GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review Report
Phase 1
Legal and Regulatory Framework

MAURITANIA

OECD

Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Mauritania 2015

PHASE 1: LEGAL AND REGULATORY FRAMEWORK

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Table of Contents

About the Global Forum

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 120 jurisdictions, which participate in the Global Forum on an equal footing.

The Global Forum is charged with in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes. These standards are primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, and in Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary as updated in 2004. The standards have also been incorporated into the UN Model Tax Convention.

The standards provide for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including bank information and information held by fiduciaries, regardless of the existence of a domestic tax interest or the application of a dual criminality standard.

All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, are being reviewed. This process is undertaken in two phases. Phase 1 reviews assess the quality of a jurisdiction's legal and regulatory framework for the exchange of information, while Phase 2 reviews look at the practical implementation of that framework. Some Global Forum members are undergoing combined – Phase 1 and Phase 2 – reviews. The Global Forum has also put in place a process for supplementary reports to follow-up on recommendations, as well as for the ongoing monitoring of jurisdictions following the conclusion of a review. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

All review reports are published once approved by the Global Forum and they thus represent agreed Global Forum reports.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published review reports, please refer to www.oecd.org/tax/transparency and www.eoi-tax.org.

Executive Summary

1. The present report summarises Mauritania's legal and regulatory framework for transparency and exchange of information for tax purposes. The international standard, which is set out in the Global Forum's Terms of Reference to Monitor and Review Progress Towards Transparency and Exchange of Information, is concerned with the availability of relevant information within a jurisdiction, the competent authority's ability to gain access to that information, and in turn, whether that information can be effectively and timely exchanged with its exchange of information partners.

2. Mauritania is a West African country with a surface area of 1 030 700 km² and a population of a little under four million. Its economy is dominated by fishing, farming and the extraction of natural resources, the most important of which are iron ore, oil and gas. Mauritania taxes the income of private individuals and businesses. It has committed to implementing the international standard on transparency by joining the Global Forum on Transparency and Exchange of Information for Tax Purposes in 2011.

3. Information about the identity and ownership of companies and other entities is available under Mauritania's legal and regulatory framework. Companies and other legal entities are required to register with the public authorities, including the tax authorities. However, some shortcomings have been found in the prevailing legislation. The Commercial Code allows for the creation of bearer shares in companies with share capital but there are no sufficient means in Mauritanian law of knowing the identity of the owners of such shares at any given time. The availability of banking information is guaranteed under Mauritanian banking and anti-money laundering regulations. Under accounting and tax law, accounting records and the underlying documentation must be kept for a minimum period of Six years or ten years, as the case may be.

4. Mauritania's tax code gives the tax administration, which is the competent authority, extensive powers to gather information, including banking information, which may be used for information exchange purposes without any restriction in relation to domestic tax interest. There is no right of notification in Mauritania, and tax litigation may neither prevent nor restrain the

authorities from responding to an information request made under a treaty signed by Mauritania.

5. Mauritania's response to the conclusions and recommendations of this report, as well as the application of the legal framework to the practices of its competent authority, will be assessed during the Phase 2 peer review scheduled for the first half of 2015.

Introduction

Information and methodology used for the Peer Review of Mauritania

6. The assessment of Mauritania's legal and regulatory framework was based on the international standards for transparency and exchange of information as described in the Global Forum's terms of reference and was prepared using the Global Forum's Methodology for Peer Reviews and Non-Member Reviews. The assessment was based on the laws, regulations and exchange of information mechanisms in force as at 31 December 2014, Mauritania's responses to the phase 1 questionnaire and supplementary questions, other materials supplied by Mauritania and information supplied by partner jurisdictions.

7. The Terms of Reference break down the standards of transparency and exchange of information into 10 essential elements and 31 enumerated aspects under three broad categories: (A) availability of information, (B) access to information and (C) exchanging information. This review assesses Mauritania's legal and regulatory framework against these elements and each of the enumerated aspects. In respect of each essential element a determination is made that either: *(i)* the element is in place, *(ii)* the element is in place but certain aspects of its legal implementation need improvement, or *(iii)* the element is not in place. These determinations are accompanied by recommendations for improvement where relevant. A summary of findings against those elements is set out at the end of this report.

8. The assessment was conducted by a team consisting of two expert assessors and a representative of the Global Forum Secretariat: Mr. Zeddoun Sidi-Mohamed from the French tax administration, Mr. Mustupha Mosafeer from the Mauritian tax administration, and Ervice Tchouata from the Global Forum Secretariat.

Overview of Mauritania

9. Mauritania is a country of 1 030 700 km² in the north-west of Africa. The country has an estimated population of 3 889 880.[1] The fact that the Sahara Desert occupies two-thirds of its territory explains Mauritania's very low average population density of around three inhabitants per square kilometre.

10. Arabic is Mauritania's official language, though French is used as an administrative language. Its currency is the ouguiya, abbreviated as "UM" (EUR 1 ≈ UM 370.45; USD 1 ≈ UM 285.91).

11. The mainstays of the Mauritanian economy are farming, fishing and extractive industries (iron ore, oil and gas). In 2013, it had gross domestic product (GDP) of EUR 4.163 billion and a GDP growth rate of 6.7%.[2]

12. Mauritania acquired its independence from France on 28 November 1960. The separation of powers (executive, legislative, judicial) is a constitutional principle. It has a presidential system with a President of the Republic, who is the head of the executive and the head of state elected by universal suffrage, and a government headed by a prime minister. The country is divided into 12 regions called *wilayas*, plus the Nouakchott capital district. Mauritania is a member of the United Nations, the African Union, the Arab Maghreb Union and the Arab League.

General information on the legal and tax system

Legal system

13. Mauritania has a single national legislation based on written law in the civil law tradition. There is a legislature responsible for drafting and passing laws, an executive responsible for implementing them and a judiciary responsible for judging infringements and hearing disputes according to law. The constitution draws a distinction between legislative matters requiring statutes and regulatory matters governed by instruments of lower rank (decrees and orders). The two-tier judicial system is based on courts of first instance (at *moughataa* and *wilaya* level) and appellate courts (three appeal courts, at Nouakchott, Nouadhibou and Kiffa) and a supreme court. International treaties and conventions can be ratified only by statute. If international treaties are contrary to the constitution, it must be amended before they can be ratified. Ratified international treaties take precedence over statutes.

1. World Bank: www.worldbank.org/en/country/mauritania.
2. World Bank, *ibid*.

Tax system

14. Mauritania's tax system is based on the legality principle. Under Article 20 of the Mauritanian constitution, no tax may be instituted except by statute. The constitution also states that citizens shall be taxed equally and that all must share the burden of public expenditure according to their ability to contribute. Tax rules apply to all taxpayers on the basis of legal provisions of general scope. Under Mauritanian laws, a taxpayer is any natural or legal person carrying on an industrial, commercial, craft or agricultural activity in Mauritania or any person carrying on a non-commercial profession i.e. which does not involve the purchase, processing or sale of goods or services.

15. Tax provisions are contained in a tax code. However, certain provisions are contained in a number of other legal instruments with tax aspects, such as the investment code, the mining and hydrocarbons code and the Nouadhibou Free Zone Act. The tax code is regularly updated, especially when annual Budget Acts modify certain provisions.

16. The Mauritanian tax authority responsible for tax assessment, collection, audit and litigation is the General Tax Directorate (*Direction Générale des Impôts*, DGI), one of the Finance Ministry's six general directorates. The General Tax Directorate is headed by a Director General assisted by a deputy. With a private office and a technical adviser at his disposal, the Director General oversees a principal inspectorate, five central directorates and four operational directorates. The operational directorates are the tax audit and investigation directorate, the large business directorate, the public entities directorate and the Nouakchott medium-sized business directorate, plus three regional tax directorates (north zone, south zone and east zone). The large business directorate deals with the largest taxpayers in terms of sales, especially the affiliates of multinationals.

17. The Mauritanian tax system draws a distinction between direct and indirect taxes. The main direct taxes are on income (tax on business and farm profits at a 25% rate; tax on professional income at a 30% rate; tax on property income at a 10% rate; tax on wages, salaries, pensions and annuities at a progressive rate, and tax on investment income at a 10% rate). Income tax accounted for 33.34% of the 2013 tax take of UM 254.2 billion (USD 888.8 million). Indirect taxes comprise value added tax (VAT), sales tax and consumption taxes (taxes on oil products, alcoholic beverages, tobacco and various foodstuffs, meat trading tax, special tax on cinematographic projections). VAT is levied at a 14% rate, rising to 18% for oil products and telephony. It accounted for 15.53% of Mauritania's tax take in 2013.

18. Natural or legal persons are liable to tax on income deriving from the exercise in Mauritania of an industrial, commercial, craft or agricultural

activity, whether they have their registered office or domicile there or not. All natural persons carrying on a salaried activity in Mauritania are liable to tax on the income from their wages, salaries and related allowances, whether the employer or beneficiary is domiciled there or not.

19. Mauritania has an exchange of information network covering nine jurisdictions, based solely on conventions designed to eliminate double taxation. The country joined the Global Forum in 2011 and committed to implementing international standards for transparency. The competent authority in Mauritania is the Finance Minister.

Overview of the financial sector and the relevant professions

20. Mauritania's financial sector comprises the Central Bank of Mauritania (BCM), 15 commercial banks, four of which are subsidiaries of foreign banks, and 12 insurance companies. There are two specialised financial institutions for farming and fishing: UNCACEM (*Union Nationale des Caisses Agricoles de Crédit et d'Épargne de Mauritanie*) for farming and *Crédit Maritime* for fishing. One financial institution specialises in leasing with the aim of providing the financing products best suited to the needs of Mauritania's small business sector. Alongside conventional commercial banks, Mauritania has a network of 70 microfinance institutions (MFIs) which help to finance small economic structures. As of 31 December 2013, Mauritania's commercial banks held total assets of UM 556.2 billion (USD 1.9 billion), including deposits of UM 320.6 billion (USD 1.1 billion). Microfinance institutions held total assets of UM 22.06 billion UM (USD 77.1 million) at the same date.

21. Other financial professions are dominated by three money transfer companies and 10 foreign exchange institutions. Mauritania does not have a stock market and there are no regulations in that area.

22. The Central Bank of Mauritania regulates banking and supervises financial institutions. It also ensures the protection of savers, the smooth operation of markets in financial instruments and the enforcement of anti-money laundering regulations. Non-financial professions and enterprises with a duty of care towards customers are officers of justice, attorneys (320), chartered accountants and company auditors (97), notaries (22), tax advisers (5) and estate agents.

Recent developments

23. The finance law N° 2015-003 of 22 January 2015 establishes a new book of tax procedures in the Mauritanian tax code. The pre-existent provisions of the tax code governing procedures are grouped under the new book which, among others:

- sets out a general obligation for all taxpayers to register with the tax authorities;
- better organises the (existing) right to information, which allows the tax authorities to obtain information about a taxpayer's situation from third parties;
- institutes a right of investigation which allows the tax authorities to obtain information in certain specific circumstances, in particular with regard to VAT.

Compliance with the Standards

A. Availability of Information

Overview

24. Effective exchange of information requires the availability of reliable information. In particular, it requires information on the identity of owners and other stakeholders as well as information on the transactions carried out by entities and other organisational structures. Such information may be kept for tax, regulatory, commercial or other reasons. If such information is not kept or the information is not maintained for a reasonable period of time, a jurisdiction's competent authority may not be able to obtain and provide it when requested. This section of the report describes and assesses the adequacy of Mauritania's legal and regulatory framework on availability of information.

25. Mauritania has a sound legal and regulatory framework as regards the obligation to ensure that information concerning the identity of shareholders in partnerships and registered shareholders in companies is available.

26. All companies are required to register in the commercial register, kept by the registry of the locally competent court, within three months of formation or incorporation by filing a copy of their articles of association. Information on the identity of all persons with indefinite and joint liability for a partnership's debts is available and kept up to date in the commercial register. For companies with share capital, information on the ownership of limited liability companies are available in the commercial register. With respect to Limited companies, only information about the shareholders that participate at the company's management (board of directors) is disclosed in

the commercial register. However information about the other shareholders is available in the share register which should be kept by the company.

27. Mauritanian law permits the creation of bearer shares in public limited companies. Despite some tax rules under which it is possible in some cases to identify the holders of bearer shares, there is no mechanism to ensure that information on the ownership of such shares is available in all circumstances.

28. Mauritanian law does not permit the constitution of Mauritanian trusts. However, a trust may be administered from Mauritania, and assets located in Mauritania may be owned by a trust constituted in another country. Under Act 2005-048 of 27 July 2005 on the prevention of money laundering and the financing of terrorism in Mauritania (the AML/CFT Act), trustees, as professionals, are required to keep all information about their clients, including information on the settlors and beneficiaries of foreign trusts.

29. Information on the ownership of other relevant entities, such as economic interest groupings and foundations, is available in Mauritania.

30. Persuant to the commercial code, the accounting records and the underlying documentation must be kept by all business for a minimum period of ten years. Under the tax law, all natural or legal persons liable to tax on business or farm profits are required to keep accounting records and the underlying documentation for at least six years. Foundations and other entities governed by anti-money laundering legislation are also required to keep accounting records and the underlying documentation. This ensures the availability of such information.

31. Banks and financial institutions are required to know their customers and to keep information on transactions carried out by their customers for the same length of time as any other accounting records.

A.1. Ownership and identity information

Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

Companies *(ToR A.1.1)*

Types of company

32. In Mauritian law, the Commercial Code provides for two types of business: companies and partnerships. Companies comprise limited liability companies (*sociétés à responsabilité limitée*, SARL) and companies limited by shares, which include public limited companies (*sociétés anonymes*, SA), simplified public limited companies (*sociétés anonymes simplifiées*, SAS)

and partnerships limited by shares (*sociétés en commandite par actions*, SCA). The different forms of partnership will be considered in the part of this section devoted to them.

- A **SARL** (*société à responsabilité limitée*, limited liability company) (Article 339 et seq. of the Commercial Code) is formed by one or more persons (members), who are liable for the company's debts and losses only up to the amount of their contribution. Pharmaceutical companies, banks, credit institutions, investment companies, insurance companies, accumulating companies and savings companies may not be SARLs. Where the company has only a single member, he or she is called the sole shareholder. The capital of the company must be at least UM 1 million (USD 2 700). It is divided into shares, the par value of which may not be less than UM 5 000 (USD 14). An SARL may not have more than 50 members. Should the company have more than 50 members, it must be transformed into a public limited company within two years, failing which it is dissolved. There were 2 549 SARLs in Mauritania at 31 December 2014.

33. Companies limited by shares (Article 393 et seq. of the Commercial Code) are designated by a company name, which must be preceded or followed by mention of the company's form and the amount of its share capital. The name of one or more members may be included in the company name. The share capital must be at least UM 20 million (USD 54 054) in the case of a public company and UM 5 million (USD 13 514) in other cases. There are three types of company limited by shares in Mauritanian law, namely public limited companies, simplified public limited companies and partnerships limited by shares.

- A **SA** (*société anonyme*, public limited company) (Article 400 et seq. of the Commercial Code) is a company formed between at least five shareholders who are liable for the company's debts only up to the amount of their contribution. The capital is divided into transferable shares representing contributions in cash or kind but not contributions of labour. SAs may not divide their capital into shares or fractions of shares with a par value of less than UM 5 000 (approx. USD 14). There were 451 SAs in Mauritania at 31 December 2014.
- An **SAS** (*société anonyme simplifiée*, simplified public limited company) (Article 575 et seq. of the Commercial Code) is formed between two or more companies in order to manage a joint subsidiary or create a company which will become their common parent. It is formed in consideration of the person of its members, who freely agree on the company's organisation and operation subject to the provisions of law. Only companies with share capital of at least UM 20 million (USD 54 054) or the equivalent of that amount in a

foreign currency may be members of an SAS. There were six SASs in Mauritania at 31 December 2014.

