

**Francophone Central Africa Appendix 4:  
Democratic Republic of the Congo**

Jean Jacques Nzewanga

© 2009 Lincoln Institute of Land Policy

**Lincoln Institute of Land Policy  
Working Paper**

The findings and conclusions of this Working Paper reflect the views of the author(s) and have not been subject to a detailed review by the staff of the Lincoln Institute of Land Policy.

Contact the Lincoln Institute with questions or requests for permission to reprint this paper. [help@lincolninst.edu](mailto:help@lincolninst.edu)

**Lincoln Institute Product Code: WP09FAB8**

## Democratic Republic of the Congo



<i>Basic Country Information</i>			
Geographic size	2,346,201 km <sup>2</sup>	Independence	June 30, 1960 (from Belgium)
Capital city	Kinshasa	Population	60 million
Secondary cities/towns	Lubumbashi, Kisangani, Kananga, Mbuji-Mayi, Mbandaka, Bandundu, Goma, Bukavu, Maniema, Kikwit, Matadi.	Urbanisation	32 %
System of government	<p>Multi-party democracy; first elections held in 2006, 46 years after the independence.</p> <p>Sub-national government: 11 provinces comprising more than 90 communes, 27 districts and territories according to the government decree 081 of July 8<sup>th</sup> 1998. (Will become 25 provinces after 36 months: probably in 2009).</p> <p>Decentralized administrative entities are: Provinces, Towns, Territories and communes.</p>	GDP (per capita)	US\$ 120
<b>Sub-national Government</b>			
Sources of revenue	Provinces will have 40 % of (National) tax revenue (Section 175 of the constitution: withholding system); Sub-national taxes		
Expenditure responsibilities	Local governments (provinces) are still waiting for the signing of the law on (fiscal) decentralization. According to the new constitution local government finances are distinct from those of the central government (section 171 of constitution).		
Importance of property tax	Unimportant: less than 1 % of the tax revenue. People aren't aware that they have to pay such tax.		
<b>Land Issues and the Property Market</b>			
Land tenure	The soil (and the subsoil) is the exclusive, inalienable property of the State (Section 53 of the land regime). Perpetual and/or ordinary concession (usufruct, long lease, rent, area)		
Land titling	Insecure titling (especially in rural areas)		
Land rent	No data		
Property Market	No data		
<b>Taxes</b>			
National	Income tax, Corporate tax, Personal tax (Section 202 of the constitution)		
Sub-national	Property tax, Rental income tax, Tax on self-propelled vehicle (Section 204 of the constitution)		
<b>Property-related Taxes: National</b>			

Property Transfer Tax	Change of name : 400 Ff (fiscal francs = US dollars at current exchange rate); Transfer of rental agreement : 75% reference price; Disposal of tenancy agreement (legalization): 20 Ff; Annotation: 7Ff; By interdepartmental law number 0421 CAB/MIN/AFF.F/2005 and number 068/CAB/MIN/FINANCES/2005 of May 26, 2005 paragraph 3.
Capital Transfer Tax	1-6% property value depending on the case (sale, inheritance etc...): By interdepartmental law of May 26, 2005 paragraph 2
Capital Gains Tax	20 % of gains generated. The ruling of 10 <sup>th</sup> February 1969 amended by Act 005-2003 of March 13, 2003. (section 26)
<b>Property-related Taxes: Sub-national</b>	
Property Tax	None – to be decentralized

<b>Property Tax (National)</b>		
Relevant Legislation: The ruling of February 10, 1969 has been amended by Act 005-2003 of March 13, 2003.		
	Legislation	Practice
<b>Tax Base &amp; Taxpayer</b>		
Tax base	Value of the property (built and not built)	
Coverage of tax base	National coverage (cities are ranked)	
Taxpayer	Holder of the ownership, possession, area, cession, concession or usufruct rights of taxable goods as well as residents, by bail, of state (-owned) properties (state's private domain) (provinces, cities or district); The owner, even if by agreement of the tenant, has committed to pay;	
<b>Valuation &amp; Assessment</b>		
Valuation	Self-evaluation. The owner is required to declare to the "tax controller" any transformation (or new construction) on the property within a month; Taxpayers are required to present (subscribe) to the tax controller, each year, a declaration stating all taxable properties.	
Responsibility	Tax administration personnel	
Valuation cycle	No clear indication	
Objection & appeal	Only justifiable appeals are acceptable (To be introduced at the latest 6 months from the date of the payment).	
Quality control measures	According to the procedure tax administration personnel are responsible to verify the correctness of the "tax declaration" and to establish any offence. The minister of finance determines the procedures for exercising this control. No specific data on the quality.	
Tax rates	Flat-rate tax depending on the area (ranking) and the nature of the real estate (building).	
Exemptions	<ul style="list-style-type: none"> <li>• Properties belonging to the State (at all levels) and public corporations (whose only resources are from subsidies);</li> <li>• Churches, Scientific and philanthropic</li> </ul>	

	<p>organizations meeting the conditions set by the ruling of September 18, 1965;</p> <ul style="list-style-type: none"> <li>• Some private corporations dealing with religious, scientific or philanthropic works;</li> <li>• Public service corporations;</li> <li>• Non-profit organizations;</li> <li>• Embassies and consulates' properties, diplomats' accommodations (subject to reciprocity);</li> <li>• People with an annual net income less than a certain amount;</li> <li>• 55 years old owner of residences (occupier) provided he/she lives with people under his/her responsibility and his/her annual net income is less than a certain amount;</li> <li>• Buildings allocated exclusively to (by the owner) agriculture and livestock farming to a certain proportion;</li> <li>• Some special dispositions relating to the code of investments</li> </ul>	
Tax relief measures	Proportional tax relief is granted to the tax payer in case of "unoccupied building" (unfurnished and unproductive) for 180 consecutive days;	
<b>Tax Administration</b>		
Collection	Single payment to the tax controller.	
Enforcement	Cash payment in case of property transfer, arrears or when the owner is leaving the country permanently without any guarantee of payment; Tax administration personnel fix the amount of the tax when there is no declaration or opposition to the tax control.	
Additional Comments	The legislation in DRC makes a clear distinction between "other income taxes" and the taxation of income generated by renting out real estate; Provision has to be made for the coverage (in practice) of property tax as there are still some pockets of resistance in the eastern DRC; There is a delay on the signing of the law on ("fiscal") decentralization (President of DRC).	