceed MUR10 million (approximately USD 215,000)) or monthly VAT returns (applies to foreign suppliers whose annual taxable turnover exceeds MUR 10million (approximately USD 215,000) within one month following the end of the relevant period and, concurrently, remit the VAT due in the appropriate currency in accordance with that return.

In addition to submitting the return, the foreign supplier must also provide an electronic list of taxable supplies made to any person in Mauritius. This is normally done as part of the VAT return.

Invoicing	Foreign suppliers are not required to issue VAT invoices in a prescribed format for the provision of digital and electronic services.
VAT on costs	A foreign supplier of digital or electronic services is not entitled to claim any input VAT credit.
VAT on cryptocurrency/ digital assets	Currently, Mauritius does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.
Other considerations	When the rules were initially introduced in January 2026, there was a requirement for non-resident supplier to appoint a tax representative in Mauritius. However, with effect from 12 August 2026, this requirement is no longer mandatory.

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Morocco

VAT on Electronically Supplied Services (ESS)



Overview

Article 88 of the Moroccan Tax Code (MTC) sets out the VAT territoriality rules and specifies that a transaction is deemed to have been carried out in Morocco:

- When the sale is made under the conditions of for the delivery of goods in Morocco.

- In the case of any other transactions, when the service is provided, the right assigned or the object leased is exploited or used in Morocco, or when the online service is provided remotely by a non-resident person with no establishment in Morocco to a customer whose registered office, establishment, or tax domicile is in Morocco.

Otherwise, the liability to pay VAT lies with the Moroccan customer. The payment obligations differ depending on the VAT status of the customer i.e. B2B or B2C as follows:

(i) The customer is subject to VAT (B2B): If the non-resident entity does not appoint a local representative, VAT should be paid under the reverse charge mechanism. Under this mechanism the Moroccan customer is required to declare and pay the VAT due on the taxable operations carried out by the non-resident service provider, on its own VAT return and is entitled to the right to deduct the VAT so declared, in the same VAT return.

(ii) The customer is not subject to VAT (B2C): The Finance Law 2024 introduced new reporting and payment measures for non-resident companies rendering online remote services to non-taxable customers (B2C).

In the absence of a tax representative in Morocco, non-resident service providers rendering online remote services to non-taxable (B2C) customers, are required to comply with the following obligations:

1. Register on a dedicated electronic platform and obtain a Tax ID.

2. Submit an electronic VAT return via this platform before the end of each month. VAT withheld at source by non-taxable customers should not be reported by the non-resident service provider.

3. Pay VAT, without the deduction right, on services provided to non-taxable customers during the previous month.

4. Maintain a detailed register of services provided in Morocco, to be presented to the tax administration electronically upon request. This register must be kept for a period of 10 years.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	B2C and B2B
Liability to remit VAT	If a tax representative is appointed, the representitive is responsible for paying VAT on both B2B and B2C transactions. If the non-resident supplier does not have a tax representative in Morocco: • The B2B customer bears responsibility for VAT remittance; and • If the customer is B2C, it is the non-resident supplier's responsibility to report and remit the applicable VAT, via the new mechanism.
VAT rate	20%
Taxable value	Invoiced remuneration of services
Effective date	18 June 2026
VAT registration threshold	None
Tax invoice	No specific measures were introduced for the specific case of digital services. Subject to the publication of implementing regulations, invoices issued by non-resident service providers performing online remote services should include general commercial information, in particular for B2B transactions for tax deductibility purposes.

Services in scope

The Moroccan Tax Code (MTC) defines the term “online remote service” as any service delivered through a remote communication tool, including intangible goods and other immaterial assets.

For guidance, the Circular Note of 2024 Finance Law includes in the “online remote services” the following services:

- Supply and hosting of web sites, remote maintenance of programs and hardware
- Supply of software and applications and their updates
- The supply of digital content (music, films, online games, gambling, images, videos texts, information, etc.)
- Subscription to film and TV platforms dedicated to video-on-demand (VOD) services
- Subscription or provision of databases
- Remote provision of training, consulting, or assistance services



Registration and compliance

The non-resident supplier has the option to use a tax representative for both B2B and B2C transactions. When a tax representative is not appointed:

- B2B: The non-resident supplier has no registration obligations, the Moroccan customer must report the VAT due as explained in the overview.
- B2C: The non-resident supplier must register on a dedicated platform and adhere to compliance rules set out below.

An implementing decree, Decree No. 2 25 862, relating to the provisions of Article 115 bis of the Moroccan Tax Code governing the obligations of non-resident digital service providers, was recently published on 18 December 2025.



This decree states that from 18 June 2026, the non-resident provider must register on an electronic platform established by the tax administration and provide the following information:

- The full name or corporate name of the non-resident provider.
- The website, electronic application, or equivalent digital interface.
- The address of the provider's domicile or registered office.
- The TIN in the country of residence, where applicable.
- The full name, email address, and phone number of the provider's representative(s) (contact person).
- The nature of the service provided.
- The date of the first service performed in Morocco.

After registration, a TIN is assigned to the non-resident provider as well as communicated to the provider.

The decree further states that the non-resident provider must file, via the same electronic platform and using an administration approved template, a quarterly VAT return declaring the turnover generated in Morocco from services supplied to non VAT registered customers.

This declaration must be submitted before the end of the first month of each quarter.

Invoicing

The invoice should mention common commercial information. When the non-resident service provider appoints a tax representative in Morocco, the invoice must mention the VAT number as well. There are no currency restrictions.

VAT on costs	Non-resident suppliers of ESS cannot recover VAT on costs incurred in Morocco.
VAT on cryptocurrency/ digital assets	Currently, Morocco does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Nigeria

VAT on Electronically Supplied Services (ESS)



Overview

The rapid growth of the global digital economy has fundamentally changed how goods and services are delivered, consumed, and taxed. In Nigeria, this shift triggered major legislative reforms beginning in 2020, and was further strengthened by the recent enactment of comprehensive tax reform acts.

Nigeria has reshaped its tax landscape by introducing four key laws: the Nigerian Tax Act, the Nigerian Tax Administration Act, the Nigeria Revenue Service (Establishment) Act, and the Joint Revenue Board of Nigeria (Establishment) Act. These laws impose VAT obligations directly on Non-Resident Taxable Suppliers (NRTSs). As digital transactions continue to dominate cross-border commerce, it is crucial for multinational suppliers and the tax authorities responsible for administering these rules to clearly understand these obligations.

A NRTS is required to register for VAT if it provides taxable goods and services to Nigerian customers (B2C and B2B). This registration obligates the NRTS to include VAT on its invoices and file monthly VAT returns. The standard VAT rate is fixed at 7.5% for all qualifying goods and services, except those specified as zero-rated in the VAT Act.

The relevant law that addresses the VAT compliance requirements of NRS in Nigeria is Section 150 of the Nigeria Tax Act (NTA). Based on Section 150(7) of the NTA, “The Service may issue a guideline for the purpose of giving effect to the provisions of this section, including the form, time and procedure for filing returns and payment by non-resident suppliers appointed by the Service”. This provision is similar to Section 10(6) of the repealed VAT Act. Accordingly, the NRS issued a circular on Simplified Compliance Regime for VAT (“the circular”), designed specifically for NRTS.

The circular, which took effect on 1 January 2022, was issued pursuant to Section 10 of the VAT Act. Although it predates the NTA, it remains relevant pending the issuance of an updated circular reflecting the provisions of Section 198(b) of the NTA. The circular requires a Non-Resident Taxable Supplier (NRTS) that supplies goods, services, intangibles, or other digital products to customers in Nigeria through digital means to register for VAT, obtain a TIN, charge VAT on invoices issued to Nigerian customers, and remit the collected VAT to the NRS.

All NRTSs are appointed VAT agents and are responsible for collecting VAT from their Nigerian customers and remitting it to NRS before the 21st day of the following month. The VAT payment is made in the currency of the transaction.

Generally, a NRTS must register for VAT with NRS if its annual supplies are expected to reach the minimum threshold of $25,000 (or its equivalent in other currencies). If the NRTS does not meet this threshold for three consecutive years, they can request for deregistration for VAT purposes. However, if the threshold is subsequently met, the earlier registration can be reactivated.





