



Simplifying Employment  
Tasks Worldwide

# Payroll & Tax Highlights

2020 Global Payroll Country Guide for Equatorial Guinea



## EQUATORIAL GUINEA



22 June 2020



MERCANS

# We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



## **Global Payroll Solutions – Boost your HR brand and employee satisfaction**

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



## **PEO/GEO Services – Easily hire, deploy and manage your workforce abroad**

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly-qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



## **Global Talent Acquisition – Quickly fill vacancies with only the best candidates**

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization, and populate your pipeline of prequalified talents.



## **BPO Services – Reclaim the focus on your core activities to expand your business**

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers, and increase revenue.



## **HR Management SaaS – Access customizable cloud-based online platforms**

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



## **Local Statutory Compliance – Forget the hassle of setting up branches abroad**

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



MERCANS

## Mercans at a Glance

**140+**

Countries

**20**

Years of Success

**500+**

Specialists

**5k+**

Customers Worldwide

**97%**

Client Retention Rate

**1.5X**

Annual Revenue Growth

**25k+**

Largest Single Payroll

**2.5M+**

Pay Slips per Annum

**0**

Security Breaches

**Number one** for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certifications.





MERCANS

# Table of Contents

<b>EQUATORIAL GUINEA – FOCUS ON ECONOMIC DIVERSIFICATION.</b>	<b>5</b>
<b>DOING BUSINESS IN EQUATORIAL GUINEA</b>	<b>6</b>
<b>BASIC FACTS</b>	<b>6</b>
<b>ENTITY REGISTRATION &amp; INCORPORATION REQUIREMENTS</b>	<b>8</b>
<b>WORKING WEEK</b>	<b>12</b>
<b>TAX &amp; SOCIAL SECURITY</b>	<b>13</b>
<b>CORPORATE INCOME TAX</b>	<b>13</b>
<i>Minimum Income Tax (MIT)</i>	<i>13</i>
<i>Deductions</i>	<i>13</i>
<i>Tax Residents</i>	<i>14</i>
<b>PERSONAL INCOME TAX (PIT)</b>	<b>15</b>
<i>Taxable Income</i>	<i>15</i>
<i>Deductions</i>	<i>15</i>
<i>Tax Rates and Administration</i>	<i>15</i>
<i>Foreign tax relief</i>	<i>16</i>
<i>Tax Residency</i>	<i>16</i>
<b>SOCIAL SECURITY</b>	<b>17</b>
<i>INSESO</i>	<i>17</i>
<i>Work Protection Fund (WPF)</i>	<i>17</i>
<i>Reporting</i>	<i>18</i>
<b>LABOR LAW</b>	<b>19</b>
<b>NEW HIRES</b>	<b>19</b>
<b>LEAVERS</b>	<b>20</b>
<b>ANNUAL LEAVE</b>	<b>20</b>
<b>MATERNITY LEAVE</b>	<b>20</b>
<b>PATERNITY LEAVE</b>	<b>21</b>
<b>HOLIDAY AND OVERTIME PAY</b>	<b>21</b>
<b>BEREAVEMENT PAY</b>	<b>21</b>
<b>SEVERANCE PAY</b>	<b>21</b>
<b>BEREAVEMENT LEAVE</b>	<b>21</b>
<b>CHANGE OF RESIDENCE</b>	<b>21</b>
<b>BONUS</b>	<b>21</b>
<b>EXPAT VACATION</b>	<b>22</b>
<b>EXPAT REPATRIATION</b>	<b>22</b>
<b>PAYROLL</b>	<b>23</b>
<b>IMMIGRATION</b>	<b>24</b>



## Equatorial Guinea – focus on economic diversification.

Equatorial Guinea has been one of the fastest growing economies in Africa in the past decade. After the discovery of large oil reserves in the 1990s, Equatorial Guinea became the third-largest producer of oil in Sub-Saharan Africa, after Nigeria and Angola. More recently, substantial gas reserves have also been discovered. However, the country macroeconomic and fiscal situation has deteriorated following the oil price drop.