- An **SCA** (*société en commandite par actions*, partnership limited by shares) (Article 591 et seq. of the Commercial Code) is a company whose capital is divided into shares and which is formed between one or more managing partners, who are traders and indefinitely and jointly liable for the partnership's debts, and limited partners who are shareholders and liable for losses only up to the amount of their contribution. There may not be fewer than three limited partners. There were approximately three SCAs in Mauritania at 31 December 2014.

Information held by the public authorities

Publication and registration formalities

34. With the exception of joint ventures (discussed below under partnerships), the instrument of incorporation must be drawn up in a private or notarial deed.

35. Article 39 of the Commercial Code requires incorporated entities to register in the commercial register. Article 41 states that the registration application must be filed with the registry of the competent court of the place where the registered office is located. The commercial register comprises local registers and a central register. The local register is kept by the locally competent commercial court registry. The central register is kept at a national level by the competent administrative authorities and centralises the information held in all the registries within the national territory of Mauritania. The working methods of the administrative authorities concerned are defined in a decree. Entries in the commercial register comprise registrations, amendments and deletions. Under Article 39 of the Commercial Code, all natural or legal persons carrying on a commercial activity in Mauritania are required to register in the commercial register. This requirement also applies to:

- all branches or agencies of a Mauritanian or foreign enterprise;
- all commercial delegations or agencies of foreign states, local authorities or public establishments;
- Mauritanian public establishments of an industrial or commercial nature required by their governing laws to register in the commercial registry;
- all economic interest groupings;
- in general, all private-law legal entities engaged in an economic activity.

36. Public- or private-law legal entities must request registration in the commercial register within three months of their formation or incorporation. The request is made by the managers or by the members of the management bodies or, in the case of a public establishment, branch, agency or commercial delegation, by the director. Under Article 47 of the Commercial Code, commercial companies must include the following information in their registration application:

- the first names and surnames of members, other than shareholders and limited partners, their date and place of birth and nationality and the number of their national identity card or, for non-resident foreigners, the number of their passport or any other equivalent identity document;
- the company name and the date of the negative certificate issued by the central commercial registry (The negative certificate is a document issued by the central registry, giving evidence of the availability of a business name);
- the corporate purpose;
- the business carried on;
- the address of the registered office and, where relevant, the places where the company has branches in Mauritania or elsewhere and the registration number on the business tax roll; it must be possible to precisely locate the registered office in the place where it is situated, failing which it is deemed not to exist;
- the names of the members or third parties authorised to administrate, manage and give commitments for the company, their date and place of birth and nationality and the number of their national identity card or, for non-resident foreigners, the number of their passport or any other equivalent identity document;
- the company's legal form;
- the amount of its share capital;
- if the share capital is variable, the amount below which it may not be reduced;
- the date at which the company began and the date at which it must end;
- the date on which the articles of association are filed at the registry and the filing number.

37. Under Article 48, the following information must also be provided for inclusion in the commercial register: the first names and surnames, date and place of birth of the company's managers and members of its management bodies appointed during its lifetime, their nationality and the number of their national identity card or, for non-resident foreigners, the number of their passport or any other equivalent identity document. Public establishments of an industrial and commercial nature (public companies) are bound by the same registration requirements as commercial companies.

38. Pursuant to Article 206 of the Commercial Code, the articles of association, a copy of which must be filed with the registry, must be written, dated and state:

- the first names, surname and domicile of each member or, in the case of a legal entity, its name, form and the address of its registered office;
- the company's form;
- its purpose;
- its name;
- the address of its registered office;
- the amount of its share capital;
- each member's contribution and, if in kind, the valuation placed upon it;
- the number and par value of the shares allocated to each member;
- the term for which the company has been constituted;
- the first names, surname and domicile of the members or third parties who can commit the company, where relevant;
- the signature of all the members or their agents;
- the registry of the competent court where the articles of association will be filed.

39. The company will be null and void if these requirements are not met. Under Article 52, an amending entry must be requested for any change to or amendment of information which must be entered in the commercial registry in accordance with the Commercial Code.

40. To better understand the meaning of the above provisions in relation to the availability of information on the identity, it would be good to discuss the situation of each type of companies (SARLs and SAs).

SARLs

41. In accordance with Article 47 of the Commercial Code, the registration application in the commercial register must "mention the first names and surnames of partners, other than shareholders and limited partners". The owners of SARLs are called "associés" (partners) as it is the case for partnerships. Therefore, the registration application must contain the names of all partners ("associés") of SARLs. Moreover, the articles of association a copy of which must be filed with the registry, must include "full name, address of each partner." Any further change in the ownership of the company must be reported to the registry. The shares of SARLs are transferrable. But the company must be informed prior to any transfer of shares (Article 358). This allows the company to update the registry regarding the ownership information. Therefore, the ownership information of SARL is available in the commercial register.

SAs

42. The owners of SAs are called "actionnaires" (shareholders). Under Article 47 of the Commercial Code, the SAs are not required to include the name of their shareholders ("actionnaires") in the registration application, except for those who participate in the company's management (board of directors). The articles of association a copy of which must be filed with the registry includes the identity of all shareholders at the formation of the company. However, companies are not required to report subsequent changes in the ownership of the company to the registry unless when there is a change on the articles of association. Thus, transfers of shares are not registered in the commercial register. The ownership information regarding SAs is not available at the companies' registry. However, this information would be available in the companies (see below section on *share register*). The situation for SASs is identical to that of SAs.

SCAs

43. The SCAs have two types of shareholders: the managing partners who are indefinitely and jointly liable for the partnership's debts, and the limited partners who are liable up to the amount of their contributions. Persuant to article 47 of the commercial law, the identity of the managing partners must be mentioned in the registration application, kept and updated in the commercial register. In the contrary, the identity of the limited partners is not disclosed to the commercial register. However, it must be mentioned in the share register held by the company.

Tax requirements

44. In Mauritania, any natural or legal person carrying on an industrial, commercial, craft or agricultural activity in Mauritania or any person carrying on a non-commercial profession (i.e. which does not involve the purchase, processing or sale of goods or services) is a taxpayer and should comply with the tax registration requirements (Articles 17, 29 and 32 of the Tax Code). Article 78 of the Commercial Code states that "applications for the registration of a trader or commercial company in the commercial register shall be received by the registrar only on production of a certificate of registration on the business tax roll". Thus, registration in the commercial register is conditional on registration with the tax authorities. Consequently, Article 17 of the Mauritanian Tax Code states that "The natural or legal persons mentioned in Article 7 are required to send a declaration of existence to the Director General of Taxes within twenty days of their final constitution or of starting their activities in Mauritania". The persons mentioned in Article 7 of the Tax Code are natural or legal persons liable to tax on business and farm profits who generate sales, inclusive of all tax, equal to or in excess of UM 30 million (USD 81 000). These persons must send the Director General of Taxes, within twenty days of their final constitution or of starting their activities in Mauritania, a declaration of existence using the regulation form, stating:

- the company's name, legal form, main purpose and term, the address of its registered office and the place of its principal establishment;
- the date of the instrument of incorporation, a duly certified copy of which, on unstamped paper, must be attached to the declaration;
- the first names, surname and domicile of the managers and, for companies whose capital is not divided into shares, the first names, surname and domicile of each member;
- the nature and value of real and movable property constituting the contributions;
- the number, form and amount of:
    - transferable securities issued, distinguishing between equity and debt securities and stating, for the former, the amount for which each security is paid-up and, for the latter, the term and the interest rate;
    - shares not represented by transferable securities;
    - other rights of any kind giving members entitlement to a share of the profits or corporate assets, whether in the form of securities or not.

45. Taking Articles 7 and 17 of the Tax Code together, it is apparent that there is no tax registration requirement for natural or legal persons carrying on industrial or commercial activities whose annual sales are less than UM 30 million (approx. USD 81 000). Thus, information on the ownership of small businesses with sales of less than UM 30 million is not available from the tax authorities. This has been confirmed by the Mauritanian authorities, who intend as part of the 2015 Budget Act to institute a registration requirement for all natural or legal persons carrying on an economic activity in Mauritania, irrespective of their sales, inter alia by removing the reference to Article 7 from Article 17. However, this information is available from the commercial register for partnerships and Limited liability companies (SARLs) and from the company itself for public limited companies (SAs), especially for the holders of registered shares.

46. Order 2736/MF on the tax identification of taxpayers requires companies to register with the General Tax Directorate in order to obtain a single tax identification number used by all the financial authorities. Article 18 of the Mauritanian Tax Code requires the legal entities concerned to provide the General Tax Directorate with information on changes relating to identification of the company or the composition of its capital. This covers the company name, legal form, purpose, term, registered office or place of principal establishment, capital increase, decrease or redemption, paying up of shares in full or in part, issuance, redemption or amortisation of debt represented by transferable securities, replacement of one or more senior managers or, for legal entities whose capital is not divided into shares, of one or more members. The companies concerned must make the corresponding declaration within one month and at the same time file a duly certified copy of the amending deed on unstamped paper.

47. Companies liable to tax on industrial, commercial and agricultural profits must file an annual return within the first three months of each year using the regulation form (Article 14 of the tax code). The annual return must be accompanied with a balance sheet and notes. It is not clear whether the notes contain the ownership information. Under Article 82, companies which pay dividends and any natural or legal person habitually receiving transferable securities on deposit is required to send the Director General of Taxes, before 1 April each year, a statement indicating, for each beneficiary of income liable to the tax on investment income their first names, name or company name, profession or business, address or registered office and number in the national register of taxpayers, as well as the nature and amount of income received in the previous year. These provisions enable the tax authorities to maintain the information on the shareholders but only when there are payments of dividends.

48. Article 36 of the Mauritanian Tax Code states that "All persons liable to tax on professional income are required:

- to send the Director General of Taxes a declaration of existence within twenty days of starting their activity in Mauritania using a regulation form for registration purposes;
- to file an annual return within the first three months of each year using the regulation form".

49. Tax on professional income is payable by natural or legal persons carrying on a profession which does not involve the purchase, processing or sale of goods or services. Such professions include, for example, accountants, attorneys, officers of justice, auctioneers, notaries, tax advisers, medical practitioners and other medical professionals in private practice. The requirement to register and submit an annual return thus provides the tax authorities with information on the identity of the persons concerned.

50. It is apparent from the foregoing that, with the exception of companies with sales of less than UM 30 million (approx. USD 81 000), information on the identity of the members of partnerships and the managers (though not the shareholders) of companies with share capital is available from the tax authorities. This information may not always be up-to-date, however, because the Tax Code does not require companies with share capital to provide the identity of their shareholders to the tax authorities when there is no dividend payement. Nonetheless, there are other provisions in Mauritanian law which ensure that information on shareholders is available, notably in the share register.

Share register

51. The transferable securities issued by companies limited by shares (SA, SAS and SCA) are the shares forming the share capital and bonds. Under Article 606 of the Commercial Code, shares and bonds may be in registered or bearer form. The owner of a transferable security may choose between registered and bearer form except where otherwise provided by law.

52. Under Article 606 of the Commercial Code, all companies limited by shares (SA, SAS and SCA) are required to keep a register of transfers at their registered office in which subscriptions and transfers of each class of registered transferable securities are entered in chronological order. The register is numbered and initialled by the president of the court. The right of holders of transferable securities results from registration in the register of transfers, which is also valid with regard to third parties. Holders of registered securities issued by the company are entitled to obtain a certificate duly certified by the chairman of the board of directors or the manager.

53. The keeping of the share register means that it is possible at any time to know the identity of persons holding registered shares in SA, SAS and SCA

54. The obligation to keep a share register does not exist for SARLs. However, these companies maintain all the information on their ownership since the company must be informed before any transfer of share is done (Article 358 of the Commercial Code). In addition, the number of partners in SARLs is limited to 50.

Foreign companies

55. Under Articles 39 and 43 of the Commercial Code, foreign companies are subject to the same registration requirements as Mauritanian companies if they have a permanent establishment in Mauritania. Any branch or agency of a commercial company or a trader having their registered office or principal establishment in a foreign country must be registered in the local commercial register of the place where it carries on its business in Mauritania. The registration procedure is the same as for Mauritanian companies. The same documents and information provided for at Article 47 of the Commercial Code and mentioned above must be produced.

56. Section 200 of the Commercial Code states that companies that operate in Mauritania or "those whose headquarters are located on the Mauritanian territory" are subject to the Mauritanian law and are therefore bound by the registration requirement in the commercial register. The same provision states that "the headquarter cannot be merely made of a PO Box where it is possible to locate the place of effective management somewhere else". Thus, a foreign company that has its place of effective management in Mauritania is regarded as having its headquarter in Mauritania and is therefore obliged to register with the Mauritanian commercial registry. The company should also maintain an updated ownership information in the share register kept at its office in Mauritania (article 606 of the commercial code).

57. In tax matters, foreign companies must also declare their existence in the same way as Mauritanian companies (Article 17 of the Tax Code). They must send the Director General of Taxes, within twenty days of starting their activities in Mauritania, a declaration of existence using the regulation form, stating:

- the company's name, legal form, main purpose and term, the address of its registered office and the place of its principal establishment;
- the date of the instrument of incorporation, a duly certified copy of which, on unstamped paper, must be attached to the declaration;

- the first names, surname and domicile of the managers and, for companies whose capital is not divided into shares, the first names, surname and domicile of each member;
- the nature and value of real and movable property constituting the contributions.

58. The declaration must also state in detail the nature of their activities in Mauritania and the first names, surname, number in the national register of taxpayers and address of their representative in Mauritania. Under Article 19 of the Tax Code, companies which, without having their registered office in Mauritania, carry on an activity there which renders them liable to tax on business profits must state in their annual return the place of their principal establishment and the first names, surname, number in the national register of taxpayers and address of their representative in Mauritania.

59. The provisions of Article 28 et seq. of the Tax Code institute a specific tax regime for foreign companies not resident in Mauritania, introduced by the 2013 Budget Act. These are companies which do not have a permanent establishment in Mauritania, are operating temporarily in the country for six months or less and exclusively provide services of all kinds to natural or legal persons liable to taxation on real profits and resident in Mauritania. This simplified taxation regime consists in a 15% withholding to be deducted from the income of non-resident foreign companies by the debtor established in Mauritania. This withholding discharges the taxpayer from all other taxes.

Information held by nominees

60. Mauritanian law makes no particular provision for nominees. Regarding proxies, the Commercial Code and the anti-money laundering legislation allow to know the identity of people using proxies.

Commercial law

61. Registered securities issued by companies with share capital are held by beneficial owners whose identities are known by the company. In the absence of a stock exchange in Mauritania, any transfer of shares of public limited companies (SAs) is registered in the share register maintained by the company. Therefore, the involvement of intermediaries is very limited, especially during the formation of the company. Article 206 states that the articles of association must, inter alia, bear the signature of all the members or their nominees, failing which they are null and void. Article 345 states that all the members of an SARL must be party to the instrument of incorporation, either in person or via a proxy on production of a special authorisation. Likewise, Article 406 states that on the formation of a *société anonyme*, the articles of

association must be signed by the shareholders either in person or by a proxy with special authorisation. According to the Mauritanian authorities, the special authorisation is to be understood in relation to the general power of representation which the members of certain professions, such as attorneys, have in relation to their clients. Thus, a special authorisation is one which entitles the proxy to accomplish only the act for which it has been granted, in this case signing the articles of association, to the exclusion of any other act. The power of attorney will thus include the identity of the principal and the proxy as well as the special authorisation. As the identity of the members must be given in the articles of association, the proxy will necessarily have to enter the name of the person on whose behalf he or she signs them.