We have presented below an overview of the relevant key provisions based on the NRS circular:

Particulars	Description
Scope	Non-residents supplying electronic services to Nigerian consumers (“B2C”) or businesses (“B2B”)
Liability to remit VAT	NRTS has the primary obligation to remit the VAT to the NRS where digital services are supplied via electronic means. The Nigerian customer in a B2B transaction will be required to self-charge VAT where the NRTS fails to add VAT to its invoice and remit the same to the NRS. For a B2C transaction, accounting for VAT may be difficult if the NRTS did not charge VAT on its invoice. Accordingly, a NRTS that makes a taxable supply to Nigeria may designate a representative for the purpose of compliance with its tax obligations.
VAT rate	7.5%
Taxable value	VAT is applicable on the value of the taxable supply.
Effective date	1 January 2022
VAT registration threshold	Total annual supplies of at least $25,000 (or its equivalent in other currencies)
Tax invoice	The NRTS is required to issue a tax invoice.

Services in scope

Based on the NRS circular, the following services are covered by the scope:

- Streaming, downloading or access to digital content including movies, music, e-books, magazines, news, applications, games, library services or like services.
- Online gaming
- Online ticketing excluding international air travels and freight charges.
- Online betting services.
- Online intermediation platform services, including online marketplaces, payment platforms, ride hailing, travel and accommodation booking, rental services or like services.
- Online advertising services
- Subscription based social media platforms including video conferencing applications, instant messaging, chat, dating, image/video sharing or like services.
- Standardised online education services such as e-learning, webinars or similar services.
- Cloud computing services including cloud storage services.
- Auction services
- Automated online professional and consultancy services.
- Online stores
- E-library

Registration and compliance

The requirement for a NRTS to register for VAT in Nigeria is that its total supplies to Nigerian customers within a 12-month period meet or exceed the $25,000 (or its equivalent in other currencies) threshold. Successful registration results in the issuance of a TIN. A NRTS that meets the VAT registration threshold is required to maintain relevant transaction records and issue electronic tax invoices to its Nigerian customers.

NRTSs are responsible for collecting VAT on their invoices and remitting it to the NRS before the 21st day of the following month. Where the NRTS fails to charge and collect VAT on taxable supplies to Nigerian customers, the responsibility to self-charge and remit the VAT falls on the customer.

VAT on costs

Under Section 155(4) of the NTA, a NRTS is allowed to claim input VAT on services and fixed assets utilised for the purpose of making taxable supplies in Nigeria.

This means that:

- Input VAT incurred in a given month is offset against the output VAT collected in that same month.
- Only the net VAT (i.e., output VAT minus allowable input VAT) is remitted to the NRS.

This approach aligns with global VAT principles, ensuring that VAT functions as a consumption tax rather than a cost to the supplier.

Where the input VAT incurred by a NRTS in a particular month exceeds the output VAT collected, the legislation provides two options:

Carry-Forward of VAT Credit

The NRTS may carry forward the excess input VAT as a credit to offset subsequent months' VAT liabilities. This mechanism helps smooth cash flow and avoids unnecessary administrative steps.

Claiming a VAT Refund

Alternatively, the NRTS may elect to claim a refund instead of carrying the excess forward.

The VAT Act specifies the following conditions and timelines:

- The NRS is mandated to process and grant the refund within 30 days of receiving a valid refund request.
- If the NRS does not issue the refund within this statutory timeframe, the NRTS is permitted to apply the refundable amount against other tax obligations, including income tax liabilities.
- Refund requests must be submitted within 12 months of the transaction giving rise to the excess input VAT. Any request for a refund made outside this timeframe will not be considered.

Electronic Invoicing

NRTSs may be required to issue electronic tax invoices for their taxable supplies in Nigeria. At a minimum, each invoice should include the following information:

- Name and TIN of the NRTS
- Description of the supply
- Date of the supply
- Value of the supply
- VAT charged

The e-invoicing framework applies broadly to all taxpayers making taxable supplies in Nigeria, including both resident and non-resident entities. The NRS introduced this framework to implement a real-time, technology -driven system that strengthens transaction monitoring, enhances transparency, and improves VAT compliance.

Notwithstanding the above, practical uncertainty remains regarding how NRTSs are expected to comply with the e-invoicing regime. Although the legal and policy framework suggests that non-resident suppliers fall within scope, the NRS is yet to clearly define the operational requirements applicable to such entities.

As of February 2026, the NRS has limited the mandatory e-invoicing requirement to Large Taxpayers, being entities with an annual turnover of N5 billion (circa USD 3.6m) and above. The NRS has not expressly excluded the NRTSs from this category. Accordingly, such entities may technically fall within scope.

In light of this uncertainty, NRTSs should proactively prepare for potential implementation. This approach positions them for operational readiness if the NRS confirms that non-resident entities fall within scope and proceed with enforcement.

We recommend that NRTSs formally engage with the NRS to obtain written confirmation that, in its capacity as a non-resident service provider, it is not currently required to comply with the e-invoicing mandate and that no penalties will arise from any non-compliance during this period.

Other considerations

- NRTS that operate intermediary platforms are required to fulfil VAT registration, invoicing, and filing requirements in respect of sales completed through their platforms, as if they were the actual suppliers. Such platform owners are also required to maintain relevant records of transactions with Nigerian customers completed through their platforms.

- NRTS are allowed to appoint a representative to act on its behalf in carrying out some of their administrative responsibilities in Nigeria. However, the NRTS are still required to register for VAT in its name and has the ultimate responsibility for its obligations under the Act.

- NRTS resident in non-treaty countries are liable to CIT on income sourced from Nigeria. They are required to file income tax returns no later than six months after the end of its accounting year (e.g., by 30 June if the year ends on 31 December). Failure to file attracts a penalty of NGN 100,000 for the first month of default and NGN 50,000 for each subsequent month. In addition, unpaid taxes attract a 10% flat penalty and interest at prevailing Central Bank of Nigeria (CBN) monetary policy rate plus a spread to be determined by the Ministry of Finance.

VAT on cryptocurrency/ digital assets	Currently, Nigeria does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Republic of Congo

(Congo-Brazzaville)

VAT on Electronically Supplied Services (ESS)



Overview

The Republic of Congo introduced VAT obligations on digital/ESS rendered by non-resident suppliers through successive amendments to the Code Général des Impôts (CGI) – Tome 1, most notably via the Loi de Finances for 2020 (which introduced a territoriality rule for digital services) and further clarified by the Loi de Finances for 2022 and 2023, which reinforced the obligation for non-resident digital operators (including online platforms and marketplaces) to collect and remit VAT on services consumed in Congo.

The rules are administered by the Direction Générale des Impôts et des Domaines (DGID) under the Ministry of Finance, Budget and Public Portfolio.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	VAT applies to all services used or exploited in Congo, regardless of where the supplier is established. For B2B, transactions a reverse-charge mechanism generally applies where the Congolese customer is VAT-registered; for B2C transactions, the non-resident supplier is liable to register and remit VAT.
Liability to remit VAT	• B2C: The non-resident supplier / digital platform is liable to collect and remit VAT to the DGID. • B2B: The Congolese business consumer self-assesses VAT via the reverse-charge mechanism (retenue à la source de la TVA).
VAT rate	The standard VAT rate is 18% with a 5% surcharge which brings the effective rate to 18.9%.
Taxable value	The gross amount invoiced to the Congolese consumer, exclusive of VAT itself but inclusive of all ancillary charges, commissions, subscription fees, and any levies. Amounts invoiced in foreign currency must be converted to CFA Franc (XAF) at the Bank of Central African States (BEAC) reference rate on the date of the transaction.
Effective date	1 July 2026
VAT registration threshold	Congo applies a general VAT threshold of XAF 100,000,000 (approx. USD 165,000) of annual turnover for resident taxpayers. However, for non-resident digital suppliers, there is effectively no threshold, liability arises from the first taxable supply to a Congolese consumer.
Tax invoice	Yes. Non-resident suppliers must issue a compliant tax invoice for each taxable supply. Electronic invoices are accepted, provided that they meet the content requirements of the CGI.

Services in scope

ESS taxable in Congo include (non-exhaustive), but are not limited to:

- Supply of digital content: streaming of music, films, videos, e-books, and online newspapers/magazines
- SaaS, applications, mobile apps, and updates delivered electronically;
- Cloud computing, hosting, and data storage services
- Online advertising, search engine services, and digital marketing
- Online gaming, gambling and betting platforms
- E-learning, online courses, and webinars delivered automatically
- Online marketplaces and intermediation/platform services (ride-hailing, accommodation booking, and e-commerce facilitation)
- Subscription-based digital services; and
- The sale/licensing of digital images, databases, and electronic publications

The place of supply is where the customer is established, resident, or habitually located in Congo.