The government's development agenda, the National Economic Development Plan, Horizon 2020, which targets economic diversification and poverty reduction.

The first phase of Horizon 2020 focused on infrastructure development was concluded in 2012. The second phase will focus on economic diversification, targeting strategic new sectors such as fisheries, agriculture, tourism and finance.

As the country moves into the second phase of the National Development Plan, the government is planning to redirect public investment from infrastructure towards the development of new economic sectors.

Equatorial Guinea's strong reliance on oil (90% of export earnings) keeps pulling the economy into recession.

In 2019 the economy was still in recession, reaching -6.1% in 2019, from a previous -5.8%. According to the updated IMF forecasts from 14th April 2020, the recession is expected to ease (-5.5%) despite the outbreak of the COVID-19 pandemic; the GDP growth will pick up to 2.3% in 2021, subject to the post-pandemic global economic recovery.

There is an acute youth unemployment problem. From 2010 to 2020, between 25 000 and 49 000 young people will enter the labor market each year. Job creation is limited however because of the small size of the non-oil sector.

Mercans and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.





MERCANS

# Doing Business in Equatorial Guinea

## Basic Facts

<b>Official State Name</b>	The Republic of Equatorial Guinea
<b>Population</b>	1.3 million (2018 estimate)
<b>Capital</b>	Malabo
<b>Major Languages</b>	Spanish, French and Portuguese
<b>Currency</b>	Central African CFA franc (XAF)
<b>Main Industries</b>	Oil and gas, forestry, farming and fishing.
<b>GDP Growth</b>	-6.1% (2019)
<b>Internet Domain</b>	.gq
<b>International Dialing Code</b>	+240
<b>Dates &amp; Numbers</b>	Dates are usually written in the day, month and year sequence. For example, 1 July 2020 or 1/7/20.

Exploitation of oil and gas deposits, beginning in the 1990s, has driven economic growth in Equatorial Guinea; a recent rebasing of GDP resulted in an upward revision of the size of the economy by approximately 30%. Forestry and farming are minor components of GDP. Although pre-independence Equatorial Guinea counted on cocoa production for hard currency earnings, the neglect of the rural economy since independence has diminished the potential for agriculture-led growth. Subsistence farming is the dominant form of livelihood. Declining revenue from hydrocarbon production, high levels of infrastructure expenditures, lack of economic diversification, and corruption have pushed the economy into decline in recent years and limited improvements in the general population's living conditions. Equatorial Guinea's real GDP growth has been weak in recent years, averaging -0.5% per year from 2010 to 2014, because of a declining hydrocarbon sector. Inflation remained very low in 2016, down from an average of 4% in 2014.

As a middle-income country, Equatorial Guinea is now ineligible for most low-income World Bank and the IMF funding. The government has been widely criticized for its lack of



MERCANS

transparency and misuse of oil revenues and has attempted to address this issue by working toward compliance with the Extractive Industries Transparency Initiative. US foreign assistance to Equatorial Guinea is limited in part because of US restrictions pursuant to the Trafficking Victims Protection Act.

Equatorial Guinea hosted two economic diversification symposia in 2014 that focused on attracting investment in five sectors: agriculture and animal ranching, fishing, mining and petrochemicals, tourism, and financial services. Undeveloped mineral resources include gold, zinc, diamonds, columbite-tantalite, and other base metals. In 2017 Equatorial Guinea signed a preliminary agreement with Ghana to sell liquefied natural gas (LNG); as oil production wanes, the government believes LNG could provide a boost to revenues, but it will require large investments and long lead times to develop.



MERCANS

## Entity Registration & Incorporation Requirements

The principal business entity types are public and private limited liability company, partnership and branch of a foreign corporation.

35% of the share capital of any company set up in Equatorial Guinea (EG) must be held by a Equatorial Guinea citizen or companies belonging to EG citizens. At least three EG-citizen partners are required and one-third of the board of directors must be EG citizens, with EG citizens involved in the management of the company.

