

PROJECT/PROGRAMME PRESENTATION SHEET:

Project/programme title: **Technical assistance to SMEs in Approved Management Centres (CGA).**

Sector: **SMEs.**

Structures in charge: Department of Small and Medium-sized Enterprises (DPME) in partnership with the Directorate General of Taxation (DGI) and the Authorised Management Centres (CGA).



Main objective: To provide technical assistance to SMEs in the CGAs. More specifically, this involves:

- ✚ permanently assisting SMEs with training and counselling on management;
- ✚ supporting SMEs in administrative procedures and follow-up of proceedings before the public services;
- ✚ providing a permanent assistance of a tax inspector in the follow-up of tax obligations.

Context and justification: SMEs in Cameroon have always been facing various constraints that hinder their development, including a lack of operational capacities enabling them to carry out their daily management.

In the field of taxation, most of SMEs do not only lack the qualified human resource for this purpose but also the means to hire the assistance of certified accountants. This is one of the difficulties they face during tax controls.

To address this situation, the setting up of Approved Management Centres (CGAs) is one of the solutions to the various constraints of SMEs in terms of tax and accountancy management.

On 29 March 2007, decree No. 2007/0456/PM of 29 March 2007, amending and supplementing decree

No. 2000/002/PM of 6 January 2000 on the organization of activities of Approved Management Centres and laying down the tax benefits of members, was signed as well as the enabling decree. It was however noticed that since the setting-up of pilot CGAs and in spite of awareness campaigns organised around this action, the surge of structures to apply for approval of other CGAs is not effective. Only the CCIMA alone intended to set-up, in 2014, CGAs in the regions of it carries its activity.

Brief description: *This activity will be carried out as follows:*

- ✚ a significant support in cash and in kind from the Ministry in charge of SMEs;
- ✚ the sensitization of SMEs to massively join CGAs;
- ✚ a technical assistance in the areas of accountancy, taxation and management by the MINFI.

Taxation authorities through a Tax Inspector (assistant inspector), provides permanent technical assistance to CGAs according to the terms and conditions laid down by the parties. The mission of the Tax Inspector is to provide answers, either verbal or written, to all questions asked by the Centre on the taxation of members. The administration is responsible for the written responses signed by the Tax Inspector to the members, provided that they generally comply with the law and doctrines in force and that the situation described exactly corresponds to the real condition of the member. The Tax Administration must ensure the coherence between results declared by the members and their legal obligations.

Tax benefits granted to an Approved Management Centre (CGAs) member are:

- a permanent administrative assistant ;
- assistance on management ;
- assistance in accounting and handling of financial documents;
- a deduction of 50% from the taxable benefit and the provision of other fiscal benefits.

Expected outputs:

- more than 5000 VSEs and SMEs join CGAs each year; CGAs are popularised and well known by the main targets;
- the list of all operating CGAs is made available to all actors;
- the target is informed and educated on implementation modalities and CGAs' missions;
- the target is informed and educated on the importance of their membership with CGAs or to incorporate in an CGA;
- the government is called upon to ease the issuance of approval procedures;
- the government is informed on the fact that all the actors concerned have started receiving the benefits derived from CGA membership;

- communication flyers on CGAs are multiplied and distributed to representatives of target groups in order to extend the awareness network to more remote targets;
- the number of operating CGAs has increased.

Observations: *Membership in an CGA entails fiscal benefits for members. This involves:*

- a significant reduction of the tax base on the result consisting in a 50% reduction of the reported earnings.
- assistance in the management of their fiscal obligations, namely:
 - assistance in the assessment of their fiscal obligations, done by the tax expert of the centre;
 - support in the realization of their declaratory and payment obligations.
- consultancy on their tax concerns raised by the CGA tax experts and the tax administration through the Assistant Inspector.