Registration and compliance

- **Registration:** Non-resident suppliers must register with the DGID and obtain a Numéro d'Identification Unique (NIU). In practice, a simplified registration regime is available for foreign digital operators, though the DGID may require the appointment of a fiscal representative established in Congo.
- **Filing frequency:** VAT returns are filed monthly and are due by the 20th of the month following the taxable period.
- **Payment:** VAT is payable at the same time as filing, in XAF, through a bank accredited by the Treasury or, where available, by electronic transfer.
- **Record-keeping:** Accounting records and supporting documents must be retained for 10 years.

Invoicing

- Invoices must contain all mandatory information required under the CGI, such as the supplier's identity and NIU, the customer's identity, date, sequential invoice number, description of the service, unit price, VAT rate, VAT amount, and total inclusive of tax.
- Invoices must be denominated in XAF (CFA Franc); if issued in foreign currency, the XAF equivalent and exchange rate used must be shown.
- Invoices should be issued in French, Congo's official language.

VAT on costs

Non-resident suppliers generally cannot recover input VAT incurred in Congo through the ordinary VAT return, because they are registered under a simplified/collection-only regime and do not carry out a taxable establishment-based activity.

A refund/recovery is only possible where the non-resident has a permanent establishment in Congo, registers under the normal regime, and meets the deduction conditions.

Other considerations

Non-resident suppliers of ESS to customers in the Republic of Congo may be required to appoint an accredited, solvent and VAT-registered representative resident in Congo, who is jointly and severally liable for the payment of VAT due.

To ease compliance, the Agence de Régulation des Postes et Communications Electroniques (ARPCE) has been mandated to support the tax authorities by operating a simplified, centralised registration system that allows non-resident providers of digital services to register and remit VAT in Congo through a single online platform.

VAT on cryptocurrency/ digital assets

Currently, the Republic of Congo does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Rwanda

VAT on Electronically Supplied Services (ESS)



Overview

Rwanda's VAT framework for ESS by non-resident suppliers is established under VAT Law No. 049/2023, which introduced the taxation of digital services, and further clarified by Ministerial Order No. 004/26/10/TC of 29 April 2026. The Order covers a broad range of online goods and services including, software, media streaming, online education, advertising platforms, web hosting, and electronic marketplaces, and deems such services supplied in Rwanda where the customer is located in Rwanda or consumption occurs there, based on indicators such as a Rwandan billing address, mobile SIM card, or bank account.

Non-resident suppliers providing taxable ESS to Rwandan customers must register for VAT in Rwanda or appoint a local representative to fulfil their VAT obligations, regardless of whether they have a physical presence in the country.

Where a foreign supplier fails to register or appoint a representative, the financial institutions processing the payment including, banks, mobile money providers, and payment gateways; must withhold and remit VAT on behalf of the non-registered supplier.



Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	The non-resident supplier, its local representative, or the financial institution that will be processing the payment (where the foreign supplier has not registered or appointed a local representative).
VAT rate	18%
Taxable value	The taxable value of an online service includes the total amount payable for goods or services together with any duties, fees, or charges associated with the supply.
Effective date	Within three months from the date of publication of the Ministerial Order (MO) i.e. end of July 2026; allowing Rwanda Revenue Authority (RRA) to establish a designated portal and other necessary modalities.
VAT registration threshold	The Order does not prescribe a specific registration threshold for non-resident ESS suppliers. However, under the general VAT law, a mandatory VAT registration threshold is where turnover exceeds or is likely to exceed FRW 20 million (approximately USD 20,000) in the previous fiscal year or FRW 5 million (approximately USD 5,000) in the preceding quarter. Moreover, suppliers/taxpayers below the prescribed thresholds may opt for voluntary registration.
Tax invoice	Where the non-resident supplier registers, they would be required to comply with e-invoicing obligations (Electronic Billing machine (EBM) invoicing). The Rwanda Revenue Authority will issue modalities of compliance within three months from the MO date of publication in the official gazette.

Registration and compliance

The services covered under the ministerial order include:

- Software programmes
- Online gaming
- Advertising platforms
- Media streaming
- Online education programmes
- Web hosting
- Electronic marketplaces; among other similar supplies

The RRA is in the process of establishing a designated online portal, integrated with financial institution systems, to facilitate and streamline the process. Once the portal is operational, the RRA will provide comprehensive guidance on the registration and compliance requirements to ensure effective implementation and adherence to the relevant regulatory obligations.

Invoicing	The invoicing modalities will be issued by the Rwanda Revenue Authority once the portal development and related implementation arrangements have been finalised.
VAT on costs	Non-resident suppliers registered for VAT in Rwanda will not be able to recover any VAT incurred in Rwanda.

Other considerations

Other key Considerations for non-Resident Suppliers of Electronic Services (ESS) in Rwanda

- Appointment of a Tax Representative – Non-resident suppliers providing taxable ESS to customers in Rwanda are required to register for VAT or appoint a local tax representative, regardless of whether they have a physical presence in Rwanda. Where a supplier fails to comply, financial institutions (including banks, mobile money operators, and payment service providers) may be required to withhold and remit VAT on the supplier's behalf. The necessary appointments should occur during this period while the systems are being implemented.

- Digital Services Tax (DST) – Rwanda introduced Digital Services Tax at the rate of 1.5%. However, the government is yet to release modalities clarifying the regulatory and compliance requirements.

- Invoicing Adjustments – The MO further provides a structured framework that allows for the correction of VAT invoice errors, including adjustments relating to incorrect pricing, incorrect VAT rates, returned or damaged goods, or goods not supplied. While adjustments are generally made before VAT return filing, post-filing corrections require prior approval from the RRA. Separate rules apply to invoice cancellations, which may be restricted where the relevant tax period has been audited or the related input VAT has already been refunded.

VAT on cryptocurrency/ digital assets

Currently, there are no specific provisions within the VAT legislation that specifically address the treatment of cryptocurrencies and other digital assets.

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Senegal

VAT on Electronically Supplied Services (ESS)



Overview

VAT on digital services was introduced on 19 December 2022 by Law no. 2022-22, effective from 1 April 2024 but the decree governing the application of this tax was adopted on 08 November 2023.

Article 355 bis of the GTC states that: “When, in application of the provisions of Article 357 of the GTC, the place of taxation for a digital service supplied by a foreign natural or legal person is located in Senegal, VAT is collected and paid, on behalf of the supplier, by the intermediary who carried out the transaction.”

This means that when a non-resident supplier provides certain electronic services (as listed below) to Senegalese consumers (regardless of whether the consumer is B2B or B2C), the non-resident will be required to register for VAT and charge VAT on the services supplied.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	Suppliers residing abroad who have their own technology and provide the services referred to in article 357. Suppliers involved in online sales, in particular digital platforms, online markets or marketplaces that put suppliers and their customers in contact to enable them to conclude transactions through the use of information technology.
VAT rate	18%
Taxable value	VAT is charged on the price of digital services and, where applicable, on commissions received by intermediaries.
Effective date	1 April 2024
VAT registration threshold	Nil
Tax invoice	The issuance of an invoice is compulsory for any profession of activity





Services in scope

Article 2 of decree no. 034269 of 08 November 2023 implements the provisions of Article 355 bis of the General Tax Code (CGI) relating to VAT on digital service transactions carried out by foreign taxable persons.

- Advertising services
- Digital intermediation services
- Downloading/broadcasting of music, films and online games
- Provision of SaaS solutions or cloud software
- Data storage and processing
- Provision of databases
- Electronic data management
- Provision of articles, newspapers and online information
- E-learning and distance learning
- Website, image and text hosting
- Provision of travel, accommodation and transport information
- Broadcasting or provision of websites
- Data software hosting
- Sales of software and software updates
- Remote software maintenance services
- Distribution of images, text and information
- Organisation of political, cultural, artistic, sporting, scientific and other programmes and events
- Provision of advertising platforms
- Provision of streaming platforms and subscription services
- Payphone paging services
- Cloud storage services
- Provision of downloadable content (applications, books, films)
- Media subscription services, streaming, software programmes
- Audiovisual content offer
- Supplier-recipient link services
- Performance of any other electronic service

Registration and compliance

Foreign direct suppliers and digital platform operators can register for VAT in Senegal using the simplified remote electronic registration procedure. To register, suppliers must fill in the registration form provided by the tax authorities **online.**

Once registered for VAT in Senegal, the non-resident supplier is obliged to settle, collect and remit VAT on the digital transaction and on the related commissions to the tax department responsible for large companies no later than the first 15 days of the month following the chargeable event of the VAT.