The process steps for the setup of a limited liability company in Equatorial Guinea have been summarized below:

No.	Procedures	Time to Complete
1	<b>Notarize the company's articles of association</b>  Agency: Notary or One-Stop-Shop  Although it is not required by law, in practice lawyers prepare company statutes. By law, however, a public notary must legalize the statutes and execute the public deed. There is one notary in Malabo (capital city, insular region), that works at the Malabo Notary's office and at the VUE in Malabo, and one in Bata (mainland).	9 days
2	<b>Register the company at the Commercial Registry</b>  Agency: Commercial Registry (Registro de la Propiedad y Mercantil)  For registration, the entrepreneur must provide the notarized copies of the articles of association. By law, the company must use a unique company name, but in practice, they do not verify the name beforehand. The registry simply refuses the application if the name already exists.  Per Art. 261 of the OHADA Uniform Act on Commercial Companies, a notice of company incorporation shall be published at a legal journal within 15 days of registration. This is usually not complied with in practice.	2 days
3	<b>Open a bank account and obtain a bank certificate (atestación de solvencia bancaria)</b>  Agency: Bank	1 day





MERCANS

No.	Procedures	Time to Complete
	<p>Legally, the company must deposit the minimum capital before company registration. However, this is not possible in practice because copies of the legalized statutes and the registration certificate are required to open a bank account.</p>	
<b>4</b>	<b>Obtain a certificate of solvency from the Ministry of Finance</b>  Agency: Ministry of Finance  A certificate of solvency must be obtained from the Ministry of Finance.	2 days
<b>5</b>	<b>Apply for registration with the Department of Business and Private Investment at the Ministry of Commerce</b>  Agency: Ministry of Commerce  Entrepreneurs must register a company at the Department of Business and Private Investment at the Ministry of Commerce. An annual fee is charged, and it varies by company.  Additional registrations with other Ministries are required depending on the company's sector of activity.	1 day
<b>6</b>	<b>Apply for registration with the Department of Commerce at the Ministry of Commerce</b>  Agency: Ministry of Commerce  Entrepreneurs must register a company at the Department of Commerce at the Ministry of Commerce. This annual fee varies by company.	1 day
<b>7</b>	<b>Apply for tax registration</b>  Agency: Public Treasury or One-Stop-Shop  Companies must be registered with the Tax Authorities. Registration with the Tax authorities is also available at the One-Stop-Shop. The documents required to apply for tax registration include the notarized statutes. The fees are paid at the bank into an account of the Public Treasury. After	1 day



MERCANS

No.	Procedures	Time to Complete
	<p>obtaining the Treasury's confirmation of receipt of payment, the applicant returns to the tax authorities to obtain the tax identification number. To save time, the applicant (or a designated agent) would first visit all agencies (tax administration, labor, social security, etc.) to apply for the respective authorization or document, make all bank payments, and obtain the confirmation from the Treasury. The applicant would then visit all agencies again to obtain the final authorization.</p>	
<b>8</b>	<b>Apply for registration with the Ministry of Labor</b>  Agency: Ministry of Labor  Fees for registering with the Ministry of Labor are paid to the Treasury through a private bank. Upon application, the employer obtains an inspection book and labor calendar. Once operational, the employer pays 1% of salaries to the Workers Protection Fund (Fondo de Protección del Trabajador). Employees pay 0.5% of their salary. Although the indicated fees are official fees, fees might be higher in practice.	1 day
<b>9</b>	<b>Apply for registration with the Ministry of Labor</b>  Agency: Pay fees to the Treasury's bank account  All payments to public institutions, including Ministries, must be made directly to the Public Treasury's bank account through any commercial bank. The bank slip issued by the bank showing that payment was made is taken to the Public Treasury's office for acknowledgment of receipt. The Public Treasury's acknowledgment of receipt is taken, after its issuance, to the relevant authorities to obtain the corresponding license/certificate of registration.	1 day
<b>10</b>	<b>Obtain a confirmation from Treasury for receipt of payment</b>  Agency: Public Treasury  All new businesses must obtain a confirmation from the Treasury for receipt of payment in order to obtain a license from the Ministry of Commerce.	4 days



