

Gambia Highlights



Currency: Gambian Dalasi (GMD)

Foreign exchange control: No restrictions are imposed on the import and export of capital. Repatriation payments can be made in any currency. Both residents and nonresidents can hold bank accounts in local and major international currencies.

Accounting principles/financial statements: Prepared in accordance with the Companies Act requirements. IAS/IFRS compliant financial statements are optional.

Principal business entities: These are the public and private limited liability company, partnership, sole proprietorship and branch of a foreign corporation.

Corporate taxation:

Residence – A corporation is resident if it is incorporated in Gambia or managed and controlled in Gambia.

Basis – Residents are taxed on worldwide income; nonresidents are taxed only on Gambian-source income. Foreign-source income derived by residents is subject to corporation tax in the same way as Gambian-source income. Branches are taxed the same way as subsidiaries.

Taxable income – Corporation tax is imposed on a company's taxable profits. Capital gains are taxed separately at different rates.

Normal business expenses are deductible in computing taxable profits subject to disallowed expenditure.

Taxation of dividends – Dividends received by a Gambian resident company from another Gambian company are exempt from withholding tax. Dividends received from a foreign company are subject to corporation tax in the period in which the dividends are paid.

Capital gains – For companies, the tax is the greater of 10% of the consideration or 25% of the net gain.

Losses – Taxable losses may be carried forward for up to 6 years. The carryback of losses is not permitted.

Rate – 32% (reduced from 33%) for taxable profits from any activity.

Surtax – No

Alternative minimum tax – Tax payable is 1.5% of gross turnover for audited accounts. In the case of unaudited accounts, the minimum is 2.5% of gross turnover.

Foreign tax credit – Foreign tax paid may be credited against Gambian tax on the same profits, but the credit is limited to the amount of Gambian tax payable on the foreign income.

Participation exemption – No

Holding company regime – No

Incentives – Investors in qualifying industries such as mining, petroleum exploration and the agricultural sector are usually granted a 5-year tax exemption certificate.

Withholding tax:

Dividends – Dividends paid to a nonresident company or to an individual are subject to a 15% withholding tax. Dividends from the national postal service are exempt.

Interest – Interest paid to a resident, nonresident company or an individual is subject to a 15% withholding tax. This does not apply to interest paid to a financial institution.

Royalties – Royalties paid to a nonresident are subject to a 15% withholding tax.

Branch remittance tax – No

Other taxes on corporations:

Capital duty – No

Payroll tax – Businesses with expatriate staff must pay the levy imposed on each employee. The tax is payable once a year per expatriate.

Real property tax – No

Social security – Employed and self-employed individuals are required to make Provident Fund Contributions at a rate of 5% of basic salary. The employer contributes 10% of basic salary.

Stamp duty – Stamp duty is levied on a variety of instruments at rates/charges depending on the type of document. A flat rate of 5% of the value of initial or additional shares is levied.

Transfer tax – Transfer tax is levied on the transfer of assets such as the assignment of a lease.

Other – No

Anti-avoidance rules:

Transfer pricing – Arm's length prices may be used by the tax authorities as a basis for taxation.

Thin capitalisation – No

Controlled foreign companies – No

Other – No

Disclosure requirements – No

Administration and compliance:

Tax year – The tax year is 12 months or the period for which accounts are prepared, if that is shorter. The tax accounting period may not exceed 12 months in total.

Consolidated returns – Consolidated returns are not permitted; each company is required to file separate returns. Group loss relief is not available.

Filing requirements – A self-assessment regime applies. Advance corporation tax is payable in 4 instalments. The tax return must be filed 3 months after the company's year end.

Penalties – Penalties and fines are imposed for late filing, failure to file or filing an incorrect return.

Rulings – No

Personal taxation:

Basis – Gambian residents are taxed on their worldwide income; nonresidents are taxed only on Gambian-source income.

Residence – An individual is resident if he/she spends 183 days of the tax year in Gambia, has an aggregated presence of 183 days in a tax year or owns a dwelling in Gambia.

Filing status – Each individual must file a return if so required; joint filing is not permitted.

Taxable income – Income is taxed under a schedular system. Employment income, including most employment benefits, is taxable. Profits derived from carrying on of a trade or profession generally are taxed in the same way as profits derived by companies. Investment income in the form of dividends is subject to tax at source at the rate of 15%.

Capital gains – Capital gains tax is the greater of 5% of the consideration or 15% of the net gain.

Deductions and allowances – Retirement benefits to approved pension funds may be deducted up to a maximum of 25% of gross income reduced by the employer's contributions. There are no personal allowances.

Rates – The first GMD 7,500 per year is taxed at 0%, with the balance taxed at progressive rates up to 35% on annual income over GMD 47,500.

Other taxes on individuals:

Capital duty – No

Stamp duty – Stamp duty is generally applicable on the transfer of assets, deeds of assignments and contracts.

Capital acquisitions tax – No

Real property tax – No

Inheritance/estate tax – No

Net wealth/net worth tax – No

Social security – Employed and self-employed individuals are required to make Provident Fund Contributions at a rate of 5% of basic salary. The employer contributes 10% of basic salary.

Administration and compliance:

Tax year – Calendar year

Filing and payment – Tax on employment income is withheld by the employer under the PAYE system and remitted to the tax authorities. Income not taxed under PAYE or where tax is withheld at source is subject to self-assessment. An individual must file a return by 31 March after the year end and make full payment. The taxpayer may elect to make quarterly instalment payments (which are due 15 days after the end of the quarter: 31 March, 30 June, 30 September and 31 December).

Penalties – Penalties and fines are imposed for late filing, failure to file or filing an incorrect return.

Value added tax:

Taxable transactions – Sales tax is levied on the supply of goods and the provision of services. Sales tax is included in the price of goods or services.

Rates – The standard rate is 40% on the CIF value of imports.

Registration – The registration threshold for sales tax purposes is GMD 150,000 where the turnover is from the supply of goods and services for residents and nonresidents.

Filing and payment – The sales tax return must be filed and tax paid no later than 15 days following the end of the month in which the transactions took place.

Source of tax law: Income and Sales Tax Act 2004

Tax treaties: Gambia has 5 tax treaties.

Tax authorities: Gambia Revenue Authority (GRA)

International organisations: UNDP, ECOWAS, World Bank

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