Anti-money laundering legislation

62. Act 2005-048 of 27 July 2005 (the AML/CTF Act) sets out the provisions relating to the prevention of money laundering and terrorist financing in Mauritania. Under Article 6, all natural or legal persons are required to identify their customers if, even in the course of their professional activity, they carry out, supervise or give advice on transactions entailing deposits, exchanges, investments, conversions or any other movements of funds or assets. They include:

- the central bank of Mauritania;
- the post office;
- financial organisations;
- members of the legal professions, including attorneys, notaries, statutory auditors, chartered accountants and other auditors where they prepare or carry out transactions for their clients or assist them, outside any legal proceedings, in the context of the following activities:
  - buying or selling all assets, including all real property of commercial enterprises or businesses;
  - handling money belonging to third parties or other assets belonging to the client;
  - opening or managing bank, savings or securities accounts;
  - creating, operating or managing legal entities or legal arrangements.

63. Other persons governed by anti-money laundering legislation in Mauritania include dealers in precious metals and stones whose customers carry out financial transactions equal to or greater than a threshold set by the central bank, estate agents who buy or sell real property for their clients, travel agents, for which the supervisory authorities must draw up guidelines

for vulnerable transactions, non-governmental organisations, non-profit associations and co-operatives.

64. Article 7 of the anti-money laundering law stipulates that "the State shall organise the legal framework in such a way as to guarantee the transparency of economic relations, inter alia by ensuring that company law and legal arrangements for the protection of property do not permit the constitution of fictitious or shell entities". Financial organisations must satisfy themselves of their customers' identity and address before opening an account, taking custody of securities, notes or other effects, allocating them a safe deposit box or entering into any business relations with them.

65. A company or branch is identified by the production of the original copy of the articles of association or any document proving that it has been legally registered in the commercial register and that it has a genuine existence. Under Article 9, financial organisations must satisfy themselves under the same conditions of the real identity and address of the managers, employees and nominees acting for others. The latter must produce original documents certifying the delegation of power or power of attorney granted to them and of the identity and address of the beneficial owner. The beneficial owner is deemed to be the person(s) who effectively benefit(s) from the transaction or amounts concerned, including the principal on whose behalf the nominee acts. No customer may invoke professional secrecy as grounds for refusing to communicate the identity of the beneficial owner.

66. Non-financial professions are required, under the responsibility of their supervisory authorities, to take appropriate measures enabling them to know their customers and detect suspicious transactions.

67. In conclusion, the commercial law allows to know the identity of shareholders in cases where they are represented in the signing of the memorandum of association by agents. Additional requirement are made by the AML/CTF law for some professionals who might act on behalf of their clients.

Bearer shares *(ToR A.1.2)*

68. Mauritanian companies issue shares in return for their members' contributions. They represent the members' rights and are called *actions* in companies limited by shares and *parts sociales* in other companies (Article 221 of the Commercial Code).

69. Mauritanian law allows companies limited by shares (SA, SAS and SCA) to issue bearer shares. Article 606 of the Commercial Code states that shares and bonds may be in registered or bearer form. The owner of a transferable security may choose between registered or bearer form except where

otherwise provided by law. Registered shares are not issued in material form, the owner's right deriving merely from the corresponding entry in the share register. Registered shares are transferred with regard to third parties by their registration in the register kept for that purpose, while bearer shares are transferred by simple delivery, the bearer of the share being deemed to be its owner. However, there is no provision in Mauritanian law whereby it is possible to clearly determine the identity of the owners of bearer shares.

70. Under Article 410 of the Commercial Code, it is possible to obtain information on the identity of persons who have subscribed the share capital (including the holders of bearer shares). The identity of persons who have subscribed the share capital could be obtained from the notarial declaration of subscription and payment held by notaries on the creation of SAs or on a capital increase or from the statutory auditor's report (for contributions in kind). The list of subscribers is kept by the notary. The subscribers may consult and they may obtain a copy at the notary's office. However, this provision remains very inadequate. The subscription forms or the subscription declaration concern only shares subscribed on formation of the company or on a change in its share capital. It is still impossible to obtain information on the ownership of bearer shares that have been transferred.

71. Furthermore, Article 509 of the Commercial Code states that an attendance sheet must be kept at each shareholders' meeting, containing the first names, surname and domicile of the shareholders and, where relevant, their nominees, and the number of shares and votes they hold. The attendance sheet, to which are attached the proxy forms received by shareholders or sent to the company, must be initialled by the shareholders present and by the nominees of shareholders represented and certified by the officers of the meeting. The attendance sheet is kept by the company and can provide information on the identity of shareholders, including those holding bearer shares. However, this obligation does not provide information on the owners of all bearer shares, insofar as they are not required to attend or be represented at shareholders' meetings, which are quorate once a certain quorum is reached. A shareholder holding bearer shares who does not attend and is not represented would not appear on the attendance sheet and would be unknown to the company.

72. Article 505 of the Commercial Code states that the articles of association may make the right to attend shareholders' meetings conditional either on the shareholder's registration in the company's share register or on the deposit of bearer shares at the place stated in the notice of meeting or on presentation of a certificate of deposit issued by the institution where the shares are deposited. Use of this prerogative could provide information on the ownership of bearer shares, but only if their owners wish to take part

in meetings. In addition, use of the verb "may" indicates that it is merely an option left to the company's discretion, not an obligation.

73. From a tax standpoint, dividends are taxed in Mauritania as investment income (Article 73 et seq. of the Tax Code) at a 10% rate. The tax is levied by a withholding in favour of the Treasury made on each dividend payment by the natural or legal person making the payment. Companies which pay proceeds referred to at Article 73 such as dividends are required to send the Director General of Taxes, before 1 April each year, the minutes and excerpts from the discussions of the board of directors' or shareholders' meetings or, if no discussion has taken place, a certificate stating the profits or proceeds actually distributed during the previous year (Article 82 of the Tax Code).

74. Under Article 82, companies which pay dividends, bankers, public officers and any natural or legal person habitually receiving transferable securities on deposit is required to send the Director General of Taxes, before 1 April each year, a statement on a regulation form indicating, for each beneficiary of income liable to the tax on investment income:

- their first names, name or company name, profession or business, address or registered office and number in the national register of taxpayers;
- the nature and amount of proceeds or income received in the previous year.

75. Books, records and documents that allow for verification and audit of the tax must be retained and provided to tax officials on request until the end of the third year following the year in which the payments were made.

76. The provisions of Article 82 enable the tax authorities to identify all the shareholders who have received dividends, including those who hold bearer shares. In this case, however, there has to have been a dividend payment. In other words, there are two instances where such information is not provided to the tax authorities: first, where the company has not made a profit giving entitlement to dividends; second, where the company decides not to pay a dividend even if it has made a profit. In either case, the company is under no obligation to provide the identity of the beneficiaries of dividends to the tax authorities because no dividend has been paid.

77. Furthermore, the term beneficiary as mentioned in Article 82 is not defined. It is unclear whether the nominee of a holder of bearer shares could be deemed the beneficiary of the dividends paid by the company, in which case the authorities will have information on the identity of the nominee but not of the real owner. Thus, the provisions of the Tax Code relating to the

taxation of dividends provide very limited information on the identity of the owners of bearer shares.

78. Under the provisions of the Commercial Code (Article 604 et seq.), SAs, SASs and SCAs may issue bearer shares. To date, however, there is no information on the situation of bearer shares in Mauritania. Their number is unknown, as is the number of companies that have issued them. Phase 2 of the review will make it possible to obtain this information and analyse the consequences on the availability of information on the ownership of bearer shares. This could help in particular to assess the significance of bearer shares and hence the severity of the threat to transparency they may raise in Mauritania.

79. Having regard to the foregoing, although there are tax arrangements which can ensure the availability of information in certain defined situations, there is no general obligation to identify the owners of bearer shares in companies limited by shares. Consequently, this information is not always available in Mauritania. Mauritania is recommended to take appropriate measures allowing to know at any time the identity of the owners of bearer shares when their issue is authorised by law.

Partnerships *(ToR A.1.3)*

80. Articles 303 et seq. of the Commercial Code provide for different classes of partnerships, namely *sociétés en nom collectif* (general partnership, SNC), *sociétés en commandite simple* (limited partnerships, SCS) and *sociétés en participation* (joint ventures, SP).

- An **SNC** is one in which all the partners are traders with indefinite and joint liability for the partnership's debts (Article 304 et seq. of the Commercial Code). The capital is divided into shares having the same par value. All the partners are managers unless provided otherwise in the articles of association, which may appoint one or more managers, who may be partners or not, or provide for such appointment by a subsequent deed. In relations with third parties, the manager commits the company by acts falling within the corporate purpose. If a legal entity is a manager, its managers are subject to the same conditions and obligations and incur the same civil and criminal liability as if they were managers in their own right, without prejudice to the joint liability of the legal entity they manage. There were no SNC in Mauritania at 31 December 2014.
- An **SCS** (Article 319 et seq. of the Commercial Code) is one in which one or more partners indefinitely and jointly liable for the partnership's debts, called managing partners, coexist with one or more partners liable for the partnership's debts only up to the amount of

their contribution, called limited partners. The capital is divided into shares. An SCS is managed by all the managing partners unless provided otherwise in the articles of association, which may appoint one or more managers from among the managing partners or provide for such appointment by a subsequent deed under the same conditions and with the same powers as in an SNC. There were five SCSs in Mauritania at 31 December 2014.

- A partnership is said to be a **joint venture** where the partners agree that it will not be registered (Article 333 of the Commercial Code). It does not have legal personality and is not subject to a notification requirement. It may be proved by all means. The partners freely agree as to the purpose, operation and conditions of the joint venture provided they are not against the law. Unless a different arrangement has been made, relations between partners are governed by the provisions applicable to SNCs. Because they are not subject to registration, the number of joint ventures is unknown.

81. Mauritanian law makes no distinction between companies with share capital and partnerships with regard to registration, declaration and payment of tax obligations.

82. The registration of partnerships is governed by the Commercial Code, especially Articles 29 to 80, which lay down common rules applicable to all companies created under Mauritanian law. The registration formalities for partnerships are the same as for SARL, SCA and SA as described in Section A.1.1 above.

83. Article 39 of the Commercial Code requires all incorporated enterprises to register in the commercial register within three months of their formation, while Article 41 states that the registration application must be filed with the registry of the competent court of the place where the registered office is located. Under Article 47, the application must include, for commercial companies, the first names and surnames of the members other than the shareholders and limited partners, their date and place of birth and nationality and the number of their national identity card or, for non-resident foreigners, the number of their passport or any other equivalent identity document. Under Article 52, in the same way as for companies with share capital, an amending entry must be requested for any change to or amendment of such information.

84. SNCs and SCSs are not required to maintain a register stating the identity of partners and the number of shares held by each one. Under the Commercial Code, however, shares in partnerships may not be represented by transferable securities. They may be transferred only with the consent of all the partners and any provision to the contrary is deemed inoperative

(Article 315). The transfer of shares must be in writing and can only bind on the company after the filing a copy of the deed at the registered office. The manager must issue a certificate of deposit to the depositor (Article 316). Thus, the identity of all partners in an SNC or SCS is always known, whatever their function. The tax authorities can obtain the information at any time by using their powers of access to information, discussed in Section B below.

85. Tax registration formalities are identical to those described above for companies with share capital. Partnerships must register with the General Tax Directorate in order to obtain a common tax identification number. More specifically, under Article 17 of the Tax Code, partnerships liable to tax on business and farm profits must send the Director General of Taxes, within twenty days of their final constitution or of starting their activities in Mauritania, a declaration of existence using the regulation form, stating:

- the partnership's name, legal form, main purpose and term, the address of its registered office and the place of its principal establishment;
- the date of the instrument of incorporation, a duly certified copy of which, on unstamped paper, must be attached to the declaration;
- the first names, surname and domicile of each partner;
- the nature and value of real and movable property constituting the contributions;
- the number, form and amount of the shares.

86. Partnerships are required, under the same conditions as companies with share capital, to inform the tax authorities within one month of any changes affecting the information provided on their creation, especially changes of partner.

87. The documents, statements and information which must be provided according to the declaration form are an integral part of the declaration and must be appended to it. They include the following:

- annual financial statements (balance sheet, income statement and any notes),
- reports to the shareholders' meeting and its discussions (including the attendance sheet).

88. The information kept in the commercial register is also held by partnerships and the tax authorities. Consequently, the identity of the partners of SNCs and SCSs is available and up-to-date.

Trusts *(ToR A.1.4)*

89. There is no provision for the constitution of trusts in Mauritanian law and Mauritania is not a signatory of the Hague Convention of 1 July 1985 on the Law Applicable to Trusts and on their Recognition. The notion of *fiducie* is not recognised either. It is therefore impossible to create a trust or similar structure in Mauritanian law. However, there is nothing in Mauritanian law to prevent a trust created in a foreign country from being administered in Mauritania or to prevent assets located in Mauritania from forming part of a foreign trust.

90. Where a trust governed by the law of a foreign country is administered in Mauritania, there is no specific requirement to register with the public authorities. However, the registration requirement in the prevailing legislation (Article 39 of the Commercial Code) applicable to all natural or legal persons, whether Mauritanian or foreign, carrying on a commercial activity in Mauritania applies to foreign trusts. Thus, a person acting as a trustee in Mauritania who carries on a commercial activity must register in the commercial register. In this case, the same information as required from any company seeking registration will be transmitted to the registry, including the identity of the settlor, the beneficiary and the protector, as well as the assets of the trust.

91. From a tax standpoint, Article 17 of the Tax Code requires natural or legal persons liable to tax on business and farm profits to send the Director General of Taxes a declaration of existence within twenty days of their final constitution or of starting their activities in Mauritania. This must state their company name, legal form, main purpose, term, the address of their registered office and the place of their principal establishment, the date of the articles of association, a duly certified copy of which, on unstamped paper, must be attached to the declaration, the first names, surname and domicile of the managers and, for companies whose capital is not divided into shares, the name, first names and domicile of the members and the nature and value of real and movable property contributed. This provision could apply to trusts. Thus, trustees residing in Mauritania who carry on a commercial activity there are required to register for tax purposes unless they are governed by a flat-rate scheme, i.e. natural or legal persons carrying on an industrial, commercial or agricultural activity with sales less than UM 30 million (USD 81 000); see the analysis of Articles 7 and 17 of the Tax Code above.

92. Under Article 36 of the Tax Code, the registration requirement applies in full where a trustee residing in Mauritania practises a legal profession (attorney, notary, tax adviser, chartered accountant, etc.). It states that any person liable to tax on professional income is required for registration purposes to send the Director General of Taxes a declaration of existence within twenty days of starting their activity in Mauritania and to produce a

declaration of income within the first three months of each year, in both cases using the regulation form.

93. Consequently, information on the ownership of trusts created in a foreign country but administered in Mauritania should in the majority of cases be available in Mauritania under its company and tax law. However, for more certainty, this matter will be considered in practice during the phase 2 of the peer review.