MERCANS

No.	Procedures	Time to Complete
11	<b>Provide a confirmation of payment and obtain a license from the Department of Business and Private Investment at the Ministry of Commerce</b>  Agency: Ministry of Commerce  All new businesses must provide a confirmation of payment and obtain a license from Department of Business and Private Investment.	14 days
12	<b>Provide a confirmation of payment and obtain a license from the Department of Commerce at the Ministry of Commerce</b>  Agency: Ministry of Commerce  All new businesses must provide a confirmation of payment and obtain a license from the Department of Commerce.	14 days
13	<b>Obtain the tax identification number (NIF)</b>  Agency: Ministry of Finance or One-Stop-Shop  The company must obtain a tax identification number (NIF) at the Ministry of Finance.	2 days
14	<b>Obtain a registration number from the Ministry of Labor</b>  Agency: Ministry of Labor  All new businesses must obtain their registration number at the Ministry of Labor.	1 day
15	<b>Obtain a Social Security number for the company's employees</b>  Agency: Social Security Institute (INSESO)  All new businesses must ensure that their employees have their social security numbers.	1 day
16	<b>Register the company's employees with Social Security</b>  Agency: Social Security Institute (INSESO)	1 day



MERCANS

No.	Procedures	Time to Complete
	<p>The company must register its employees for social security in the first month that the employees receive a salary. Social security payments are 21.5% of salary for the employer and 4.5% for the employee. To register for social security, the company must purchase special forms to list all employees.</p>	

All employers are required to incorporate a local entity established in order to process payrolls.

An Equatorial Guinea limited liability company must appoint an auditor and prepare audited financial statements on annual basis. Companies must also maintain their accounting records in French at its registered office in Equatorial Guinea.

## Working Week

A working week in Equatorial Guinea is generally 40 hours long, subject to maximum of 48 hours per week, from Sunday through Thursday. The following conditions apply to working hours, in accordance with the labor law in Equatorial Guinea:

1. The duration of work cannot exceed eight hours per day and forty-eight hours per week if working during the day.
2. It is considered a working shift the time during which the worker is available to the employer. Breaks and lunch time are also considered as working hours, when the worker cannot leave at that time the place of work.
3. Daytime shift is that accomplished between 6am and 6pm, the night between 6pm and 6am and mixed includes daytime hours and a minimum of three- night hours, if more than three hours are exceeded it will be consider night.
4. The conditions 1 to 3 are not applicable to persons holding managerial positions; people employed in domestic service, or perform function which by their nature are not subject to the fixed working hours;
5. When working in a team, its duration may extend beyond the limits set on paragraph 1, provided that the average working hours calculated for a period of three weeks or shorter, not exceeding eight hours a day and no more than forty-eight a week.
6. Persons under eighteen years can only workday shift not to exceed six hours a day. They must be given the opportunity to have adequate breaks, eat and comply with their educational obligations, or professional development.



MERCANS

# Tax & Social Security

## Corporate Income Tax

The Tax Year in Equatorial Guinea is from 1st January to 31st December.

The corporate income tax (CIT) in Equatorial Guinea must be paid by any resident entity.

Taxable profit is determined by deducting from gross income all expenses tied to the performance of taxable activities in Equatorial Guinea. In principle, all expenses are deductible, but the Tax Code provides deductibility rules for some of them.

Resident companies are subject to CIT in Equatorial Guinea on their worldwide income (even if, in practice, it is tolerated for CIT only to be applied to income related to activities carried out in Equatorial Guinea). Non-resident entities are subject to a 15% WHT on gross income derived from sources in Equatorial Guinea. Non-resident individuals are subject to 20% WHT on gross income derived from sources in Equatorial Guinea. For mobilization, demobilization, and transportation services, the WHT rate is 5%.