For non-resident suppliers, the VAT return must include information on:

- The total amount before tax (turnover) of transactions concluded with customers established in Senegal during the month
- The amount of VAT invoiced and collected from customers established in Senegal.

The local VAT taxpayers, in the absence of proof that the operator of the foreign platform is duly registered in Senegal, must account for VAT using the reverse charge mechanism.



Invoicing

The taxable person's invoice must show clearly:

- The exact name and address, together with their Tax ID number
- A serial number based on a chronological and continuous sequence
- The turnover tax payable on the transaction concerned, with an indication of the rate
- The specific tax payable, where applicable, on the transaction concerned, with an indication of the rate
- The price inclusive of all taxes

Please note that there are no specific guidelines on what currency needs to be used for the invoices. As such, invoices can be in any currency.

VAT on costs

The VAT borne by foreign service providers cannot be refunded in the absence of VAT collected in return in Senegal.

The reverse VAT charge applied by a local entity is deductible only if the conditions set out in the decree no. 039532 of 02 December 2021 are met. The decree provides an exception where the services involve the transfer of know-how.



Other considerations

Information sharing

A company, regardless of its location, which, in its capacity as a platform operator, puts persons in contact at a distance by electronic means with a view to the sale of goods, the provision of a service or the exchange or sharing of goods or services, whatever the nature of the goods or services, must

1. Send by electronic means, to sellers, service providers or parties involved in exchange or the sharing of goods or services who have received, in their capacity as a user of a platform, sums in respect of transactions carried out of which it has knowledge, by no later than 31 January of the year following that in respect of which the information is given, a document mentioning, for each of them, the following information:

- Details identifying the operator of the platform concerned
- The identification details of the platform user
- Whether the platform user is a private individual or a professional
- The number and total gross amount of transactions carried out by the operator with each user during the previous calendar year
- If known to the operator, the details of the bank account into which the sums are paid

2. Send to the tax authorities, no later than 30 April of the year following the year for which the information is provided, a document summarising all the information mentioned in paragraph 1 above. In the event of express authorisation from the tax administration, the said information may be sent electronically.

Requirement to appoint a tax representative

Senegal's general VAT administration framework allows non-resident businesses to appoint a local tax representative to assist with VAT filings, payments, correspondence with the General Directorate of Taxes and Domains("DGID") and the use of the ETAX system.

However, the ESS regime introduced under the 2024 amendment establishes a mandatory online VAT registration procedure specifically for foreign digital suppliers. As a result, non-residents supplying ESS are not required to appoint a Senegalese tax representative for the purposes of VAT declaration and payment arising from online sales. They may register and comply directly through the DGID's electronic platforms.

VAT on cryptocurrency/digital assets

Currently, Senegal does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Sierra Leone

VAT on Electronically Supplied Services (ESS)



Overview

Sierra Leone introduced the GST on digital services from the 2021 year of assessment. The Finance Act 2021 amended the GST Act of 2009 to include digital market supply and digital services as taxable supplies in Sierra Leone.

Thereafter, the Finance Act 2023 amended the initial provision to provide for a broader scope of digital services, which are listed below.

Furthermore, with effect from 1 January 2026, as per the Finance Act 2026, non-resident suppliers of digital services must register for GST, irrespective of whether these supplies exceed the standard registration threshold or whether the non-resident supplier maintains a physical presence in Sierra Leone.

In addition, non-resident suppliers of digital services to consumers in Sierra Leone without a physical presence or registered office in the country are required to formally appoint a representative in Sierra Leone who has a physical presence or registered office.

Table indicating the relevant key provisions applicable for GST on ESS Regulations:

Particulars	Description
Scope	Both B2C and B2B
Liability to remit VAT	Non-resident supplier, agent or importer of service
VAT rate	15%
Taxable value	The value of the supply
Effective date	1 January 2021
VAT registration threshold	Nil with effect from 1 January 2026. Prior to this date, the registration threshold was SLE 500,000 (circa USD 21,000)
Tax invoice	Non-resident suppliers are required to issue invoices using the electronic cash register (ECR) system.

Services in scope

Digital market supply or digital services through a digital marketplace, refers to e-platforms, whether e-medium, e- commerce, peer-to-peer (P2P), advertising based, agency or subscription-based that include:

- Downloadable digital content
- Subscription-based media
- Software programs
- Electronic data management
- Supply of music, films and games electronically, including satellite TVs
- Online sale of goods; and any online or digital gambling and betting activities
- Search engines and automated help desk services, online tickets, e-learning platforms, audio, vision or digital media, transport hailing platforms, among others

Registration and compliance

With effect from 1 January 2021, non-resident suppliers of digital services were required to register for GST in Sierra Leone subject to meeting the GST registration threshold of SLE 500,000 (circa USD 21,000).

However, from 1 January 2026, this GST registration threshold was removed. As such, all non-resident suppliers must register for GST, irrespective of whether their supplies exceed the standard registration threshold or whether the non-resident supplier maintains a physical presence in Sierra Leone.

Invoicing	In Sierra Leone, all taxable persons including non-resident suppliers are generally required to issue invoices using the electronic cash register (ECR) system
GST on costs	Input tax deductions are not allowed for expenses incurred in the provision of digital services by a person who does not have a physical presence or registered office in Sierra Leone.
Other considerations	Non-residents who derive income from digital services and products from consumers in Sierra Leone are required to pay income tax (1.5% of turnover) on all the income derived from a source in Sierra Leone.
GST on cryptocurrency/ digital assets	Currently, Sierra Leone does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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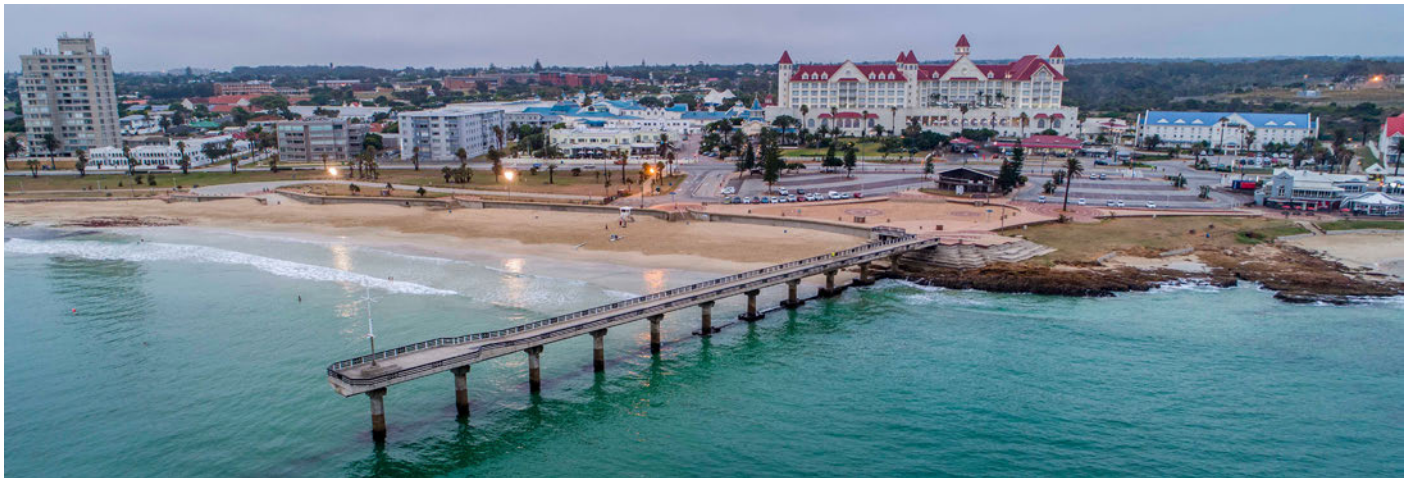
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South Africa

VAT on Electronically Supplied Services (ESS)



Overview

In 2014, South Africa introduced the first Regulation stipulating various VAT rules applicable to ESS. This Regulation included a defined list of specific services that fell within its scope.