Anti-money laundering legislation

94. Under Article 6 of the AML/CTF Act, members of the legal professions, including attorneys, notaries, statutory auditors, chartered accountants and other auditors are required to identify their clients where they prepare or carry out transactions for them or assist them, outside any legal proceedings, in the context of the following activities:

- buying or selling all assets, including all real property of commercial enterprises or businesses;
- handling money belonging to third parties or other assets belonging to the client;
- opening or managing bank, savings or securities accounts;
- creating, operating or managing legal entities or legal arrangements.

95. Legal professions are also included in the list of non-financial professions within the meaning of Article 1 of the Act, which defines them as "estate agents, dealers in precious metals, dealers in precious stones, attorneys, notaries, other independent legal and accounting professions, company service providers and trusts (providing services on a commercial basis)". Trusts are thus among the structures or "legal arrangements" which may involve members of the legal professions in Mauritania. Consequently the professionals concerned are required, under the responsibility of their supervisory authority, to take appropriate measures enabling them to know their customers and detect suspicious transactions. They are likewise required to keep information on the identity of their customers and the beneficial owners of any foreign trusts they administer in Mauritania.

96. Article 2 of joint order no. 137/MJ/BCM introducing provisions for the implementation of Act 2005-048 by attorneys and notaries states that they "must satisfy themselves of the identity and address of their customers before entering into any business relations". They are also required to "verify the identity and address of the real persons responsible or nominees on the basis of the production of original documents certifying the delegation of powers and those of the beneficial owner". Documents relating to the identity

of customers must be kept for ten years. Consequently, professionals acting as trustees in Mauritania are required to identify their customers (settlors or beneficiaries). This requirement does not apply to non-professional private individuals who act as trustees in Mauritania. According to the Mauritanian authorities, however, the likelihood of having non-professional trustees in Mauritania is virtually non-existent. This matter will be considered in detail in Phase 2.

97. Thus, although Mauritanian law does not permit the creation of trusts in Mauritania, it does not prevent a trust created under the laws of a foreign country from being administered in Mauritania. In such cases, commercial, tax and anti-money laundering laws ensure to a considerable extent that information on the identity of the members of the trust (trustee, settlors or beneficiaries) is available. However, such information might not be available if the trustee is not a member of a legal profession and does not carry on a commercial activity in Mauritania. However, practical considerations which will be central to Phase 2 of the review need to be taken into account in order to make a fair assessment of this possibility.

Foundations *(ToR A.1.5)*

98. Mauritania does not have a specific law governing foundations, though their existence is recognised since Article 15 of the Constitution states that "*Waqf* assets and foundations are recognised: their allocation is protected by law".

99. According to the Mauritanian authorities, Act 64-098 of 9 June 1964 on associations as amended by Act 73-007 of 23 January 1973 and Act 73-157 of 2 July 1973 applies to foundations. Article 1 of the Act defines an association as "the agreement by which several persons permanently pool their knowledge or their activity for a purpose other than to share the profits". Associations therefore pursue a common interest goal and not purposes of a private nature.

100. Under Article 3, associations cannot be formed or carry on their activities without prior authorisation issued by the Interior Minister. Applications for authorisation must be sent to the head of the administrative district where the association operates and to the Interior Ministry. To be admissible, they must state:

- the association's name and purpose and the place where it operates or where it has its establishments,
- the name, profession, domicile and nationality of those who, in any way whatsoever, are responsible for the association's administration or management.

101. Article 12 states that duly authorised associations may not enjoy legal capacity until notification formalities have been completed. Within one month after the Interior Minister has granted authorisation, the declaration of association is made public by the insertion in the Official Journal of a notice stating the association's name and purpose, its registered office, the persons responsible for its administration and the number and date of the ministerial authorisation. Any person is entitled to request the articles of association and declarations of authorised associations from the administrative district secretariat or the Interior Ministry.

102. Under Article 14, associations are required to report any change occurring in their administration or management and any amendments to their articles of association within three months. The amendments must be declared to the administrative district secretariat or the Interior Ministry and state:

- the first names, surname, profession, domicile and nationality of the persons newly responsible for the association's administration or management (Article 18 of the AML/CTF Act states that these are the president, vice-president, secretary general, members of the board of directors and treasurer, as applicable);
- changes made to the articles of association;
- newly founded establishments;
- change of address in the place where the registered office is located;
- acquisitions or disposals of the premises and buildings specified in Article 11, with a description and indication of the purchase or sale price. A receipt for the declaration is issued.

103. Under Articles 19 and 20 of the AML/CTF Act, any donation made to a non-profit association or organisation must be entered in a register kept by the association or organisation, including the donor's full contact details. The register must be kept for ten years and provided on request to any authority responsible for the supervision of non-profit organisations.

104. Under Article 15, amendments to the articles of association and changes occurring in the administration or management of the association must be entered in a register kept at the association's registered office, which must be presented on request to the administrative and judicial authorities. They are subject to the same notification formality as the authorisation of the association, and within the same time limit.

105. Foreign associations are governed by the same rules as Mauritanian associations. Groupings displaying the characteristics of an association which have their registered office in a foreign country or have foreign directors or of which at least a quarter of the members are foreigners are deemed to be foreign associations, whatever the form behind which they may conceal themselves.

106. As associations are not allowed to make a profit, their activities are by definition not liable to income tax. They are therefore not required to register with the tax authorities as provided by the Tax Code.

107. The specific legal arrangements applicable to development associations are set out in Act 2000-043 of 26 July 2000. They are also governed by the provisions of the 1964 Act as amended but benefit in addition, subject to prior approval, from tax advantages affecting indirect taxes in particular.

108. Under the prevailing legislation, information on the identity of the managers of associations and foundations, including foreign foundations carrying on activities in Mauritania, are available and kept up-to-date both on the premises of the association or foundation and in the locally competent offices of the Interior Ministry. Under Mauritanian law, the members of a foundation are not permitted to designate the beneficiaries in advance. The non-profit and general-interest nature of foundations prohibit them from sharing the fruits of their activities between members and from knowing in advance the persons who will benefit from them.

Waqfs

109. Mauritania's constitution recognises "*waqf* assets" without giving any more details. A *waqf* is an institution in Islamic law which has its origin in charity. As a general rule, a *waqf* is a donation in perpetuity made by a private individual to a work of public, pious or charitable interest (a foundation). The asset given in usufruct becomes inalienable, though it remains the donor's property. A *waqf* is managed by an administrator who uses the profits in accordance with the donor's wishes.

110. In Mauritania, *waqf* assets are donations made by natural or legal persons to serve a charitable purpose. Donations may be in cash or kind (a house, a mosque, etc.), and donations in kind may be temporary or final. In all events, donations are intended for specific persons or groups of persons recognised as being in need. *Waqf* assets are managed by a public agency called the *Établissement National des Awghafs*, created by Decree no. 97-057 of 8 January 1997. Placed under the aegis of the Ministry of Culture and Islamic Orientation, the agency is responsible for accepting, administering and guaranteeing the proper use of *waqf* assets. According to the Mauritanian authorities, adducing the above-mentioned decree, there are no private *waqfs* in Mauritania, since all *waqf* assets must be made available to the public agency. From this standpoint, *waqfs* in Mauritanian practice appear to be of limited interest with regard to information exchange for tax purposes. Their practical importance in relation to the peer review terms of reference will be examined in Phase 2.

Other entities

Economic interest groupings

111. Under Article 761 of the Commercial Code, an economic interest grouping is an entity formed between two or more natural or legal persons for a fixed term with a view to using all means likely to facilitate or develop its members' economic activity and to improve or increase the results of that activity. The grouping's activity is linked essentially to the economic activity of its members and may not be additional to it. It does not in itself generate or distribute profits, especially as the grouping may be formed with or without capital.

112. Under Article 50 of the Commercial Code, economic interest groupings are required to request registration with the registrar of the locally competent court of the place where they have their registered office. Their registration declaration must state:

- the grouping's name;
- the address of its registered office;
- a brief description of its purpose;
- its term;
- for each individual who is a member, the information required for the registration of individual traders and, where relevant, the registration number in the commercial register;
- for each legal-entity member, the company name, legal form, address of the registered office, corporate purpose and, where relevant, the registration number in the commercial register;
- the first names, surname and address of the members of the management bodies and the persons responsible for management control and audit, together with the information set forth at Article 44, paragraph 3 and 4 and, where relevant, paragraph 6;
- the date on which the agreement creating the grouping is filed at the registry and the filing number.

113. Under Article 52, amending entries must also be made in the event of any change of or amendment to information which must be registered in the commercial register.

114. Economic interest groupings which carry on a commercial activity must also register with the tax authorities like any other company, in accordance with the provisions of the Tax Code analysed above.

115. Registration of economic interest groupings in the commercial register provides information on the members, whose identity is kept in the same register.

Enforcement provisions to ensure availability of information (ToR A.1.6)

Penalties for failure to register

116. There are various penalties in Mauritanian law intended to ensure compliance with the provisions of the Commercial Code on company registration, whatever the form of company. As a general rule, an unregistered company is deprived of legal capacity and therefore has no legal existence. That is the case in particular for joint ventures which, as they are not required to register, are governed only by the general principles of law applicable to contracts and obligations.

117. Under Article 64 of the Commercial Code, any trader, any manager or member of the management bodies of a commercial company, any director of a branch or agency of an establishment or commercial company, or any natural or legal person required by the provisions of the Commercial Code to register in the commercial register who does not apply for the mandatory registrations within the given time limits is served official notice to do so by the authorities. If the person has failed to rectify the situation within one month after service of notice, they are liable to a fine of UM 10 000 to 50 000 (USD 27 to 135). Article 65 states that the fine is ordered by the competent court of the place where the party concerned is located on an application from the member of the judiciary responsible for overseeing the commercial register. The competent court orders that registration must be made within two months, failing which a further fine may be imposed. If the case involves the opening of a branch or agency of an establishment located outside Mauritania, the competent court may order the closure of the branch or agency until the registration formality has been completed.

118. Under Article 689 of the Commercial Code, founders and managers who fail to file any of the necessary documents or deeds with the registry of the competent court within the statutory time limits or who fail to fulfil any of the notification formalities provided for in the Commercial Code are liable to a fine of UM 100 000 to 500 000 (USD 270 to 1 350).

119. Under Article 66, if erroneous information has been deliberately provided for the purposes of registration in the commercial register, the person required to make such registration is liable to imprisonment for a term of one month to one year and a fine of UM 10 000 to 50 000 (USD 27 to 135) or to one only of those penalties. In its conviction judgment, the court also orders the erroneous information to be corrected on such terms as it may decide.

120. There is no sanction in Mauritanian company law for failing to keep the share register in companies limited by shares as provided for at Article 606 of the Commercial Code. The register, normally kept at the

registered office, must list in chronological order subscriptions and transfers of each class of registered transferable securities. It is the only way of knowing the identity of all the shareholders of companies limited by shares who hold registered shares. The lack of coercive measures could result in information on the owners of public limited companies (SAs) being unavailable, especially as it is not possible in Mauritanian law to know the identity of the owners of bearer shares. However, Article 606 of the Commercial Code provides that "the right of the holder of registered securities results from registration in the transfer register". Registration is also valid with regard to third parties. Only the holders of registered shares are therefore entitled to vote, receive dividends and exercise other rights or powers attached to shares. A shareholder whose identity is not registered in the share register shall not claim such rights. It is therefore in the utmost interest of all holders of registered shares to ensure that information about them is registered in the share register. Mauritania asserts that this offers a guarantee that such information will always be available in the register. However, it would undoubtedly give greater certainty if a penalty were added to this guarantee in order to ensure that the share register is indeed kept. Mauritania is recommended to take coercive measures to ensure compliance with the requirement to keep the register of registered shares in companies limited by shares.

121. Under Article 7 of the law on associations, the authorisation formality which provides the public authorities with information on their ownership is essential in order for them to operate. Unauthorised associations and foundations are therefore automatically null and void. In addition, persons who, in any capacity whatsoever, assume or continue to assume the administration of associations operating without authorisation are liable to imprisonment for one to three years and a fine of UM 3 000 to 540 000 (USD 8 to 1 460).

Tax legislation

122. Under Article 20 of the Tax Code, failure to register a company with the tax authorities and failure to declare changes occurring during the company's lifetime incur a fine of UM 10 000 (USD 27). Although the amount of the fine is derisory in comparison with the consequences of failing to register a company with the tax authorities (concealment of taxable income), there is no provision for further sanctions if the initial fine is not paid, nor any coercive measure such as a daily fine for non-compliance. The penalty therefore seems insufficiently dissuasive to oblige companies required to register with the tax authorities to do so within the time limit set by the Tax Code. Its practical effectiveness on compliance with the individual tax registration requirement in Mauritania will be examined during Phase 2.

Anti-money laundering legislation

123. Infringements of the AML/CTF Act, especially those relating to the registration of non-profit associations and organisations, are punishable by a fine of up to UM 1 million (USD 2 700) or a temporary ban on exercising the activities of the association or organisation for a period of up to 12 months.

124. If, through lack of care or shortcomings in the organisation of internal AML/CTF procedures, a liable person is unaware of their obligations under the AML/CTF Act, the supervisory or regulatory or disciplinary authority, as of right or on a referral from the *Commission d'Analyse des Informations Financières* (CANIF, the Mauritanian FIU), must take appropriate steps to end the situation, including by imposing administrative and disciplinary sanctions. The Central Bank may impose penalties on banks and their managers: warning or a caution, reprimand, injunction, formal notice, fines, the suspension of certain operations for up to three months, the appointment of an interim administrator, a temporary or final ban on certain operations, the suspension of a senior manager and the withdrawal of the license.

Determination and factors underlying recommendations

Conclusion	
The element is not in place.	
Factors underlying the recommendations	**Recommendations**
Mauritanian law permits the creation of bearer shares in companies limited by shares. Notwithstanding some tax provisions, however, there are no arrangements which make it possible to identify the holders of such shares in all circumstances.	The Mauritanian authorities should put in place appropriate mechanisms to ensure that the owners of bearer shares in companies limited by shares can be identified.
Mauritania's Commercial Code requires companies limited by shares (SA, SAS and SCA) to keep a share register at the company's registered office. However, there is no provision for penalties to ensure compliance. This shortcoming may lead to a lack of information on the identity of the owners of registered shares.	Mauritania should impose sufficiently dissuasive penalties to ensure compliance with the requirement that public limited companies should keep a share register at their registered office.

A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

Analysis and assessment

125. The Terms of Reference set out the standards for the maintenance of reliable accounting records and the necessary accounting record retention period. They provide that reliable accounting records should be kept for all relevant entities and arrangements. To be reliable, accounting records should: *(i)* correctly explain all transactions; *(ii)* enable the financial position of the entity or arrangement to be determined with reasonable accuracy at any time; and *(iii)* allow financial statements to be prepared. Accounting records should further include underlying documentation, such as invoices, contracts, etc. Accounting records need to be kept for a minimum of five years.

126. With regard to the keeping of accounting records, Mauritanian law requires legal entities and other entities to respect transparency requirements that comply with international standards with respect to the level of formalism imposed on accounting systems, the records to be kept and the length of time for which they must be retained.

General requirements (ToR A.2.1)

127. Under Articles 22 to 25 of the Commercial Code and Article 14 of the Tax Code, companies incorporated in Mauritania are required to keep accounting records. These provisions are supplemented by the Mauritanian chart of accounts (*plan comptable*) instituted by Ordinance no. 82-180 of 24 December 1982.