## Minimum Income Tax (MIT)

This amount cannot be lower than XAF 800,000 (even if the entity does not have any revenue) the MIT paid can be totally or partially deducted from the CIT liability,

The penalty for lack of payment or payment in arrears of MIT equals to 50% of the amount that should have been paid.

## Deductions

The following will be treated as deductible expenses overhead of any type, staff expenses relating to the premises and material and furniture, miscellaneous and special expenses, insurance premiums, gifts, donation and subsidies.

As a rule, the following conditions must be met:

- The expense must be incurred in the interest of the company
- The expense must represent a diminution
- The expense must be related to the fiscal year during which it was incurred
- The expense must be justified.

Furthermore, the tax code states special deductibility conditions for some expenses.



MERCANS

## Tax Residents

A legal entity that operates in Equatorial Guinea more than three months within a calendar year, or more than six months within two consecutive calendar years, and performing an economic activity or providing paid services in the country is considered as a resident for taxation purposes.

The notion of residence applies equally to any kind of activity (even if there is some specificity in the oil and gas sector).

The notion of 'permanent establishment' is not defined in Equatorial Guinea's Tax Code. Authorities mainly refer to the notion of residence as defined above.





MERCANS

## Personal Income Tax (PIT)

Equatorial Guinea tax residents are taxed on worldwide income, whereas non-residents are only taxed on their Equatorial Guinea-source income.

A person is considered an Equatorial Guinea tax resident if they remain in Equatorial Guinea more than three months within a calendar year or a total of six months within two calendar years.

### Taxable Income

All employment related income is considered taxable income, including the following:

- Basic salary.
- Bonuses, indemnities, and allowances.
- Expenses refunding.
- Contributions in kind.

Benefits in kind are taxable to the following extent:

- Housing: 15% of salary.
- Household: 5% of salary.
- Water and electricity: 5% of salary.
- Company vehicle: 5% of salary.
- Food: 20% of salary (with a maximum of XAF 150,000 per person/per year).

### Deductions

A deduction of 20% or the real cost for professional expenses is available (up to XAF 1 million per year).

The National Institute of Social Security contributions INSESO and Work Protection Fund (WPF) contributions are treated as pre-tax deductions.

### Tax Rates and Administration

Personal Income Tax as calculated in accordance with the progressive tax scale is withheld monthly by the employer and then refunded to the Public Treasury during the first 15 days of the month following the month of payment of the salaries.



MERCANS

Annual Taxable Income (XAF*)		Tax rate (%)
Over	Not over	
0	1,000,000	0
1,000,000	3,000,000	10%
3,000,000	5,000,000	15%
5,000,000	10,000,000	20%
10,000,000	15,000,000	25%
15,000,000	20,000,000	30%
20,000,000	and above	35%

According to the provisions of the tax code, personal income tax liability shall be withheld each month by the employer and paid to the public treasury within the first 15 days of the month of following the payment of the salaries.

However, in practice, the employer shall declare personal income tax liability on salaries and wages within the first 15 days of the month following the month of payment of the salaries and the must pay said tax within the 15 days following the date when the tax liquidation is provided to the taxpayer.

Penalties for lack of payment or late payment of the PIT liability equal to 25% of the amount due plus 10% per month in arrears.

Social insurance and taxes are paid on total wages.

## Foreign tax relief

There is no foreign tax credit in Equatorial Guinea.

## Tax Residency

An individual is considered a tax resident of Equatorial Guinea, if they reside in Equatorial Guinea more than three months during a calendar year or a total of six months within two calendar years, one is considered as resident.



MERCANS

## Social Security

Employers contribute 1% of gross salary to the Work Protection Fund (Fondo de Protección al Trabajo in Spanish) and 21.5% to the National Institute of Social Security (INSESO for its Spanish acronym) on a monthly basis.

Employees contribute 0.5% of net salary to the Work Protection Fund and 4.5% to the INSESO on a monthly basis.

Both contributions are declared and paid by the company. Social insurance and taxes are paid on total wages.