At the same time, the definition of 'enterprise' in the VAT Act No 89 of 1991 ("VAT Act") was amended to include the supply of 'electronic services' as defined in the VAT Act, by a person from a place outside South Africa, where at least two of the following criteria exist:

- The recipient has a business address, residential, or postal address in South Africa,
- The recipient is a resident of South Africa
- Where any payment originates from a bank registered or authorised in terms of South African law.

2014 VAT Regulation prescribing electronic services

The scope of electronic services was limited to a predefined list of ESS set out in a Regulation ("2014 Regulation") published by the Minister of Finance.

The 2014 Regulation did not distinguish between B2B and B2C supplies but effectively attempted to capture B2C ESS. Foreign suppliers that provided electronic services listed in the 2014 Regulation were required to be registered as VAT vendors if the value of their supplies to South African recipients exceeded the annual threshold of R50 000 (approximately US$2,500). This was regardless of whether the supply was made to a business or consumer recipient.

2019 VAT Regulations prescribing electronic services

The 2014 Regulation was amended with effect from 1 April 2019 and broadened the definition of electronic services. This was achieved by removing the predefined list of ESS and replacing it with the following definition:

Electronic services include any services supplied by means of an electronic agent, electronic communication, or the Internet for any consideration. (exclusions dealt with below)

Excluded from the 2019 Regulation:

- Telecommunications
- Educational services provided by a person regulated by an educational authority
- Certain intercompany transactions

In addition, the legislation was amended to allow for “intermediaries” to account for the VAT as the principal, in certain circumstances, as well as an increase in the VAT registration threshold from R50,000 (approximately US$3,000) to R1 million (approximately US$55,000), which is in line with the domestic VAT registration threshold.

2025 VAT Regulation Prescribing Electronic Services

The 2019 Regulation was amended with effect from 1 April 2025, introducing a very specific exclusion for B2B supplies from the scope of ESS. The B2B exclusion introduced differs from the norm as it only applies to suppliers solely supplying ESS to VAT registered customers. Therefore, a supplier making both B2B and B2C supplies may not rely on the exclusion, and all supplies, including B2B, will remain in scope.

In addition, only a VAT registration number may be used to provide evidence of a business customer. Information such as the customer's name, volume of sales, subscription type, and legal entity of the customer may not be relied on to make the distinction between B2B and B2C.

The exclusion for supplies made exclusively to South African VAT registered vendors represents a policy shift from the position under the 2019 Regulation. From 1 April 2025, non-resident suppliers making qualifying B2B supplies—with no B2C supplies—are not within the scope of the electronic services VAT regime and are therefore not required to register for VAT under the ESS Regulation.

Intermediaries

Section 54(2B) of the VAT Act deems a VAT registered intermediary to be the principal when supplying electronic services to a South African recipient, on behalf of another person who is the principal for the purpose of that supply. Currently, the intermediary and the principal must agree in writing for section 54(B) to apply, however legislative amendments are expected, and parties will have to agree in writing for section 54(2B) not to apply, once the amendment is passed.

If the parties agree that the intermediary rules should apply, the intermediary will be the accountable person for the VAT in respect of supplies made and not the principal. The principal will not have any reporting obligations in respect of supplies made via an intermediary and in terms of section 54(2B).

In the South African context, an intermediary must facilitate the supply of ESS and be responsible for invoicing and payment collection.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Non-residents supplying electronic services to South African individuals (“B2C”) or businesses (“B2B) **With effect from 1 April 2025, B2B supplies (where non-resident’s services are supplied solely to registered VAT vendors) are excluded from the ESS provisions.**
Liability to remit VAT	By the non-resident supplier, unless intermediary provisions are applicable
VAT rate	15%
Taxable value	Price payable by the recipient of the supply
Effective date	1 April 2025
VAT registration threshold	The compulsory VAT registration threshold for electronic services increased to R2.3 million with effect from 1 April 2026.
Tax invoice	Tax invoices are required to be issued

Registration and compliance

Effective 1 April 2019, every person conducting an enterprise in the context of electronic services, which has made taxable supplies exceeding R1 million in any consecutive 12-month period, is required to obtain a VAT registration in the following month after exceeding the threshold and account for VAT at 15% on supplies. Effective 1 April 2026, the threshold increased to R2.3 million.

Registration Process	The registration process for foreign suppliers of electronic services can be completed via email. The following information, translated into English, will need to be submitted (and, thus, attached to the email): • The completed VAT registration form (VAT 101) • The certificate of incorporation of the foreign entity • Proof of registration with a foreign tax authority • The ID or passport of the tax representative and / or director • Copy of a recent bank statement for a South African or foreign bank account, whichever is applicable.
Local representative vendor	A non-resident electronic service supplier or intermediary is not required to appoint a representative vendor in South Africa.
Local bank account	A non-resident electronic service entity or a non-resident intermediary is not required to open a South African bank account. From a practical perspective, as a South African bank account is not required for the VAT registration, this may cause difficulties especially in the unusual occasion where an ESS VAT vendor will require VAT refunds from South African Revenue Service (SARS).
VAT returns submission	The non-resident electronic service entity will be required to complete and submit monthly or bi-monthly VAT returns. VAT returns are required to be submitted by the last business day of the month following the end of the VAT return period (calendar month). Where there are no sales to reflect in a month, the non-resident is required to file a nil VAT return.
VAT payments	All VAT payments to the SARS are required to be made by the last business day of the month.

Invoicing

A tax invoice must be issued within 21 days of the date of a taxable supply, and the currency reflected on the invoice must be South African rand.

The Commissioner has issued a regulation on the requirements for tax invoices for electronic services, which must include the following information:

- The name and VAT registration number of the electronic services supplier
- The name and address (physical, postal or email address) of the electronic services recipient
- An individual serialised number
- The date of issue
- A description of the electronic services supplied
- The consideration in money for the supply in the currency of any country. If the ZAR currency is used, the amount of the VAT charged or a statement that it includes a VAT charge and the rate at which the VAT is charged must be reflected. If another currency is used, the amount of the tax charged in ZAR, converted at the prescribed exchange rate, or a separate document, must be issued by the electronic services supplier reflecting the amount of tax charged in ZAR.
- The exchange rate, at the prescribed rate, used.

Electronic invoicing is generally accepted, provided the above requirements are satisfied.

VAT on costs

A non-resident company registered for VAT under the ESS Regulation is entitled to recover input tax incurred on domestic expenses, provided it was incurred as part of its VAT enterprise and subject to supporting documentation (i.e. valid tax invoice).

In practice, where the recovery of input tax results in a refund due, the amount cannot be refunded to the ESS supplier. This is due to the fact that ESS suppliers are not required to provide a South African bank account when applying for its VAT registration and due to exchange control regulations, SARS will not pay any amount due into a foreign bank account. Any refund due may be set off against future payments due and a mechanism has been introduced to refund amounts due upon de-registration. At this stage, however, it remains unclear how this mechanism will be applied in practice.

VAT on cryptocurrency

The VAT Act was amended with effect from 1 April 2019 to include the activity of issuing, acquiring, collecting, buying, selling, or the transfer of any cryptocurrency as financial services, which is an exempt supply for VAT purposes. Importantly, where a commission or fee is charged in relation to cryptocurrency transactions, this commission or fee is excluded from the financial service activities and thus subject to VAT at either the standard or zero rate (where applicable).

Kindly note that there is very little guidance issued by SARS on cryptocurrency.



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Tanzania

VAT on Electronically Supplied Services (ESS)



Overview

A supply of electronic services delivered from outside Tanzania to a customer who is not registered for VAT in Mainland Tanzania at the time the service is delivered, is subject to VAT in Tanzania. In such cases, the supplier is responsible for accounting for VAT.

The Finance Act, 2022 (FA 2022) introduced changes to the VAT legislation to accommodate the taxation of non-resident electronic service providers. These amendments require non-resident suppliers to register for VAT (in accordance with procedures prescribed in the issued Regulations) without the need to appoint a local VAT representative (i.e. simplified registration).

The Regulations, which came into effect on 1 July 2022, provided a grace period of six months (see Regulation 4(7)) for non-resident suppliers to register (i.e. by no later than 1 January 2023).