128. Article 22 of the Commercial Code states that "any natural or legal person having trader status is required to keep accounts in accordance with customary business practice and the provisions of the Commercial Code". People having the status of traders in Mauritania are person who perform commercial acts personally and independently as their permanent occupation (Article 9 of the Commercial Code). The obligation to keep accounting records applies to:

- individuals who have trader status;
- commercial companies or companies in commercial form, a company's business purpose being set out in its articles of association;
- Mauritanian public establishments or bodies of an industrial or commercial nature;

- economic interest groupings;
- any other private-law legal entity carrying on an economic activity.

129. Individuals carrying on an activity whose sales are less than an amount which should be set from time to time by a joint order of the ministers responsible for finance and trade are exempt from the requirement to keep accounts. However, the Mauritanian authorities indicate that such an order has never been signed. Therefore, every natural person carrying on business in Mauritania is subject to accounting retention obligation. The very small businesses may merely use a highly simplified accounting system explained below.

130. Under Article 23 of the Commercial Code, natural or legal persons required to keep accounts must:

- keep a daily record of all their transactions in a journal or a monthly total of such transactions; where such totals are obtained as a result of keeping sub-ledgers, such sub-ledgers are subject to the same book-keeping requirements as the journal itself;
- draw up an inventory of the assets and liabilities of their business at least once a year, entering the details in an inventory ledger.

131. Under Article 24 of the Commercial Code, the journal and inventory ledger are numbered and initialled either by the competent judge or by the mayor or a deputy mayor of the municipality in the ordinary form and free of charge. Ledgers are kept in chronological order without blanks or alterations of any kind and may therefore be produced as evidence before the courts in business disputes between traders.

132. According to the Mauritanian chart of accounts, businesses must draw up an inventory at least once a year. "In addition to the journal, inventory ledger and pay ledger, businesses are recommended to keep a main ledger and as many journals, ledgers or documents in its stead as the size and needs of the business require. Such ledgers and documents may be kept by all appropriate means and techniques, businesses being free to adopt the accounting system of their choice, provided that the process used ensures that the accounting records are sufficiently authentic and allows for verification of the truth, accuracy and reliability of the accounts." In all events, double-entry book-keeping must be used. So that the accounting system may serve as an instrument for measuring the rights of the business's partners, an instrument of proof and a source of information for third parties, "the organisation of the accounts must at least ensure a comprehensive record of basic information and the production of the requisite documents within the statutory time limits set for their delivery".

133. The accounting system culminates in the production of three summary documents called financial statements. They comprise:

- the balance sheet;
- the income statement;
- the cash flow statement;
- the notes to the financial statements.

134. These documents form an indissociable whole and must objectively describe the events, transactions and situations of the period in order to give a fair view of the assets and liabilities, financial situation and results of the business. They must be prepared and presented in such a way that they can be compared over time, period by period, and with the annual financial statements prepared by other businesses under the same conditions of objectivity, reliability and comparability. The financial statements are subject to review and approval by the shareholders' meeting, called for the purpose within six months of the end of each accounting period. Under Article 232 of the Commercial Code, two copies of the financial statements together with a copy of the report of the statutory auditor(s) where relevant must be filed with the registry of the competent court within thirty days following such approval.

135. Under the Mauritanian chart of accounts (pages 12 and 233), very small businesses may use a highly simplified accounting system, based mainly on cash accounting. The system, called the minimum cash system (*système minimal de trésorerie*), is available only to individual businesses whose sales in the previous year did not exceed a threshold set by a committee. The Mauritanian authorities confirmed that the committee has never met to date and the thresholds are those set at Articles 7 and 29 of the Tax Code. Very small businesses are thus deemed to be those eligible for the flat-rate tax scheme, i.e. taxpayers whose annual sales inclusive of tax are less than UM 30 million (USD 81 081). However, the use of sales as the single criterion in tax law makes no distinction between commercial, service and craft businesses, even though one is made in the chart of accounts (page 233).

136. The probative value of cash accounting presupposes the regular keeping of cash ledgers (receipts and expenditures) in chronological order of transactions, such that a situation can be drawn up at year-end comprising an elementary balance sheet and an income statement that is meaningful in economic terms. The main supporting documents (invoices received or issued, written receipts, cash register tape, bank statements, cash book, copies of letters, etc.) must be kept and methodically classified and numbered.

137. As regards tax obligations related to accounting, Article 14 of the Tax Code states that "taxpayers must keep a complete set of accounts in compliance with the requirements of the Mauritanian chart of accounts".

138. At the end of the period, taxpayers must file a declaration of profit or loss to the tax office of the place where they have their principal establishment. This must be done within three months of the end of each period or, if no period is closed during a year, before 1 April of the following year. Where businesses have sales greater than or equal to UM 300 million (USD 810 810), the declaration must be accompanied by a balance sheet and notes, stating in particular the annual amount of transactions with suppliers for amounts in excess of UM 5 million (USD 13 514) and including the tax identification number in accordance with the model provided by the General Tax Directorate, certified by an approved chartered accountant, failing which they are liable to penalties. Commercial companies may deduct purchases and services provided by suppliers from the business profits assessment base only if they are accounted for and/or declared to the Mauritanian tax authorities. Taxpayers are required to declare details of financial expenses using a regulation form issued by the General Tax Directorate. In case a taxpayer fails to do so, 25% of the expenses would not be deductible.

139. Under Article 21 of the AML/CTF Act, non-profit associations and organisations (such as foundations) are required to keep accounts in compliance with the prevailing standards and to provide their financial statements for the previous year to the authorities designated for the purpose within four months of the end of their accounting period.

Penalties

140. Under Article 26 of the Commercial Code, persons who fail to keep mandatory accounting ledgers in compliance with the legal requirement may not produce them as evidence in court. Under Article 609 of the Commercial Code, managers who, for each accounting period, fail to draw up an inventory or prepare financial statements and a management report are liable to a fine of UM 20 000 to 400 000 (USD 54 to 1 081). Likewise, managers and members of management bodies who, with a view to concealing the company's true situation, knowingly present financial statements to company members or shareholders which do not give a fair view of the profit or loss of the period, the financial situation and the assets and liabilities at the end of the period, even if no dividends are paid, are liable to imprisonment for one to six months and a fine of UM 200 000 to 2 million (USD 540 to 5 400) or one only of those two penalties.

141. If a business is placed in rehabilitation, the managers are also liable to penalties if they have infringed accounting regulations by, for example,

"keeping fictitious accounts or causing the company's accounting documents to disappear or failing to keep accounts in compliance with the legal rules".

142. Under Article 50 of the Tax Code, failure to keep accounting documents properly is punishable by a tax penalty of UM 120 000 (USD 324) per document. Likewise, omissions or inaccuracies found either in documents which must be kept or in written information provided in support of the declaration are punishable by a tax penalty of UM 10 000 (USD 27) per omission or inaccuracy.

143. Under Article 22 of the AML/CTF Act, non-profit organisations such as associations and foundations which fail to keep accounting documents are liable to a fine of up to UM 1 million (USD 2 700) or a temporary ban on exercising the activities of the association or organisation for a period of up to 12 months.

144. Thus, in view of both its accounting and its tax legislation, Mauritania ensures the availability of accounting information from which it is possible to accurately trace all transactions, assess the financial position of all entities and prepare financial statements. However, the prevailing chart of accounts in Mauritania derives from the 1996 revision of the previous chart of accounts instituted by Ordinance no. 82-180 of 24 December 1982. The new chart of accounts, known as PCM 96, was not instituted by new legislation. The Mauritanian authorities consider that the 1982 ordinance remains in effect, insofar as it institutes a chart of accounts which was merely amended in 1996. This is understandable, but in view of the scale of the changes made to the chart of accounts and the legal principle of congruent forms, it would have been judicious to amend the instrument which instituted the 1982 chart of accounts. Mauritania is recommended to tighten up accounting regulations by introducing an appropriate legal instrument instituting the 1996 Mauritanian chart of accounts.

Underlying documentation (ToR A.2.2)

145. According to Mauritania's chart of accounts, the origin, content and application of each accounting record must be supported by a voucher in the form of a written document. Vouchers must be classified in such a way as to allow the use of all searches and guarantee all possibilities of audit. Article 14 of the Tax Code gives as examples of vouchers "currency transfer authorisations, customs declarations, purchase and sale invoices, receipt and expense vouchers". The chart of accounts adds bank statements, written receipts, cash register tapes, cash books, etc.

146. Very small businesses using a cash accounting system are also required to keep supporting documents. According to the chart of accounts,

vouchers supporting the accounting records of these small businesses must be kept and methodically classified and numbered.

147. These requirements ensure that mandatory accounting records in Mauritania are sufficiently supported by the necessary documents to evidence the transactions performed.

Document retention (ToR A.2.3)

148. Under Article 23 of the Commercial Code, companies are required to retain all documents and supporting documentation for transactions entered in their accounting records for ten years.

149. According to the chart of accounts, accounting records and documents and the supporting documentation for accounting entries must be retained for the same period of at least ten years from the end of the period concerned.

150. Article 210 of the Tax Code states that "accounting documents and supporting documentation must be retained for at least six years following the year in which the services were entered in the accounting records." Article 587 of the Tax Code states that the documents referred to at Article 585 (ledgers which must be kept in compliance with the Commercial Code and all accounting documents and receipt and expense vouchers which must be drawn up in compliance with the prevailing regulations) must be kept for six years as of the date on which they were drawn up. Failure to retain such documents for the time set at Article 587 is punishable by a tax penalty of UM 25 000 (USD 68).

151. Under Article 14 of the Tax Code, accounting documents and supporting documentation, especially currency transfer authorisations, customs declarations, purchase and sale invoices and receipt and expense vouchers, must be kept for at least ten years following the year in which the import, purchase, sale or service provided was entered in the accounting records.

152. Having regard to the tax and accounting requirements set out in the various laws in force in Mauritania, the requirement to retain accounting records for at least five years is ensured.

Determination and factors underlying recommendations

Conclusion
The element is in place.

A.3. Banking information

Banking information should be available for all account-holders.

153. Access to banking information is of interest to the tax authorities only if the bank has useful and reliable information on its customers' identity and the nature and amount of financial transactions.

Record-keeping requirements (ToR A.3.1)

154. Under Articles 22 to 25 of the Commercial Code and Article 14 of the Tax Code, banks are required to keep accounting records in the same way as other companies. All the accounting requirements examined in Section A.2 of this report apply to them.

155. In addition, Ordinance no. 2007-020 of 13 March 2007 on banking activity sets out the terms and conditions under which credit institutions must keep their accounting records. Under Article 43, credit institutions must keep their accounting records in accordance with the rules laid down by the Central Bank. Each year they must publish a balance sheet, an income statement and a cash flow statement certified by two auditors appointed in accordance with the prevailing regulations. These accounting documents are prepared in compliance with the requirements of the Mauritanian chart of accounts and the specific chart of accounts defined by the Central Bank for each category of institution.

156. The Central Bank ensures permanent documentary and on-site supervision of credit institutions and their affiliates. It ensures that credit institutions comply with the laws and regulations and the rules of good conduct in the profession (Article 47 of the 2007 Ordinance). For that purpose, credit institutions are required to provide the Central Bank, within the time limits it sets, with interim and final accounting documents relating to the previous year and with the minutes of discussions at their shareholders' meeting relating to the annual financial statements within fifteen days of the meeting. The Central Bank's supervision extends to all aspects of the activity, management and organisation of credit institutions, including in particular their compliance with the provisions of laws and regulations and their articles of association, the reliability of their accounting operations, the validity of the assets and liabilities posted on and off the balance sheet, their financial equilibrium and their profitability.

Anti-money laundering legislation

157. Under the provisions of the AML/CTF Act, credit institutions are required to comply with a duty of care and a requirement to identify their customers. They must satisfy themselves of their customers' identity and address before opening an account, taking custody of securities, notes or other effects, allocating them a safe deposit box or entering into any business relations with them.

158. Credit institutions are required to keep documents relating to their customers' identity for at least ten years after the closure of accounts or the cessation of relations with them. They must also keep documents relating to transactions for the same length of time, as of the end of the period during which the transactions were performed.

159. Under Ordinance no. 2007-020 of 13 March 2007 on banking activity, credit institutions are those which habitually perform as their business at least one of the following transactions: *(i)* the receipt of funds from the public for whatever length of time and in whatever form; *(ii)* the granting of credit in whatever form, and *(iii)* the provision to customers and the management of all means of payment. Transactions performed by banks in Mauritania include, inter alia, opening accounts, receiving funds from their customers and making funds available to them, including the payment of investment income (dividends or interest) into accounts. All these transactions are recorded in banks' accounting systems and are accessible at any time to the tax authorities, which have a right of discovery with regard to banking information. Money transfer businesses are also covered by the AML law (article 24).

Sanctions

160. Without prejudice to any criminal or other penalties that may apply, if credit institutions fail to comply with the prevailing laws and regulations the Central Bank may impose penalties on them and their managers ranging from a warning or a caution to a reprimand, injunction, formal notice, fines, the suspension of certain operations for up to three months, the appointment of an interim administrator, a temporary or final ban on certain operations and the suspension of a senior manager with or without the appointment of an interim administrator, the withdrawal of the license (Articles 55 to 61 of the Ordinance no. 2007-020 of 13 March 2007 on banking activity). The failure to respect the statutory obligations of vigilance and identification covered by the AML law is punished by a fine of UM 1million (USD 2 700) to UM 5 million (USD 13 500).

161. From a criminal point of view, managers of banks who do not respect the banking regulations is liable to imprisonment for a term of 1 month to

2 years or a fine of UM 1 million (USD 2 700) to UM 5 million (USD 13 500), or to both fine and imprisonment.

162. The prevailing laws ensure the availability of information on bank accounts (account holder's identity and transactions performed) in Mauritania.

Determination and factors underlying recommendations

Conclusion
The element is in place.

B. Access to Information

Overview

163. A variety of information may be needed in a tax enquiry and jurisdictions should have the authority to obtain all such information. This includes information held by banks and other financial institutions as well as information concerning the ownership of companies or identity of interest holders in other persons or entities, such as partnerships or trusts, as well as accounting information in respect of all such entities. This section of the report examines whether Mauritania's legal and regulatory framework gives the authorities access powers that cover the right types of persons and information and whether rights and safeguards would be compatible with effective exchange of information.

164. Mauritania's tax authorities have extensive powers under the Tax Code to access information relating to tax assessment, audit and collection. In particular, these powers allow the authorities to request information from any taxpayer or third party likely to be in possession of the information sought to assess income or collect tax.

165. Under the same provisions, banks, financial institutions, insurance companies and any natural or legal person taking on deposit or holding funds or assets for third parties are also required to provide the tax authorities on request with all information necessary for tax assessment, audit and collection.

166. There is no legislation in Mauritania which grants the tax authorities specific powers to collect information to be exchanged in the context of an international exchange of information. However, the fact that there is no reference to a domestic interest means that the Mauritanian tax authorities can use the domestic information-gathering powers granted by the Tax Code to tax officials for administrative co-operation purposes. The Mauritanian authorities use the same powers for the international exchange of information.

167. Professional secrecy is not an obstacle to information exchange in Mauritania, except in cases admitted by the standard.

168. The rights and safeguards applicable to persons in Mauritania are compatible with effective information exchange. There is no requirement under Mauritanian law for the tax authorities to inform the taxpayers concerned of requests for information received from foreign authorities.

169. The penalties for failing to provide information or documents appear sufficiently dissuasive to ensure that the Mauritanian tax authorities can obtain the relevant information. Therefore, the Mauritanian authorities can access all types of information to be kept by persons located in Mauritania.