## INSESO

Contributions of INSESO include:

- Employer - 21.5% of the base salary.
- Employee - 4.5% of the base salary.

Employer withholds employees' contributions and declares them along with its own contributions within the first days of the month following the month of the payment of the salaries

Penalties for non-payment or late payment of INSESO contribution equals to 20% of the amount due.

## Work Protection Fund (WPF)

Both employer and employees must pay their contributions to the WPF based on the following contribution rates:

- Employer - 1% of gross salary
- Employee - 0.5% of net salary

Since it is impossible to calculate a contribution based on the net salary amount, the administrative practice is to calculate and pay both contributions based on the base salaries.

WPF contributions are withheld by employers, who declare the withholding to the Minister of Labor and Social Security within the first 15 days of the month following the month of payment the salaries.



MERCANS

Penalties for non-payment or late payment of WPF equal to 20% of the amount due.

## Reporting

- Monthly contributions should be made to the Tax Authority within 15 days of the following month.
- Monthly contributions for social security (INSESO) payments should be made within 15 days of the following month.
- WPF contributions are withheld by employers, who declare the withholding to the Minister of Labor and Social Security within the first 15 days of the month following the month of payment the salaries.



MERCANS

# Labor Law

The governing law of all employment issues in Equatorial Guinea is EG Labor Law (the law #2/1990). Where the law is silent, the Equatorial Guinea Employment Policy (the law #6/1999) can be used as a reference. For employment matters, the Equatorial Guinea Social Security Law and INSESO Regulatory Grant (Social Security Series number 3, 2001) also govern benefits and other rules of the workplace.

Company policies and procedures can also be established; however, they must follow national laws.

## New Hires

In Equatorial Guinea there are two type of Employment contracts:

1. Limited or fix term contracts which are contracts for a specified duration with specific commencement and completion dates;
2. Unlimited contracts where the employee continues to work for the employer from a specific date until such time as the employment contract is terminated by either party after giving prior notice.

The government recommends that employees are issues employment contracts for defined periods.

Professionals and support staff employed for a project with a foreign company can be hired under a contract for specific services, for a period that may exceed the contract term of the foreign company.

The information required by law to be specified in an employment contract is listed below:

- Nature of the contract (limited or unlimited).
- Nature of the work.
- Duration of the contract (for fixed term contracts).
- The location of employment.
- Wages/remuneration payable.
- Date of the employment contract.
- Date of commencement of the employment contract



MERCANS

Employment agreements must meet the following form and acceptance requirements:

1. The Ministry of Labor provides standard employment contract templates.
2. Employees must sign all copies of the contract on the last page and initial each page as proof of acceptance of all clauses, this includes local and expat staff.
3. A copy of the contract must be filed with the Ministry of Labor for information and registration within 15 calendar days of its conclusion.
4. An executed copy of the employment agreements must be delivered to the employees within three working day from the submission of the contracts to the Ministry of Labor.
5. One copy is archived with the employees' personnel records.
6. If the employer wishes to extend or terminate an employment contract of a local or expatriate staff in Equatorial Guinea, it must notify the employee verbally and in writing, at least one month prior to the expiration date of the contract
7. In case of an extension of the agreement, the employee must receive and sign a new contract. A contract can also be modified by a letter from the employer, this letter should contain the new date of expiration of the contract and it should note that it is a modification to the original employment contract. This notification must also include the references to any changes of the contract terms and conditions, if applicable.

The standard probation period is 90 days.

## Leavers

Employment with any company in Equatorial Guinea is voluntarily and employees are free to resign at will at any time, with or without cause. Similarly, the employer may terminate the employment in accordance with article 81 of the National Labor Law. The employer does not have the authority to make any oral arrangement with an employee contrary to the foregoing.

## Annual Leave

In accordance with the provisions of Article 54 of Equatorial Guinea Labor Law, employees are entitled to a month's vacation for each full year of employment. Employee can carry over the unused vacation to the following year. Employee can choose to be paid for the accumulated vacation days in lieu of taking the leave.