In practice, a non-resident supplier of electronic services would have to check whether their customers are VAT registered or not to determine whether they have a VAT obligation in Tanzania. While there is no legislated mechanism of doing so, it is recommended that the non-resident collects the VAT Registration Number (VRN) and VAT Registration certificate from their customers. There is no publicly available portal to check such information.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Unregistered persons (regardless of whether they are B2B or B2C)
Liability to remit VAT	Non-resident supplier
VAT rate	18%
Taxable value	Sales value including any duty, levy, fee, charge (exclusive of VAT)
Effective date	1 July 2022
VAT registration threshold	No threshold
Tax invoice	Currently, there are no explicit invoicing requirements for non-resident supplying digital services. However, see further details on the "invoicing" section below

Services in scope

The scope of electronic services includes the following as defined under section 51(2) of the VAT Act, Cap 148 (VATA):

"electronic services" means any of the following services provided or delivered through a telecommunications network:

- Websites, web-hosting, or remote maintenance of programmes and equipment
- Software and the updating thereof
- Images, text, and information
- Access to databases
- Self-education packages

- Music, films, and games, including gaming activities
- Political, cultural, artistic, sporting, scientific, and other broadcasts and events including broadcast television
- Online intermediation services
- Online advertisement services
- Online data services
- Any other service of a similar nature delivered through internet or a telecommunications network.

The Regulations expound on the above definitions.

The residual category in item (k) above effectively creates an open-ended definition. Non-resident suppliers of digital services should therefore carefully assess whether their offerings fall within scope, even if not expressly listed.

Digital Intermediaries

Effective from 1 July 2026, where an electronic service is supplied to an unregistered person in Mainland Tanzania by a digital intermediary through online intermediation services or any other digital marketplace, the operator of such platform is deemed to be the supplier of the service for VAT purposes. This therefore means that the VAT compliance obligation rests with the platform operator rather than the underlying service provider.

Registration and compliance

The simplified registration portal for non-residents suppliers is available for use and can be accessed online here. To complete the registration process, the following information should be provided:

1. The legal name of the business, including the business trading name
2. The applicant's Certificate of Incorporation issued in the non-resident's home country
3. The name of the contact person responsible for tax matters
4. The registered address of the business
5. The contact person's telephone number of the contact person
6. The email address of both the business and the contact person
7. The website or uniform resource locator of the supplier through which the business is conducted.

Any other additional information not listed in the Regulations is also required, for example social media information and the passport number of the contact person.

Invoicing

The Electronic Services Regulations exempt non-resident registrants from having to acquire and use electronic fiscal devices for invoicing purposes. There are no explicit invoicing requirements for non-residents supplying digital services. However, there is a general rule on tax invoice requirements covered under Section 90 of the VATA. These requirements are as follows:

a. Date of issue;

b. Name of the supplier;

c. Taxpayer Identification Number (TIN) of the supplier (once registered for VAT, a TIN will also be issued to the supplier);

d. VAT Registration Number (VRN) of the supplier;

e. Description, quantity, and other relevant specifications of the services supplied; and

f. The total consideration payable for the supply and the amount of VAT included in that consideration.

Please note that it is unclear at this point whether the non-resident suppliers are required to abide by the above requirements for invoicing purposes as there is no exemption from these requirements nor any special rules. To be prudent, we would recommend that the non-residents include this information in their invoices.

VAT on costs

Non-residents cannot recover VAT on costs.

Other considerations

Digital Service Tax (DST)

A non-resident supplier is required to account for DST on a monthly basis at the rate of 3% (2% being applicable for periods prior to July 2026) of the turnover or gross payment received from a customer where electronic services are supplied to a resident individual customer (i.e. B2C). On the other hand, DST does not apply where the service is supplied to a resident business (i.e. B2B), regardless of whether the business is registered for VAT or not as the business customer will be required to apply withholding tax.

VAT on cryptocurrency/digital assets

Currently, Tanzania does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

Excise Duty

Effective from 1 July 2026, non-resident providers of specified electronic services delivered through the internet to unregistered (excise unregistered) consumers in Tanzania are subject to excise duty. The services in scope and applicable rates are:

Rates	Services
17% of dutiable value	Electronic communication services
7% of dutiable value	Pay-to-view television services (including subscription VOD streaming)
10% of charges/fees	Commercial advertisement on betting, gaming, or lotteries services
10% of charges/fees	Money transfer and payment services

Non-resident service providers within the scope are required to register with the Commissioner General within 90 days of the regulations coming into effect (i.e. by 29 September 2026), file monthly electronic returns by the 7th of the following month, and pay excise duty in Tanzanian Shillings.

On a related note, registered non-resident providers are exempt from using electronic fiscal devices for invoicing purposes.

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Togo

VAT on Electronically Supplied Services (ESS)



Overview

The Togolese General Tax Code prescribes that non-residents with a digital presence in Togo are subject to VAT on any ESS to persons domiciled in Togo.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Both B2B and B2C
Liability to remit VAT	The non-resident must appoint a representative domiciled in Togo on its behalf to charge and remit VAT. Failure of the remittance of the VAT, the recipient or beneficiary of the taxable transaction will be held liable.
VAT rate	18%
Taxable value	Taxable sums or consideration payable by the recipient of the service.
Effective date	19 February 2026
VAT registration threshold	Companies or individuals with a turnover which exceeds XOF 100,000,000 (circa USD 175,000)
Tax invoice	Yes

Services in scope

All digital services and e-commerce. Please note that the services are broad as tax authorities have not specified any exclusions or exemptions for specific services.

Registration and compliance

A non-resident supplier should register with the Togolese Revenue Office for tax purposes and obtain a TIN. Further to the registration, the ESS provider will be required to appoint a representative to facilitate the filing obligations due in Togo. VAT is declared and paid monthly, no later than by the 15th day of the month following the month the transaction occurred.

Invoicing

Service providers must issue standardised invoices physically or electronically. The invoice must include the following details:

- The invoice number
- The company's TIN
- The invoice date
- The supplier's name or business name, address, and registration number in the trade register
- The nature and purpose of the transaction
- The price excluding tax
- The tax rate and amount due

Once Togo's electronic invoicing system is fully implemented, companies must issue standard electronic invoices incorporating the details listed above.

VAT on costs	Non-resident digital service providers are not eligible to deduct input VAT in Togo.
Other considerations	A withholding tax of 20% applies to all remuneration for ESS provided or used in Togo paid to foreign electronic service suppliers located in a country with no Double Taxation Agreement with Togo.
VAT on cryptocurrency/ digital assets	Togo does not have specific VAT rules on cryptocurrency as cryptocurrency related activities are not legally recognised in Togo.

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Uganda

VAT on Electronically Supplied Services (ESS)



Overview

With effect from 1 July 2018, the Ugandan VAT Act amended the place of supply rules to require non-resident suppliers of ESS to Ugandan consumers (non-VAT-registered persons) to account for VAT in Uganda.

Subsequently, in December 2018, the Uganda Revenue Authority ("URA") issued a public notice which provided guidance on how a non-resident supplying electronic services to a non-VAT registered person in Uganda is required to account for VAT subject to meeting the registration threshold. (The VAT registration threshold was previously USD 40,000 for a given 12-month period or USD 10,000 for a 3-month period. However, effective 1 July 2026, these thresholds were increased to USD 80,000 and USD 20,000, respectively).

The implementation of VAT on ESS for non-resident suppliers became effective on 1 July 2022.

Table indicating the relevant key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	VAT on electronic services is charged on B2C only. The URA classifies B2C transactions to only include transactions made with Ugandan customers who are not VAT registered in Uganda.
Liability to remit VAT	Non-resident supplier of electronic services
VAT rate	18%
Taxable value	Price payable by the recipient of the electronic service (Ugandan customer that is not VAT registered)
Effective date	1 July 2022
VAT registration threshold	UGX 300 million (USD 80K) per annum or UGX 75 million (USD 20K) per quarter
Tax invoice	There is no requirement for a non-resident supplier to issue an electronic invoice

Services in scope

Section16(5) (a) of the Ugandan VAT Act defines electronic services to include the following services:

- Websites, web-hosting or remote maintenance of programs and equipment
- Software and the updating of software
- Images, text, and information
- Access to databases
- Music, films and games including games of chance
- Political, cultural, artistic, sporting, scientific and other broadcasts and events including television

- Advertising platforms
- Streaming platforms and subscription-based services
- Cab-hailing services
- Cloud storage
- Data warehousing

Registration and compliance

Non-resident suppliers of any of the above electronic services to non-VAT-registered persons in Uganda are required to register for VAT under the simplified tax registration framework on the URA portal.

Upon registration, the URA issues the non-resident supplier a TIN. The non-resident supplier is then required to file VAT returns on a quarterly calendar basis and remit the respective VAT collected to URA within fifteen days from the end of every quarter.