B.1. Competent authority's ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

170. Under the tax treaties of which Mauritania is a signatory, the competent authority for the exchange of information is the finance minister or his duly appointed representative. To date, the minister has not delegated the competent authority's power. When the minister receives a request for information from a treaty partner, he transfers it to the Directorate General of Taxes office which is part of the Ministry (the tax authorities report to the minister of finance). The director general of taxes who is the head of the tax administration therefore asks its services to use their powers to gather the required information.

171. The Mauritanian tax authorities' power to obtain information derives mainly from Article 585 of the Tax Code, which gives them a right to information *(Droit de communication)*. Consequently, taxpayers, banks, financial institutions, insurance companies and in general any natural or legal person taking on deposit or holding funds or assets for third parties are required to provide the tax authorities on request with the records that must be kept under the Commercial Code and with all accounting documents and receipt and expense vouchers that must be drawn up in accordance with the prevailing regulations.

172. The Mauritanian tax authorities can also obtain information by using their audit powers under Articles 474 to 477 of the Tax Code.

Ownership and identity information (ToR B.1.1)/Accounting records (ToR B.1.2)

173. The requirement to make various documents available to the Mauritanian tax authorities applies to both taxpayers and third parties.

Taxpayers

174. The Mauritanian tax authorities may require any natural or legal-person taxpayer to provide all the records (*livres*) that must be kept under the provisions of the Commercial Code. For information, all persons carrying on an industrial, commercial, craft or agricultural activity in Mauritania are required to register with the tax authorities and hence become taxpayers. According to the Mauritanian authorities, the word *livres* (translated here as "records") used in Article 585 of the Tax Code is interpreted broadly to include any document that must be kept by law. For legal entities, they include the articles of association and the registered share register. These documents include, inter alia, information about the identity of persons holding registered shares in companies, though not of persons holding bearer shares. The disclosure requirement means that the competent authority has access to information on the ownership of companies with share capital where all of their shares are in registered form.

175. The Tax Code also refers to "all accounting documents and receipt and expense vouchers which must be drawn up under the prevailing regulations." This covers all accounting records which must be kept under the provisions of the Commercial Code and the Mauritanian chart of accounts, including the journal, main ledger, inventory ledger, pay ledger and financial statements (balance sheet, income statement, cash flow statement, notes). For very small businesses using a highly simplified accounting system, the accounting documents to be provided to the tax authorities on request are the cash ledgers (receipts and expenditures).

176. Under Article 585 of the Tax Code, the documentation underlying accounting records must also be provided to the tax authorities on request. This concerns all supporting documentation for accounting records, such as invoices received or issued, receipts, delivery notes and bank statements.

Third parties

177. Article 585 of the Tax Code states that in order to assess, audit and collect taxes, tax officers have the right to obtain any record prescribed by the Commercial Code as well as all accounting documents and receipts which should be kept under the regulations. Similarly, "banks, financial institutions, insurance companies and in general any natural or legal person taking on deposit or holding funds or assets for third parties are required to provide, on-site or by correspondence, at the request of a tax or treasury official having at least the rank of inspector, all information relating to taxpayers' accounts, the granting of credit and allocations of foreign currency made to them". This provision extends the scope of the tax authorities' right to information to any Mauritanian taxpayer and any person who may hold information by virtue of

a business relationship with a customer. It applies to banks and other financial institutions holding information about banking transactions, to employers, to notaries who hold information about the formation of companies and to attorneys and other members of the professions who may hold information on the identity of their clients and on other transactions performed in their stead (as nominee, for example) or for their benefit. It also applies to trusts and similar arrangements which, even though not specifically recognised in Mauritanian law, may nonetheless produce their effects in Mauritania (see Section A.1 on the availability of information on identity).

178. The right to information also applies to government agencies. Under Article 582 of the Tax Code, "central and local government agencies and enterprises conceded or controlled by local authorities and all establishments or organisations whatsoever subject to the supervision of the administrative authorities may not invoke professional secrecy against tax officials having at least the rank of controller who ask them to provide official documents in their possession in order to assess the taxes instituted by this code". Under Article 583, those who keep civil status registers and tax rolls and those responsible for keeping public records and filings of public instruments are also required to provide them to tax officials on request. These provisions apply to notaries, officers of justice, court registrars and the secretaries of central and local government agencies, for those instruments they keep on file, such as companies' articles of association. Thus, information on company ownership held by the authorities responsible for the commercial register must be provided to the tax authorities on request. Under Article 584, the judicial authorities are also required to spontaneously report to the tax authorities any evidence which may come to their attention and generate a presumption of tax fraud or some other scheme resulting in the evasion or compromise of a tax, whether in a civil or commercial case or a criminal investigation, even if the case is dismissed.

Ability to gather information from all persons

179. The tax authorities' right to information is used for the purposes of international information exchange only where the requested information is not already in their possession. It may be exercised on-site or by correspondence. On-site, tax officials with at least the rank of inspector consult the documentation necessary to assess, audit or collect the tax on the premises of the taxpayer or third party concerned. By correspondence, the tax authorities write to the person concerned, asking them to send the requested information or documents by the same means within a given time limit. The Tax Code does not impose any time limit on taxpayers and third parties within which they must provide information when the right to information is exercised by correspondence. However, Article 586 states that if a person refuses to

provide information by correspondence, they are served official notice to do so within 15 days by registered letter with acknowledgment of receipt, failing which they are liable to a daily fine. According to the Mauritanian tax authorities, the mails sent to the holders of information always mentions a time period within which the response is expected. If the person does not answer within that period, a reminder would be sent and he or she would be given 15 days to provide the information.

180. There is no time limit on the right to information, whether the taxpayer concerned has been audited or whether the taxes concerned are out of time or not. The tax authorities are not required to give the requested person any information about the taxes concerned or the validity of the operation (assessment, audit or collection) justifying exercise of the right to information. At most, Article 587 of the Tax Code states that the documents referred to at Article 585 must be retained for six years as of the date on which they were drawn up. Thus, apart from accounting records which must be retained for ten years under the provisions of the Commercial Code, other documents which must be kept by law must be retained for at least six years. The tax authorities can access information and documents for as long as they are retained by exercising their right to information.

181. In addition to the right to information, the Mauritanian tax authorities may access information by performing tax audits. Under Article 474 of the Tax Code, where they find a deficiency, inaccuracy, omission or concealment in the elements used to assess a tax liability, they are authorised to perform a tax audit with a view to making the necessary adjustments.

182. A tax audit is not a procedure instituted for the disinterested gathering of information for the tax authorities' use or in response to a request for information. Its primary purpose is to verify that taxpayers' tax returns are true and accurate and to make adjustments where appropriate. However, the tax authorities may use a tax audit for information-gathering purposes in at least two instances. First, where a current tax audit concerns a taxpayer in connection with whom a request for information has been made, the request will be referred to the officials performing the audit, who will then seek the requested information, whether by inspecting accounting records or by conducting a spot check. Second, information requests can sometimes be particularly complex, requiring the performance of a tax audit in Mauritania (Mauritania may realise that the request may reveal tax evasion to the detriment of the Mauritanian Treasury) in order to be met fully and effectively. In either case, the tax audit will obtain the information and documents requested by the requesting party, especially as under Article 477 of the Tax Code taxpayers are required to provide the auditor with all the documents, records and items provided by law.

183. In several countries, the only restriction on the right of audit over time arises from the prohibition on auditing the same taxpayer more than once in respect of the same tax period. There is no such restriction in Mauritania, though that does not mean that a taxpayer can be audited again in respect of the same period for information exchange purposes if that period has already been the subject of an audit. The Mauritanian tax authorities consider that, notwithstanding the absence of legal provision, they should not in practice audit the same tax for the same period more than once unless new information emerges revealing fraudulent behaviour by a given taxpayer. An amendment to the Book of Tax Procedures along these lines is reportedly being prepared for 2015. This aspect will be clarified during the Phase 2 review.

Use of information-gathering measures absent domestic tax interest (ToR B.1.3)

184. The concept of "domestic tax interest" describes a situation where a contracting party can only provide information to another contracting party if it has an interest in gathering such information for its own tax purposes.

185. Under Articles 582 and 585 of the Tax Code, the purpose of the right to information is to "assess the tax" or "permit the assessment, audit and collection of taxes provided for by the Tax Code". This covers all the taxes and duties contained in the Tax Code, including income and sales taxes. However, although the information requested by Mauritania's partners is not intended for the assessment of tax in Mauritania, the tax authorities may use the right to communication solely for information exchange purposes.

186. Pursuant to Article 80 of the Constitution of Mauritania "treaties or agreements duly ratified or approved shall, upon publication, take precedence over the laws." This provision covers the tax treaties and tax information exchange agreements (although Mauritania has not signed any TIEA). Because of the precedence of the conventions over Mauritanian law, the provisions of Mauritanian tax treaties prevail on the provisions of the tax code on the right to information and the right to audit. Once a tax treaty entered into force, the tax authorities are required to enforce its provisions including those regarding exchange of information. Some DTCs signed by Mauritania even use the expression "The taxation authorities of each of the Contracting States shall communicate to the taxation authorities of the other Contracting State any information…" To do so, the Mauritainan tax authorities should use all their powers under the tax code, including the right to information and the right to carry out tax audits. Further more, there is no provision in Mauritanian law which prevent the tax administration from using its domestic information-gathering powers for the purpose of exchange of information.

187. According to the Mauritanian authorities, the provisions allowing information-gathering for tax assessment and audit purposes are interpreted as valid when such information is intended only for a foreign tax authority, provided that it is justified by an international treaty concluded between Mauritania and the other country. The right to information and the right to carry out tax audits are the most used and the most effective information gathering powers of the Mauritanian tax administration.

188. The right of audit, the purpose of which is to verify the accuracy of tax returns submitted by Mauritanian taxpayers, may also be used solely for information exchange purposes. Article 476 of the Tax Code provides that "officers of the Tax Services have the power to ensure control of all taxes owed by a taxpayer." According to the Mauritanian tax administration, "taxes owed by a taxpayer" also apply to foreign taxpayers. A tax audit can be carried out in Mauritania when the tax administration has received a request for information from a partner country regarding the taxes owed by a taxpayer of that country. Only the Mauritanian tax authorities decide from their own criteria whether a tax audit is needed. A tax audit may therefore be performed in order to obtain information to be exchanged with a treaty partner.

189. Mauritania has a limited experience in the exchange of information, but the Mauritanian authorities claim that, they have always used their right to information to gather information sought by their treaty partner in the few requests received to date. The practical application of the use of the information gather powers of the tax authorities for the purpose of exchange of information will be assessed in the Phase 2 of the review.

Compulsory powers *(ToR B.1.4)*

190. Failure to provide the information and documents requested by the tax authorities is penalised by Articles 585 and 588 of the Tax Code. The penalty differs according to whether the right to information is exercised by correspondence or on-site.

191. Refusal to provide documents or information on-site is recorded in an official report and punished by a tax penalty of UM 100 000 to 1 million (USD 270 to 2 700) and by the closure for one to three days of the bank, financial institution or insurance company or any establishment belonging to a natural or legal person which has refused to provide information.

192. Refusal to provide information by correspondence is followed by service of official notice to do so by registered letter with acknowledgment of receipt. If the requested information has not been provided within 15 days following receipt of the letter, a tax penalty of UM 10 000 (USD 270) is applied. This penalty is increased by UM 50 000 (USD 135) per month or fraction of a month of non-compliance.

193. Failure to retain documents for the period set forth at Article 587 is punished by a tax penalty of UM 25 000 (USD 68).

194. Under Article 477 of the Tax Code, partial obstruction of a tax audit (failure to produce certain documents) is punished by a fine of UM 40 000 (USD 1 080). Likewise, total obstruction of a tax audit (failure to produce any documents at all or refusal to be audited) is punished by a fine of UM 1 million (USD 2 700).

Secrecy provisions *(ToR B.1.5)*

195. Jurisdictions should not invoke secrecy (e.g. banking or business secrets) as a reason for not responding to a request for information made under an exchange of information mechanism. There are several provisions on secrecy and confidentiality in Mauritanian law.

Banking secrecy

196. Banking secrecy in Mauritania is instituted by Ordinance no. 2007/020 of 13 March 2007 regulating credit institutions. Article 74 of the Ordinance states that "All persons who, in any capacity whatsoever, take part in the administration, direction or management of a credit institution or who are employed by a credit institution, persons given assignments, even of an exceptional nature, relating to the supervision of credit institutions, and in general all persons who, in any capacity whatsoever, know or use information relating to credit institutions are strictly bound by a professional secrecy obligation, subject to the penalties provided by the prevailing regulations, with regard to all information which comes to their attention in that context, except in cases where the law provides otherwise." Thus, the managers, employees and agents of credit institutions and persons who, in the performance of their duties, have access to banking information are required to keep such information secret. These rules apply *mutatis mutandis* to microfinance institutions under Ordinance no. 2007/005 of 12 January 2007 regulating microfinance institutions.

197. However, the 2007 Ordinance allows for exceptions to the banking secrecy requirement by specifying persons against whom it may not be invoked. Under Articles 44, 45 and 74, these are internal auditors, statutory auditors, the central bank and the judicial authorities in the discharge of their official duties. The Ordinance leaves other exceptions to the banking secrecy requirement to the law. In this regard, under Article 585 of the Tax Code, "banks and financial institutions are required to provide, on-site or by correspondence, at the request of a tax official, all information relating to taxpayers' accounts, the granting of credit and allocations of foreign currency made to them". The wording of this provision makes it clear that banking

secrecy may not be invoked against Mauritanian tax officials. The banking information available to the tax authorities includes information of all kinds relating to bank accounts, such as the identity of account holders, transactions performed on accounts and account balances.

Other professional secrecy requirements

198. Article 350 of the Mauritanian Penal Code protects professional secrecy. "Medical practitioners, surgeons and other healthcare officials, pharmacists, midwives and all persons who, by virtue of their condition or profession, in the discharge of temporary or permanent duties, receive secrets entrusted to them and who reveal secrets, except in cases where they are required or authorised to do so by law, shall be liable to imprisonment for one to six months and a fine of UM 5 000 to 60 000" (USD 14 to 168). This provision applies to the members of all professions, such as chartered accountants, auditors, tax advisers, notaries and attorneys. Persons practising these professions are bound by a secrecy obligation in the exercise of their professional activities and may refuse to disclose confidential client information except where they are required to do so by law. The tax authorities' right to communication arises from a law (the Tax Code) which requires all natural or legal persons to provide the tax authorities on request with any document that must be drawn up and/or kept under the prevailing regulations. Plainly, the professional secrecy requirement protected by Article 350 of the Penal Code may not be invoked against the Mauritanian tax authorities.

199. Under Article 10 of Decree no. 97-018 repealing and replacing Decree no. 83-026 of 17 January 1983 instituting the *Ordre National des Experts Comptables* (National Order of Chartered Accountants), chartered accountants and statutory auditors are bound by a professional secrecy obligation from which they are expressly released in the event of an investigation into their affairs or a prosecution brought against them by the public authorities or in actions brought before the Order's disciplinary body. Although the decree does not specifically cite the need to assess tax among the cases where chartered accountants are released from their professional secrecy obligation, the Mauritanian authorities assert on the grounds of Article 585 of the Tax Code that professional secrecy may not be invoked against the tax authorities. As the Tax Code is a statute, it prevails over regulatory instruments such as decrees. However, the tax authorities make very little use of the right to information with regard to chartered accountants and statutory auditors, insofar as the accounting information which comes to their attention in the performance of their assignment is almost always kept by their clients themselves (taxpayers) as required by law (the Commercial and Tax Codes).