## Maternity Leave

Paid maternity leave is available six (6) weeks prior to birth and up to six (6) weeks after the birth, or, in the event of medical complications, until a competent health authority deems return to work is appropriate. Additional leave may be approved depending on the circumstances.





MERCANS

Approval of Maternity Leave must be sought by submitting the appropriate leave of absence form to the supervisor and then Human Resources Department.

## **Paternity Leave**

There is no Paternity Leave in Equatorial Guinea.

## **Holiday and Overtime Pay**

Companies must ensure that local employees observe the official calendar of holidays ordered by Government. Employees who work on holidays will receive a fee equal to 250% of its normal rate for that day. The local employees working on a national holiday will receive one and half times its normal rate, which will add to its normal rate for that day. The local employees who work overtime receive 25% more on their normal rate in relation to hours worked, which will add to its normal rate for that day.

## **Bereavement Pay**

In the case of a death of an employee, for whatever reason, the company will pay two additional weeks of salary, in addition to the salary the employee had already accumulated, plus all appropriate severance benefits to a beneficiary designated by the employee.

## **Severance Pay**

Upon completion of his contract of employment, the employee is entitled to 45 days of salary per each full year worked or the proportional equivalent of 3.75 days per month worked.

## **Bereavement Leave**

In the case of a death of a relative of the first degree of the employee (i.e. father, mother, brother, sister, son, daughter), the employee can take up to two weeks of leave with pay.

## **Change of Residence**

The EG Labor Law provides 2 calendar days of paid leave when an employee changes his or her normal residence. For employees with more than one year of service, the company reserves the right to seek justification of the move and sets a limit of no more than one move per 3 years of service.

## **Bonus**

After completing a year of service, local employees are eligible to receive the following bonuses:



MERCANS

- National Independence Day Bonus - 15 days of salary (half month monthly salary) to be paid before 12 October each year.
- Christmas Bonus - Employees receive 15 days salary (half month monthly salary) payable before 24 December each year.

Employees who have not completed one year of service at the time of previous payments made will receive an amount prorated on the monthly salary in accordance with the number of months worked.

## Expat Vacation

In general, expats staffs working a 14/14 or 28/28 rotation receive a total of 26 weeks off work in any 12 months period and therefore the taking of additional time off for annual vacation or public holidays is not operationally practical. Employees in this situation are compensated with an additional payment in lieu.

## Expat Repatriation

The Ministry of Labor is currently setting new standards for the repatriation of expatriates. At present moment, at the end of the contract the employer is responsible for the repatriation expenses of the employee to the place of recruitment or to any other place which the two parties have agreed upon. If the employee obtains employment with another employer in Equatorial Guinea, then the new employer is responsible for repatriation expenses at the end of his service.



MERCANS

# Payroll

It is acceptable in Equatorial Guinea to provide employees with online payslips.



MERCANS

## Immigration

Except for the United States' citizens, all foreign employees are required to apply for a visa to enter the territory of Equatorial Guinea and obtain their work and residency upon arrival to Equatorial Guinea. These permits are valid for one year and it are renewable. A work permit for an expatriate employee will not be issued by the Ministry of Labor unless a formal written labor contract is filed with the Ministry. Work permits are sometimes difficult to obtain and the process might take from few weeks to few months. Residency documents are issued by the Ministry of National Security.



MERCANS

## They already trust Mercans





MERCANS

# What Makes Mercans your HR and Payroll Partner of Choice?

## We Simplify Employment Tasks Worldwide

### Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

### Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

### A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

### Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.





Simplifying Employment  
Tasks Worldwide

**+1 877 MERCANS (637 2267) | Toll-Free**

Europe: +44 20 328 777 62

Americas: +1 646 798 5541

Middle East: +971 43 999 260

Asia: +81 50 5539 5354

**[info@mercans.com](mailto:info@mercans.com) | [mercans.com](https://mercans.com)**

© 2020 Mercans LLC