Where there are no B2C transactions made in a specific quarter, the non-resident supplier is required to file a nil quarterly VAT return.

In addition, as part of the quarterly compliance, a VAT registered non-resident supplier of electronic services is required to submit a CSV file of all B2B transactions for the quarter by the 21st day from the end of every quarter.



Invoicing

Non-resident suppliers of electronic services are exempt from issuing electronic tax invoices using the Electronic Fiscal Reporting and Invoicing System (EFRIS). However, they are required to issue invoices or receipts reflecting the value of the supplies made to their Ugandan customers and the respective VAT charged. These invoices or receipts should also reflect the customer's TINs to help validate the customers' VAT registration status in Uganda.

Non-resident suppliers of electronic services can invoice in any foreign currency. However, for VAT reporting services this should be translated to Ugandan Shillings using the monthly VAT exchange rates provided on the URA portal.

VAT on costs

There is no recoverability of the VAT incurred costs by non-resident suppliers of electronic services.

Other considerations

Non-resident suppliers of electronic services should also be aware of the DST imposed on non-resident providers of digital services to customers in Uganda, with effect from 1 July 2023. DST is charged at a rate of 5% on non-resident's income derived from provision of digital services delivered over the internet, an electronic network, or an online platform to Ugandan customers. This covers both B2B and B2C customer arrangements.

Section 86A of the Income Tax (Amendment) Act 2023 defines digital services to include:

a. Online advertising services

b. Data services

c. Services delivered through an online marketplace or intermediation platform, including an accommodation online marketplace, a vehicle hire online marketplace and any other transport online marketplace.

d. Digital content services, including accessing and downloading of digital content.

e. Online gaming services

f. Cloud computing services

g. Data warehousing

h. Services other than those services above, delivered through a social media platform or any internet search engine.

i. Any other digital services as the Minister may determine by statutory instrument.

The non-resident providers of digital services that qualify for DST are required to file quarterly returns and pay the respective DST by the fifteenth day after the end of the quarter.

Amendment to the application of DST between associates

With effect from 1 July 2025, the Income Tax Act was amended to restrict the application of DST to transactions between associates. This implies that the 5% DST no longer applies to income earned by a non-resident supplier from providing digital services to its associate in Uganda.

Instead, such income will be subject to the standard withholding tax, which is accounted for by the resident entity when making payments to non-residents. This withholding tax is ordinarily charged at 15%, unless there is a Double Taxation Treaty (DTA) that provides for a reduced rate, subject to meeting the requisite beneficial ownership and economic substance criteria.

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Zambia

VAT on Electronically Supplied Services (ESS)



Overview

Legislation

- The VAT, 1995, as amended (“VAT Act”)
- The VAT (Amendment) Act No 27 of 2023
- The VAT Cross Border Electronic Services Regulations, Statutory Instrument No.18 of 2024
- The VAT General (Amendment) Rules, 2024
- The Zambia Revenue Authority (ZRA) Practice notes

The VAT Act, under Section 8A, imposes VAT in Zambia on electronic services which are performed, undertaken, or utilised in Zambia, or where the benefit of the supply is for a recipient in Zambia, regardless of whether the supplier has a place of business in Zambia.



Electronic services are currently defined under Section 2 of the VAT Act as “a service provided or delivered on or through the internet, electronic or digital network.” This definition, effective from 1 January 2024, replaced the original, narrower definition introduced in 2020 (which limited electronic services to those “capable of delivery of data across multiple electronic commerce platforms”), and materially broadens the scope of services that may fall within the ESS regime.

Where the electronic service provider has a permanent business address or a registered office in Zambia, the service provider will be required to register and account for VAT in accordance with normal rules.

In the event that the non-resident service provider does not have a permanent address of the business address or a registered office in Zambia, there is a requirement to register for VAT under the simplified registration regime. In the event that the non-resident service provider is unable to register, there is a requirement to appoint (on application to the Commissioner General) a person resident in Zambia to act as a tax agent on their behalf.

Upon appointing a tax agent, the non-resident must also notify the Commissioner General of the tax agent’s appointment. This notification may be submitted to the ZRA by the tax agent on behalf of the non-resident.

Aspects related to the implementation process of VAT on ESS have been outlined in the VAT Cross Border Electronic Services Regulations of 2024, read together with the VAT General (Amendment) Rules, 2024.

The following table provides an overview of the key provisions applicable for VAT on ESS Regulations:



Particulars	Description
Scope	Both B2B and B2C transactions.
Liability to remit VAT	Non-resident supplier / the "local tax agent" appointed by the non-resident supplier
VAT rate	16%
Taxable value	The VAT ACT guides that where services are supplied for monetary consideration, the taxable value is the price that is charged for services onto which VAT at the prescribed rate (currently 16%) is added.
Effective date	1 January 2020 (VAT amendment act No 14 of 2019)
VAT registration threshold	Non-resident suppliers must register under the simplified regime upon reaching the annual threshold of ZMW 800,000 (circa USD 42,000) or ZMW 200,000 (circa USD 10,000) in any consecutive three-month period.
Tax invoice	Registered suppliers must issue simplified tax invoices denominated in ZMW, using ZRA-prescribed exchange rates as determined by the Bank of Zambia, and including prescribed particulars such as supplier details, customer identification (for B2B/B2G), supply date, pre-tax amount, the exchange rate applied, and a sufficient service description.
Bank of Zambia Currency Directives, 2025	In late December 2025, the Bank of Zambia issued new 'Currency Directives' requiring all domestic transactions to be settled in Zambian Kwacha, even if prices are quoted in a foreign currency. The implications are significant, but the picture is more nuanced than it appears. Notable distinctions apply to non-resident suppliers of electronic services, and sector-specific carve-outs could reshape compliance obligations for key industries.

Services in scope

The VAT Act defines electronic services as services provided or delivered via the internet or any electronic or digital network. Cross-border electronic services (CBES) are services supplied in Zambia by a supplier that is a resident or has a business outside, Zambia.

The CBES Regulations prescribe the following categories: streaming services, software services, downloadable digital content, website related services, subscription-based media, search engines and automated help desks, electronic data management, online presence services, ticket servicing and online marketplace services.

Registration and compliance

The non-resident supplier offering electronic services (under B2B or B2C arrangement) in Zambia is required to register for VAT under the simplified regime, regardless of whether the services are provided remotely.

Where a non-resident supplier is unable to register under the simplified registration mechanism, the supplier should request approval from the Commissioner General to appoint a local tax agent, stating the reasons for the failure to register. The local tax agent will arrange for tax invoices to be issued on behalf of the foreign service provider to the recipient of the service in Zambia.

At the end of the VAT accounting period (one calendar month), the non-resident supplier or the local tax agent will submit the VAT return declaring the output charged during the period. The return should be submitted by the 25th of the month following the end of the relevant period. Similarly, VAT payments to ZRA are due by the 25th of the month following the end of the relevant period.

Invoicing

Currently, both the non-resident and the local tax agent are required to issue invoices for purposes of accounting for VAT on ESS.

Zambia has implemented an electronic invoicing system, effective July 2024, known as the Smart Invoice system. Currently, the non-resident supplier is exempt from registering and issuing invoices from the Smart Invoice system. Instead, the non-resident supplier is required to issue invoices in a simplified format, as outlined above.

VAT on costs

Currently, non-resident suppliers cannot claim or deduct input tax on CBES. However, recipients of CBES in Zambia can claim input tax, subject to the provisions of the principal VAT Act.

Other considerations

The following services are exempt from the provisions the CBES regulations:

- Broadcasting and telecommunication services
- Physical media including read only memory compact disk, floppy disks and similar tangible media
- Physical audio or video media including compact disks, audio cassettes, video cassettes and digital video disks
- Physical game media such as games on a read only memory compact disk
- Professional services such as advice given by lawyers and financial consultants to clients by electronic mail.

VAT on cryptocurrency/ digital assets

Currently, Zambia does not have specific VAT rules or regulations relating to cryptocurrency-related activities or digital assets.

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Zanzibar

VAT on Electronically Supplied Services (ESS)



Overview

The administration of VAT in the United Republic of Tanzania (the Union) differs between Tanzania Mainland and Zanzibar. Each jurisdiction has its own revenue authority. As a result, businesses supplying goods or services to these jurisdictions must consider two distinct VAT regimes.