200. For attorney-client privilege, Act 95-24 of 19 July 1995 repealing and replacing Ordinance no. 86-112 of 12 July 1986 instituting the *Ordre National*

des Avocats (National Order of Attorneys) sets out the rules applicable to the legal profession in Mauritania. Article 5 of the Act states that attorneys "are bound by a professional secrecy obligation". Although the Act does not give any further details on the extent of this obligation, the Mauritanian authorities consider that it has the meaning generally accepted in several civil law legislations. Attorney-client privilege thus covers an attorney's relations as counsel and defence. This applies to exchanges with the client and all procedural documents. The tax administration may not require disclosure of such information. In contrast, information held by an attorney acting as proxy for legal instruments outside any jurisdictional forum or counsel is not protected by attorney-client privilege. In other words, such information must be provided to the tax authorities on request under Article 585 of the Tax Code.

201. Under Article 589 of the Tax Code, tax officials are also bound by a professional secrecy obligation. They are therefore required to keep secret information which comes to their attention in the performance of their duties with regard to tax assessment or collection or tax disputes referred to in the Tax Code. Should they breach their obligation, they are liable to the corresponding penalties set forth in the Penal Code. However, Article 589 of the Tax Code states that these provisions do not prevent the exchange of information with the tax authorities of countries which have concluded a convention with Mauritania on mutual assistance in tax matters.

202. Rules relating to professional secrecy are not therefore an obstacle to the exchange of information by Mauritania. The practical impact of the professional secrecy granted to accountants, statutory auditors and attorneys on effective exchange of information will be analyzed during the phase 2 peer review.

Determination and factors underlying recommendations

Conclusion
The element is in place.

B.2. Notification requirements and rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

Not unduly prevent or delay exchange of information *(ToR B.2.1)*

203. Mauritanian law guarantees taxpayers respect of their rights in their relations with the tax authorities, especially in tax audit and tax collection procedures.

204. When a tax audit begins, the tax authorities are required to inform the taxpayer concerned at least eight days beforehand, except in the case of a spot check or an unannounced inspection (though a notice of visit is necessary in all cases). Taxpayers may be attended by an adviser during the audit.

205. Apart from the service of notice procedure for refusal to provide information by correspondence, Mauritania has no particular rules governing exercise of the right to information. The tax authorities are under no obligation to justify or give reasons for requesting information from a person. Thus, when the right to information is exercised in response to a request for information from a foreign administration, the Mauritanian tax authorities do not inform the person holding the information in Mauritania (the person in respect of whom the right to information is exercised) nor the person abroad.

206. In addition, the tax authorities are not obliged under Mauritanian law to inform the person in Mauritania who is the subject of a request from a foreign administration under an international convention. There is thus no provision in Mauritanian law for notification before or after the event.

207. Under Article 558 et seq. of the Tax Code, taxpayers are entitled to challenge the amount of taxes, contributions, duties and penalties of all kinds assessed or collected by tax officials before the administration and the competent courts. However, as responses to requests for information do not have the effect of levying taxes on Mauritanian taxpayers, it is virtually impossible for them to give rise to a tax dispute. In all events, even if that were to happen, the tax authorities consider that the dispute could not prevent or delay transmission of the information to the foreign authority, since under Article 560 et seq. of the Tax Code, tax claims in Mauritania do not have any suspensive effect.

Determination and factors underlying recommendations

Conclusion
The element is in place.

C. Exchanging Information

Overview

208. Jurisdictions generally cannot exchange information for tax purposes unless they have a legal basis or mechanisms for doing so. In Mauritania, the legal authority to exchange information is derived from bilateral mechanisms (double tax conventions) as well as domestic law. This section of the report examines whether Mauritania has a network of information exchange that would allow it to achieve effective exchange of information in practice.

209. Mauritania has a small network of eight tax conventions which include provisions relating to the exchange of information for tax purposes, enabling it to exchange information with nine jurisdictions. Seven of the conventions are bilateral and one is regional (the Arab Maghreb Union tax convention). Although all comply with the standard, only half (i.e. four) of the tax conventions concluded by Mauritania are in force.

210. Mauritania has not to date declined any request for the conclusion of an EOI agreement.

211. All mechanisms for exchanging information include provisions concerned with confidentiality, and Mauritanian domestic legislation also contains provisions on this subject. They apply equally to the information and documents concerned by the request received by the Mauritanian competent authority and to the responses provided to the treaty partner.

212. Each of the treaties entered into by Mauritania guarantees that the parties involved will not be obliged to reveal information regarding an industrial, business or professional secret, or information subject to attorney-client privilege, or to disclose information that would be contrary to public policy.

213. Lastly, and although it is an issue that will be examined during the Phase 2 review, there is no restriction in Mauritanian domestic law that would limit Mauritania's capacity to exchange information within the 90-day deadline laid down by international standards, or that would prevent the Mauritanian competent authority from providing an update on the status of the request to its partners.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should allow for effective exchange of information.

214. Under Article 36 of Mauritania's constitution, the President of the Republic signs and ratifies treaties. Under Article 30, this power may be delegated to the prime minister or to ministers.

215. Mauritania has a small network of conventions which include provisions relating to the exchange of information for tax purposes. All of them are double tax conventions. Mauritania has concluded eight conventions to date, seven of which are bilateral and one regional, the Arab Maghreb Union (AMU) tax convention covering Algeria, Libya, Morocco and Tunisia as well as Mauritania. Algeria and Tunisia are partners under both bilateral conventions and the AMU regional convention. All the conventions concluded by Mauritania comply with the standard, though only four (with France, Senegal, Tunisia and the AMU) are in force.

216. Mauritania has not concluded any tax information exchange agreements (TIEA) to date and is not in the process of extending its EOI network. Likewise, no jurisdiction to date has said that it has contacted Mauritania with a view to negotiating an EOI mechanism.

Standard of foreseeable relevance (ToR C.1.1)

217. The international standard in information exchange assumes that information should be exchanged upon request to the widest possible extent. However, it does not allow "fishing expeditions", meaning speculative requests for information which appear to have no clear link with an ongoing audit or investigation. The balance between these two competing aspects is expressed in the concept of "foreseeable relevance" contained in Article 26, paragraph 1 of the OECD Model Tax Convention, which states:

> "The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2."

218. The four conventions in force in Mauritania contain the terms "necessary" or "useful". The term "necessary" found in the AMU convention between Mauritania, Algeria, Libya, Morocco and Tunisia is considered in the commentary on Article 26 of the OECD Model Convention as being

equivalent in effect to "foreseeably relevant" with regard to the exchange of information. The conventions with Senegal and France mention information relating to tax "which they [the tax authorities] have at their disposal and which are useful."

219. According to Mauritania, "information at the disposal of the tax authorities" is interpreted broadly, covering both information in their possession and information to which they may have access by exercising the powers conferred on them by law. Mauritania adds that the term "useful" is interpreted in the same way as "foreseeably relevant". France confirmed in its peer review[3] that it supported this interpretation.

In respect of all persons (ToR C.1.2)

220. Effective information exchange presupposes that the obligation of a jurisdiction to provide information should not be limited by the residence or nationality of either the person to whom the requested information relates, or the person who possesses or holds the information requested. For this reason, the international standard in information exchange states that the mechanisms for exchange can permit an exchange of information concerning all persons.

221. None of the treaties in force in Mauritania contains a provision expressly extending the scope of information exchange to persons who are not residents of the contracting states. However, they all permit the exchange of information necessary or useful for the application of their provisions or those of the domestic laws of the contracting states. As each state's domestic tax law applies equally to both residents and non-residents, Mauritania confirms that the information covered by the conventions also concerns non-residents. Thus, none of the EOI mechanisms concluded by Mauritania restricts the scope of information exchange to one category of persons, to the exclusion of others, such as those who are not considered residents of one of the states.

Obligation to exchange all types of information (ToR C.1.3)

222. Jurisdictions cannot undertake effective information exchange if they are unable to exchange information which is held by financial institutions, nominees or persons acting in an agency or fiduciary capacity. According to the OECD Model Convention and Model Tax Information Exchange Agreement (TIEA), which are the main sources of authority where the standard is concerned, banking secrecy may not be invoked as a ground

3. Paragraph 214, OECD (2011), *Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: France 2011: Combined: Phase 1 + Phase 2*, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264114708-en.

for refusing to provide information, nor may a request for information be declined solely because the information is held by a nominee or a person acting in an agency or fiduciary capacity or because the information relates to ownership interests in a person.

223. Article 26 (5) of the OECD Model Convention provides that a contracting state may not decline to supply information solely because it is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity, or because it relates to ownership interests in a person. No convention concluded by Mauritania contains any such provision.

224. All the conventions concluded by Mauritania were signed before the amendment to Article 26 of the OECD Model Tax Convention. However, the absence of a clause in the conventions does not systematically create a restriction on information exchange. The commentaries on the Model Convention state that, while paragraph 5 represents a change in the structure of Article 26, it should not be interpreted as suggesting that the previous version of the Article did not authorise the exchange of information held by banks, other financial institutions, nominees, agents and fiduciaries. Although Mauritania is not a member of the OECD, the authorities of this country state that they adhere to the interpretation of the OECD Model Convention's commentaries.

225. There is no restriction on information exchange in Mauritanian domestic law and the powers attributed to the tax authorities by law – in this case the Tax Code – enable them to access and exchange all kinds of information, including information held by banks and by nominees, agents and fiduciaries.

Absence of domestic tax interest (ToR C.1.4)

226. The concept of "domestic tax interest" describes a situation where a contracting party can only provide information to another contracting party if it has an interest in the requested information for its own tax purposes. An inability to provide information based on a domestic tax interest requirement is not consistent with the international standard. Contracting parties must use their information gathering measures even though invoked solely to obtain and provide information to the other contracting party.

227. None of the tax conventions concluded by Mauritania contains Article 26 (4) of the OECD Model Tax Convention, which requires contracting states to use their information-gathering measures to obtain the requested information even though they may not need it for their own tax purposes. However, the absence of such a clause does not mean that the conventions permit a domestic tax interest. In this case, reference should be made to contracting states' domestic legislation to see whether it prevents the competent authority from using its information-gathering powers solely for information exchange purposes.

228. There is no provision in Mauritanian domestic law which creates a domestic tax interest (cf. Section B.1.3 above). Because ratified conventions take precedence over statutes (Article 80 of the constitution), the Mauritanian tax authorities use the same powers for the assessment and audit of taxes attributed to them by law to gather and exchange information with foreign partners. Thus, Mauritania exchanges information with its partners even if it has no interest therein, without the need for any explicit allusion to domestic tax interest in its EOI mechanisms.

Absence of dual criminality principles (ToR C.1.5)

229. The principle of dual criminality provides that assistance can only be provided if the conduct being investigated (and giving rise to an information request) would constitute a crime under the laws of the requested jurisdiction if it had occurred in the requested jurisdiction. In order to be effective, exchange of information should not be constrained by the application of the dual criminality principle.

230. None of the information exchange mechanisms established by Mauritania provide for the application of the dual criminality principle.

Exchange of information in both civil and criminal tax matters (ToR C.1.6)

231. Information exchange may be requested both for tax administration purposes and for tax prosecution purposes. The international standard is not limited to information exchange in criminal tax matters but extends to information requested for tax administration purposes (also referred to as "civil tax matters").

232. All information exchange mechanisms concluded by Mauritania provide for the exchange of information for both criminal and civil matters.

Provide information in the specific form requested (ToR C.1.7)

233. In some cases, a contracting party may need to receive information in a particular form to satisfy its evidentiary or other legal requirements. Such formats may include depositions of witnesses and authenticated copies of original records. Contracting parties should endeavour as far as possible to accommodate such requests. The requested party may decline to provide the information in the specific form requested if, for instance, the requested form is not known or permitted under its law administrative practice. A refusal to provide the information in the form requested does not affect the obligation to provide the information.

234. The tax conventions concluded by Mauritania do not contain any clause relating to the provision of information in a form specifically requested by a contracting party in order to meet its evidentiary standards or other legal requirements insofar as the law of the requested party permits. However, there is no restriction that would prevent the Mauritanian authorities from providing the information in the requested form as long as it complies with their administrative practice.

In force *(ToR C.1.8)*

235. Exchange of information cannot take place unless a jurisdiction has exchange of information arrangements in force. The international standard requires that jurisdictions must take all steps necessary to bring agreements that have been signed into force expeditiously.

236. Article 78 of the Mauritanian constitution states that treaties must be ratified by a law. Ratified international treaties take precedence over statutes.

237. In order for international conventions concluded by Mauritania to be ratified, the signed instrument must first be approved by the government and then presented to Parliament (a bicameral institution comprising the National Assembly and the Senate). Under Article 79 of the Constitution, if the Constitutional Council, consulted by the President of the Republic or the President of the National Assembly or the President of the Senate or one-third of deputies or senators, finds that an international agreement includes a clause contrary to the Constitution, authorisation to ratify or approve it may be forthcoming only after revision of the Constitution.

238. Once parliamentary authorisation has been obtained, the ratification act is promulgated by the President of the Republic. Then a date of entry into force is decided jointly with the signatory country by exchange of ratification instruments, a procedure overseen by the two countries' Ministries of Foreign Affairs. The convention finally enters into force at the agreed date. According to the Mauritanian authorities, it is difficult to give an average length of time for the ratification of conventions insofar as the procedure varies from one country to another and also depends on how determined the other party is and the state of its relations with Mauritania (strong, medium or weak co-operation).

239. Mauritania has concluded eight tax conventions to date, though only four of them (the Arab Maghreb Union convention and the conventions with France, Senegal and Tunisia) are in force. The other four, with Algeria, Qatar, Kuwait and Sudan, are not in force. The most recent, with Algeria, was signed in 2011. These four conventions were signed on the following dates:

- convention with Algeria: 11/12/2011
- convention with Kuwait: 27/12/2009

- convention with Qatar: 25/12/2003
- convention with Sudan: 22/12/2009

240. Although the fact that the convention with Algeria has not entered into force does not have any practical effect on information exchange, since both countries are also Parties to the AMU convention which is in force, the same is not true of the other conventions. Given the small size of Mauritania's EOI network, the time that has elapsed since these conventions were concluded (nearly four years for the conventions with Kuwait and Sudan and nearly eleven years for the convention with Qatar) does not favour effective information exchange.

241. According to the Mauritanian authorities, this delay in entry into force of certain agreements is the result of an absence of request for exchange of information from partners. They are on the view that this situation is due to the poor economic relationship between Mauritania and these countries, and that the increasing volume of trade and the need to tackle multinational companies' tax planning would result to the reduction of the time required for the entry into force of the agreements. However, only an agreement into force can allow for exchange of information between two partners. Regardless the size of the economic relations with its EOI partners, Mauritania cannot exchange information under four of its eights agreements because they have not yet been ratified. The delay in entry into force is partly attributable to Mauritania, since it has not completed its internal procedures to ratify all these conventions, even though they have been signed for several years.

Be given effect through domestic law (ToR C.1.9)

242. For exchange of information to be effective, the contracting parties must enact any legislation necessary to comply with the terms of the agreement.

243. Article 78 of the Mauritanian Constitution states that treaties cannot take effect until they have been ratified. Article 80 adds that once they have been ratified, they take precedence over statutes. A convention in force and which is directly applicable as is the case for tax treaties needs no other law or additional measure to be effective. In particular, the provisions of tax treaties Mauritania on exchange of information are directly applicable in Mauritania as from the date of effect of the convention. The Mauritanian tax authorities therefore use the same powers for information exchange as they use for information-gathering for the purposes of assessing and auditing tax in Mauritania. These powers enable to obtain the information, including banking information.

Determination and factors underlying recommendations

Conclusion	
The element is in place, but certain aspects of the legal implementation of the element need improvement.	
Factors underlying the recommendations	**Recommendations**
Mauritania has concluded eight tax conventions providing for information exchange but only four of them are in force, meaning that the jurisdiction can exchange information with only some of its partners. The delay in entry into force is partly due to the fact that Mauritania does not always complete the necessary domestic formalities in reasonable time.	The Mauritanian authorities should accelerate the entry into force of agreements already concluded so that they can effectively exchange information with their treaty partners.

C.2. Exchanging of information mechanisms with all relevant partners

The jurisdictions' network of information exchange mechanisms should cover all relevant partners.

244. Ultimately, the international standard requires that jurisdictions exchange information with all relevant partners, meaning those partners who are interested in entering into an information exchange arrangement. Agreements cannot be concluded only with counterparties without economic significance. If it appears that a jurisdiction is refusing to enter into agreements or negotiations with partners, in particular ones that have a reasonable expectation of requiring information from that jurisdiction in order to properly administer and enforce its tax laws it may indicate a lack of commitment to implement the standards.

245. Articles 78 to 80 of the Mauritanian constitution allow the conclusion of treaties or international agreements. These provisions are the legal base for the conclusion of tax treaties or tax information exchange agreements (TIEA). Mauritania has signed eight tax conventions, all of which include EOI provisions, covering nine jurisdictions: Algeria, France, Kuwait, Libya, Morocco, Qatar, Senegal, Sudan and Tunisia. Five of Mauritania's partners are members of the Global Forum.

246. European countries, especially France, Belgium, Spain, Switzerland, Germany and Italy, are Mauritania's main economic partners, as both customers and suppliers, accounting for 84% of trade (nearly 44% of exports

and 40% of imports). France is the largest economic partner to have an EOI mechanism with Mauritania. At regional level, Mauritania trades with the other member countries of the Arab Maghreb Union and with Senegal. These countries have EOI mechanisms with Mauritania.

247. Mauritania has not concluded any TIEAs to date and is not a signatory to the Convention on Mutual Administrative Assistance in Tax Matters. Likewise, no jurisdiction has said to date that it has contacted Mauritania in order to negotiate an EOI mechanism. Furthermore, four of the eight conventions concluded by Mauritania are not in force (Algeria, Kuwait, Qatar and Sudan), though none of these countries is an important economic partner. The fact that the convention with Algeria is not if force does not prevent the two countries from exchanging information for tax purposes since they are both signatories of the AMU convention, which is in force.

248. Although Mauritania is not actively seeking to expand its EOI network, no jurisdiction has advised that Mauritania had refused to enter into negotiations or conclude an EOI agreement.

Determination and factors underlying recommendations

Conclusion	
The element is in place.	
Factors underlying the recommendations	**Recommendations**
	Mauritania should continue to develop its exchange of information network with all relevant partners.

C.3. Confidentiality

The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received.

Information received: disclosure, use and safeguards *(ToR C.3.1)*

249. Governments would not engage in information exchange without the assurance that the information provided would only be used for the purposes permitted under the exchange mechanism and that its confidentiality would be preserved. Information exchange instruments must therefore contain confidentiality provisions that spell out specifically to whom the information can be disclosed and the purposes for which the information can be used. In addition to the protections afforded by the confidentiality provisions of information exchange instruments, jurisdictions with tax systems generally

impose strict confidentiality requirements on information collected for tax purposes.

International mechanisms

250. All the conventions concluded by Mauritania contain provisions relating to confidentiality, even though not all of them follow the wording of Article 26 (2) of the OECD Convention.

251. Broadly speaking, the Mauritanian conventions use one of two wordings for their confidentiality provisions. The conventions with France and Senegal state that "information exchanged in this way, which remains secret, may not be disclosed to persons other than those responsible for the assessment and collection of the taxes covered by the present convention." According to Mauritania, persons responsible for the assessment and collection of tax include not only tax officials but also the judicial authorities (prosecutor's offices and court registries), since these two conventions state that information exchange also concerns "enforcement of legal provisions relating to the prosecution of tax fraud". The AMU convention states that the information exchanged "may be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of the taxes covered by the Convention, with proceedings or prosecutions relating to such taxes or with decisions on internal administrative appeals relating to such taxes". This wording is even more precise and effectively guarantees the confidentiality of information as required by the standard.

Mauritania's domestic legislation

252. Article 10 of Act 93-09 of 18 January 1993 on the status of civil servants and contracted public employees states: "Irrespective of the rules instituted by criminal legislation with regard to professional secrecy, all civil servants are subject to a professional secrecy obligation for all matters relating to facts or information which come to their attention in the performance of their duties. Any disclosure of official documents to a third party for which no provision is made in the prevailing regulations is prohibited. Except in cases expressly provided for by the prevailing regulations, civil servants may be released from the professional secrecy obligation or the prohibition laid down in the preceding paragraph only by an express decision of the authority on which they depend."

253. With particular regard to tax officials, under Article 589 of the Tax Code any person who, in the performance of their duties, is involved in the assessment or collection of tax or in tax disputes is bound by a professional secrecy obligation. However, it is stipulated that this secrecy obligation does

not preclude the exchange of information with the financial authorities of states that have concluded conventions on mutual assistance in tax matters with Mauritania.

254. Under Articles 592 and 593 of the Tax Code, tax officials are released from the professional secrecy obligation with respect to an investigating magistrate who questions them about facts relating to a complaint brought by the administration against a taxpayer and with respect to any jurisdiction in relation to tax documents whose production may help to settle a dispute. These provisions are consistent with the conventions concluded by Mauritania insofar as they enable exchanged information to be made available to the judicial authorities.

255. Breach of the professional secrecy obligation incumbent on tax officials constitutes misconduct subject to administrative and criminal penalties. From an administrative standpoint, under Act 93-09 of 18 January 1993 aforesaid, any official who has disclosed secret information other than in the cases provided by law is liable to disciplinary sanctions ranging from a warning to dismissal. From a criminal standpoint, such disclosure is punishable by imprisonment for one to six months and a fine of UM 5 000 to 60 000 (USD 14 to 168). Article 12 of the Act states that in the event of misconduct through breach of the professional secrecy obligation, the authority on which the civil servant depends must promptly refer the matter to the public prosecutor's office.

All other information exchanged *(ToR C.3.2)*

256. The provisions concerning confidentiality which are included both in the relevant agreements and in Mauritanian domestic legislation do not distinguish between information received in reply to a request or information that forms part of the request. These provisions apply in the same manner to requests, attached documents, and all communications between the jurisdictions involved in the exchange.

Determination and factors underlying recommendations

Conclusion
The element is in place.

C.4. Rights and safeguards of taxpayers and third parties

> The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties.

257. The international standard allows requested parties not to supply information in response to a request in certain identified situations where an issue of trade, business or other secret may arise.

Exceptions to the requirement to provide information (ToR C.4.1)

258. Most information exchange mechanisms concluded by Mauritania ensure that the parties concerned are not required to supply information that would reveal an industrial, business or professional secret or the disclosure of which would be contrary to public policy.

259. The conventions with France and Senegal, which date from 1967 and 1971 respectively, also protect business, industrial or professional secrets, adding that "assistance may be withheld where the requested state considers that it is likely to endanger its sovereignty or security or prejudice its general interests." Mauritania, like France, considers that this expression has the same content as the notion of public policy contained in other conventions, especially Article 26 (3) (c) of the OECD Model Tax Convention.

260. Article 582 of the Tax Code states that "individual items of information of an economic or financial nature gathered during surveys conducted by the Statistical Service may not under any circumstances be used for tax audit purposes. Agencies holding information of this nature are not bound by the obligation arising from the preceding paragraph [disclosure to the tax authorities]." Far from being contrary to the tax authorities' right to information, this provision ensures that economic or business data likely to reveal an industrial or business secret are not made available to the tax authorities for either tax assessment or tax audit purposes in Mauritania or for the purposes of exchanging information with a foreign partner.

Determination and factors underlying recommendations

Conclusion
The element is in place.

C.5. Timeliness of responses to requests for information

The jurisdiction should provide information under its network of agreements in a timely manner.

Response within 90 days *(ToR C.5.1)*

261. In order for exchange of information to be effective, it needs to be provided in a timeframe which allows tax authorities to apply the information to the relevant cases. If a response is provided but only after a significant lapse of time, the information may no longer be of use to the requesting authorities. This is particularly important in the context of international co-operation as cases in this area must be of sufficient importance to warrant making a request.

262. There is no provision in Mauritanian legislation or in its EOI mechanisms concerning responses or time limits within which replies must be provided. There is no restriction as such concerning the ability of the Mauritanian competent authorities to respond to requests within 90 days of receiving them, either by supplying the information requested, or indicating what stage the processing of the request has reached.

Organisational process and resources *(ToR C.5.2)*

263. The competent authority under the terms of the tax conventions concluded by Mauritania is the finance minister or his authorised representative. This is in fact the General Tax Directorate, which depends administratively on the finance ministry and acts as the competent authority for the processing of information requests received from other jurisdictions. The General Tax Directorate's operational organisation will be examined in detail during Phase 2.

Absence of restrictive conditions on exchange of information *(ToR C.5.3)*

264. There is no provision in Mauritanian legislation or in its EOI agreements which contains specific conditions governing the exchange of information, other than those included in Article 26 of the OECD Model Convention or the OECD Model TIEA.

Determination and factors underlying recommendations

Conclusion
The assessment team is not in a position to evaluate whether this element is in place, as it involves issues of practice that are dealt with in the Phase 2 review.

Summary of Determinations and Factors Underlying Recommendations

Conclusion	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities. *(ToR A.1)*		
The element is not in place.	Mauritanian law permits the creation of bearer shares in companies limited by shares. Notwithstanding some tax provisions, however, there are no arrangements which make it possible to identify the holders of such shares in all circumstances.	The Mauritanian authorities should put in place appropriate mechanisms to ensure that the owners of bearer shares in companies limited by shares can be indentified.
	Mauritania's Commercial Code requires companies limited by shares (SA, SAS and SCA) to keep a share register at the company's registered office. However, there is no provision for penalties to ensure compliance. This shortcoming may lead to a lack of information on the identity of the owners of registered shares.	Mauritania should impose sufficiently dissuasive penalties to ensure compliance with the requirement that public limited companies should keep a share register at their registered office.
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements. *(ToR A.2.)*		
The element is in place.		

Conclusion	Factors underlying recommendations	Recommendations
Banking information should be available for all account-holders. *(ToR A.3.)*		
The element is in place.		
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information). *(Tor B.1.)*		
The element is in place.		
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information. *(ToR B.2.)*		
The element is in place.		
Exchange of information mechanisms should provide for effective exchange of information. *(ToR C.1.)*		
The element is in place, but certain aspects of the legal implementation of the element need improvement.	Mauritania has concluded eight tax conventions providing for information exchange but only four of them are in force, meaning that the jurisdiction can exchange information with only some of its partners. The delay in entry into force is partly due to the fact that Mauritania does not always complete the necessary domestic formalities in reasonable time.	The Mauritanian authorities should accelerate the entry into force of agreements already concluded so that they can effectively exchange information with their treaty partners.
The jurisdictions' network of information exchange mechanisms should cover all relevant partners. *(ToR C.2.)*		
The element is in place.		Mauritania should continue to develop its exchange of information network with all relevant partners.
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received. *(ToR C.3.)*		
The element is in place.		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties. *(ToR C.4.)*		
The element is in place.		

Conclusion	Factors underlying recommendations	Recommendations
The jurisdiction should provide information under its network of agreements in a timely manner. *(ToR C.5.)*		
The assessment team is not in a position to evaluate whether this element is in place, as it involves issues of practice that are dealt with in the Phase 2 review.		

Annex 1: Jurisdiction's response to the review report[4]

Our jurisdiction is particularly satisfied by the conclusions and the recommendations contained in this Report and expresses its profound gratitude for the very professional work of the Assessment Team, the Global Forum Secretariat and the Peer Review Group during the course of the phase 1 peer review of Mauritania.

During the process of the peer review, our jurisdiction carefully studied various issues related to the functioning of its legal framework and has learnt a lot of lessons. As a consequence, the recommendations made in the Report are considered as very comprehensive and completely acceptable. Finally, we are persuaded that our mutual contributions can significantly improve the conformity of our legal framework with the international standards of transparency and exchange of information.

The Islamic Republic of Mauritania thus remains completely committed to transparency and effective exchange of information for tax purposes and remains convinced of the objectivity of the peer review the conclusions of which reflect the real situation of its legal framework.

4. This Annex presents the Jurisdiction's response to the review report and shall not be deemed to represent the Global Forum's views.

Annex 2: Mauritania's exchange of information mechanisms

Mauritania is party to eight double taxation conventions, including seven bilateral and one regional convention, the Arab Maghreb Union convention currently in force in five jurisdictions, namely Algeria, Libya, Morocco, Mauritania and Tunisia.

	Jurisdiction	Type of EOI agreement	Date of signature	Date of entry into force
1	Algeria	Tax convention (regional)	23-07-1990	01-01-1994
		Tax convention	11-12-2011	Not in force
2	France	Tax convention	15-11-1967	01-03-1969
3	Kuwait	Tax convention	27-12-2009	Not in force
4	Libya	Tax convention (regional)	23-07-1990	01-01-1994
5	Morocco	Tax convention (regional)	23-07-1990	01-01-1994
6	Qatar	Tax convention	25-12-2003	Not in force
7	Sudan	Tax convention	22-12-2009	Not in force
8	Tunisia	Tax convention (regional)	23-07-1990	01-01-1994
		Tax convention	12-03-1986	15-06-1999
9	Senegal	Tax convention	09-01-1971	01-01-1973

Annex 3: List of all laws, regulations and other material

Constitution of the Islamic Republic of Mauritania

Penal Code

Commercial legislation

Commercial Code

Tax legislation

Tax Code (as at 1 January 2014)

Anti-money laundering legislation

Act 2005-048 of 27 July 2005 on the prevention of money-laundering and the financing of terrorism in Mauritania

Financial legislation

Ordinance no. 2007/020 of 13 March 2007 regulating credit institutions

Ordinance no. 2007/005 of 12 January 2007 regulating microfinance institutions

Act 93-40 of 20 July 1993 instituting an Insurance Code

Other legislation

Penal Code

Ordinance no. 82-180 of 24 December 1982 instituting a Mauritanian chart of accounts, revised in 1996 (PCM 96)

Act 93-09 of 18 January 1993 on the status of civil servants and contracted public employees

Act 64-098 of 9 June 1964 on associations

Act 2000-043 of 26 July 2000 on the specific legal regime for development associations

Act 95-24 of 19 July 1995 repealing and replacing ordinance 86-112 instituting the *Ordre National des Avocats*

Joint order no. 137/MJ/BCM/2009 of 18 January 2010 on the implementation by attorneys and notaries of certain provisions of Act 2005-048 relating to the duty of care, the retention of documents and the detection of money-laundering and the financing of terrorism.

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PEER REVIEWS, PHASE 1: MAURITANIA

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The standards provide for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. "Fishing expeditions" are not authorised, but all foreseeably relevant information must be provided, including bank information and information held by fiduciaries, regardless of the existence of a domestic tax interest or the application of a dual criminality standard.

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