Similar to Tanzania Mainland and effective from 1 August 2022, Zanzibar introduced a VAT framework specifically targeting non-resident suppliers of electronic services. Under this framework, non-residents supplying electronic services to non-VAT-registered persons in Zanzibar are required to register for VAT in Zanzibar either via the simplified registration framework administered by the Zanzibar Revenue Authority (ZRA) or via a tax representative.

These electronic services are specifically defined in the VAT Act 1998 (Zanzibar VAT Act) with further clarification provided in the Tax Administration and Procedures (Procedures of Simplified Registration for Non-Resident Supplier of Electronic Services and Foreign Tour Operators) Regulations, 2022 (“Regulations”).

The following table provides an overview of the key provisions applicable for VAT on ESS Regulations:

Particulars	Description
Scope	Non-VAT registered persons (regardless of whether they are B2B or B2C)
Liability to remit VAT	Non-resident supplier
VAT rate	18% (15% prior to 1July 2024)
Taxable value	Sales value including any duty, levy, fee, charge (exclusive of VAT)
Effective date	1 August 2022
VAT registration threshold	No threshold
Tax invoice	Currently, there are no explicit invoicing requirements for non-resident supplying digital services. However, See further details on the “invoicing” section below.



Services in scope

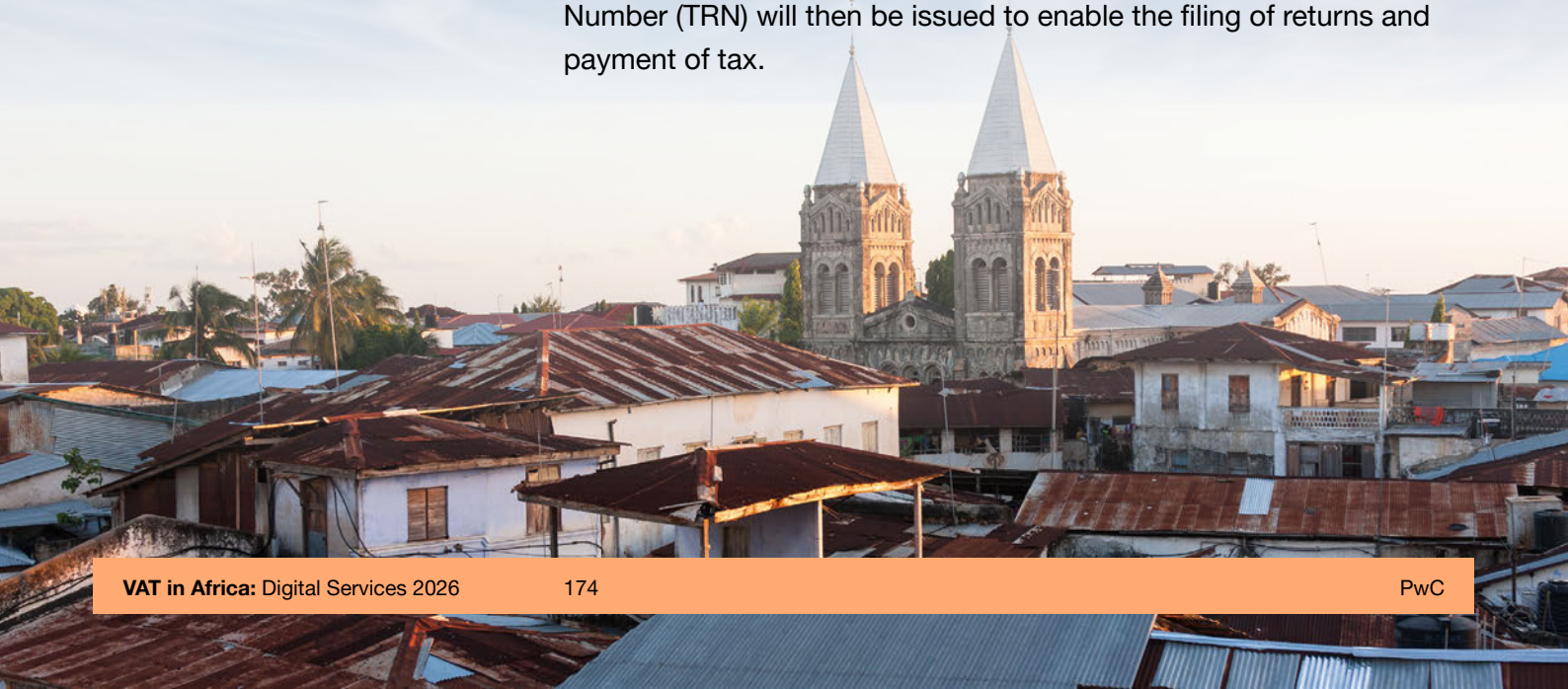
The Zanzibar VAT Act supported by the Regulations captures a wide array of electronic services. The scope of electronic services includes any service delivered via the internet or electronic means such as:

- Software and software updates
- Web hosting and online platforms
- Streaming and subscription-based media
- Downloadable digital products
- Database access
- E-learning platforms (without human intervention)
- Online gaming and virtual services

Registration and compliance

A non-resident supplier of electronic services to non-VAT-registered persons in Zanzibar who does not appoint a tax representative is required to register for VAT in Zanzibar. There is no registration threshold, hence, registration is required from the first supply. Non-resident suppliers of electronic services should therefore verify whether their customers based in Zanzibar are VAT-registered to determine whether they have VAT obligations in Zanzibar.

The application for registration is to be made online via the simplified registration portal using the prescribed form. A Tax Registration Number (TRN) will then be issued to enable the filing of returns and payment of tax.



Recent Update – July 2026

In July 2026, the Zanzibar Revenue Authority (ZRA) issued updated guidance via its website confirming that the VAT on electronic services system is now operational. As a transitional measure, non-resident suppliers of electronic services have been granted additional time until 1 January 2027 to configure their internal systems, register and commence collecting and remitting VAT. Businesses should register now as a preparatory measure. Those anticipating difficulties meeting the deadline should contact the ZRA directly.

Note: This transitional arrangement is based on public communication from the ZRA website. No formal legal notice confirming this position has been issued to date.

Invoicing

The Regulations exempt non-residents from compliance with the use of local EFD. However, there is a general rule on tax invoice requirements for taxpayers who issue manual receipts (non - EFDs); the following ought to appear on the invoice:

- The words “tax invoice”, “receipt” or “cash sale” on its face
- Serial number, Taxpayer Identification Number (TIN), Business Registration Number (BRN) trade name, address, and registration number
- Name and address of the client
- The date on which the tax invoice or receipt is issued
- Quantity or volume of the goods or services supplied
- Unit price and total value of goods or services
- Tax charged on the transaction as the case may be
- Seal and signature of taxable person or his authorized representative

Requirement to appoint a tax representative

If a non-resident supplier does not wish to register through the simplified registration mechanism, they have the option of appointing a tax representative to carry out their compliance obligations. However, from a practical perspective, this can be cumbersome due to the joint liability imposed on the representative and other administrative challenges.

Returns and payments

The non-resident ESS is required to file a VAT return, which together with the related tax payment, is due on or before the twentieth day of the month following the month to which the return relates. Payment is to be made in USD to a denominated bank account established by the Commissioner.

VAT on costs

Not claimable.

Other considerations

Exemption from using Electronic Fiscal Devices (EFDs)

Non-resident suppliers of electronic services are exempt from the requirement to use EFDs. At present there are no explicit invoice requirements for non-residents supplying digital services.



Applicability of Digital Services Tax (DST)

A non-resident supplier is required to account for DST on a monthly basis at the rate of 3% of the turnover or gross payments received from a customer where electronic services are supplied to a resident individual customer (i.e., B2C).

DST does not apply when services are supplied to a resident business (i.e., B2B) as these transactions would be subject to withholding tax instead.

VAT incorrectly remitted to Tanzania Revenue Authority (TRA) instead of ZRA

Where a non-resident supplier has incorrectly declared and remitted VAT on Zanzibar sourced income to the TRA rather than the ZRA, challenges may arise when seeking to correct historical filings and secure the appropriate relief.

Although, in principle, the same VAT cannot be paid twice to both authorities, the practical pathway for resolving such cases remains uncertain. Given the absence of established procedures between TRA and ZRA, affected taxpayers will need to engage directly with the respective authorities to determine the most appropriate course of action. We would be pleased to support in navigating this process and engaging with the authorities to facilitate resolution.



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