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GUIDE TO DOING BUSINESS IN AFRICA 2015

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Guide to Doing Business in Africa
2015

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AFRICA'S FIRST AND LARGEST LEGAL NETWORK

Doing business in Africa is associated with diverse challenges and risks and must accordingly be founded on a strong legal base. The need for effective legal services in Africa was the reason for the formation in 1993 of LEX AFRICA, the first and largest network of African law firms. LEX AFRICA has members in 23 African countries, has been advising clients in Africa for over 20 years and is rated by Chambers & Partners as a leading law firm network.

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With LEX AFRICA effectively covering the entire African continent, the network and its members form an important and useful resource for advising and assisting business in Africa.

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TABLE OF CONTENTS

ANGOLA

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Country Information

In 2014 Angola carried out the first census since independence in 1975. The first results indicate that the country has a population of approximately 24.6 million. 51.6% of the population are women and 48.4% are men. The average annual population growth is 2.8 % and life expectancy is 50 years. The population is mainly concentrated in the capital, Luanda (6.5 million). The seven most populated provinces have a population of more than 1 million each (Luanda, Huila, Benguela, Huambo, Cuanza Sul, Uige e Bié). The majority of the population lives in urban areas. The official language is Portuguese, although some national languages such as Umbundu, Kimbundu, Kikongo and Tchokwé are also spoken. The official currency is the Kwanza (AOA).

Political System

Angola is a constitutional democracy. Parliament comprises 220 members, elected by direct universal suffrage and secret ballot. The first two candidates on the list of the party with the most votes are elected president and vice-president respectively. Following the last elections held in August 2012, the Popular Movement for the Liberation of Angola (MPLA) obtained the majority of the seats in parliament. The next parliamentary elections will be held in 2017.

Economic Indicators

The sources of the indicators include Angola's National Bank, the Angolan National Agency for Private Investment, the Ministry of Finance of the Republic of Angola, the International Monetary Fund and the World Bank.

GDP growth for 2015 is expected to be approximately 7.3%. This is also the estimated average growth for the next five years. The non-oil based economy continues to grow, in sectors such as agriculture, manufacturing and services in particular. This is an important development because the country's economy is mainly sustained by the oil sector, which is expected to decline in output in 2015.

According to the FMI the estimated inflation is between 7% and 9%.

Despite the world economic crisis, Angola is seen as a high-growth economy which offers attractive investment opportunities. Angola continues to encourage direct private investment. According to the Angolan National Agency for Private Investment 59 investment projects totaling USD 2.15 billion were approved in the third trimester of 2014.

Investment Climate

Private investment by national and foreign investors is being promoted by the government in the following sectors deemed strategic for the development of the country's economy:

- Agriculture and livestock
- Construction and related services
- Energy and water
- Infrastructure development and management
- Manufacturing
- Health and education.

The following activities are partly reserved to the State and may only be carried out by private entities by way of a concession agreement: sanitation, production and distribution of electricity for public consumption, water treatment, port and airport transport services, additional postal and telecommunication services and infrastructures outside the basic network. Recently the government announced that the management and distribution of water will be privatized.

Oil, gold and diamond exploration by private entities is subject to specific legislation.

The Angolan Agency for Private Investment (ANIP) is a governmental agency that assists and promotes private investment projects. Regardless of their nationality, investors who wish to undertake investment projects in Angola using foreign financial resources, materials and equipment and who wish to repatriate the dividends earned in Angola are required to submit an investment plan to ANIP.

Foreign investors who invest a minimum of US$ 1 million are entitled to remit the profits earned in Angola to their countries of origin. The conditions for such remittance are negotiated on a case by case basis with ANIP and require a licence issued by the Angolan National bank (BNA).

The Angolan government is deeply committed to the promotion of Angolan companies and entrepreneurs. This Angolanisation policy entails the preferential treatment of Angolan companies in public tender processes. Companies operating in Angola are required to maintain a work force ratio of 30% foreign workers and 70% Angolan workers and to invest in the training of Angolan workers.

Foreigners wishing to carry out industrial or commercial operations in Angola may:

- establish a branch of the foreign company
- establish a representation office of the foreign company
- incorporate a new Angolan company
- acquire shares in an existing Angolan company
- execute a consortium or an association agreement with an Angolan company.

A representation office:

- may not conclude contracts in its own name but can rent facilities to establish a single office
- may hire a maximum of 6 workers (or 8, in exceptional circumstances)
- must deposit a fee of US$60 000, which will be returned once the representation office closes.
- This procedure requires the approval of the Angolan National Bank.

The establishment of a branch company, a new company and the acquisition of shares in an existing company or the execution of a consortium/association agreement will require:

- a minimum investment amount of US$ 1 million
- an approval by ANIP (for investment projects up to US$10million) or by the President of Angola (for investment projects over US$10 million).

Incorporation of an Angolan company

In order to incorporate a company, it is necessary to execute a public deed of incorporation, to publish the articles of association in the Angolan official gazette and to arrange its commercial, tax and statistic registration. Guiche Único de Empresa is the public entity which deals with all matters regarding the incorporation of a company.

The prior approval of ANIP is required for a non- resident foreigner to hold shares in an Angolan company.

Notary and registration fees for the incorporation of a company were reduced in 2014.

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Exchange Controls

During 2012 and 2013 the Angolan National Bank implemented several regulations in order to protect foreign exchange and to stabilize the Angolan currency. Foreign exchange regulations apply to all payments and transfers between residents and non-residents and distinguish between:

- goods
- current accounts
- capital transactions
- in principle, exportation of capital to foreign countries of amounts of US$1000 000 or higher must be approved by the Angolan National Bank. Oil and gas companies are entitled to transfer amounts of up to US$3000 000 abroad without the Angolan National Bank's prior approval for most types of transactions.

Taxation

Several tax rules are being implemented by the Program for the Revision of the Angolan Tax Regime (PERT), a public body created in 2010 which is under the direct control of the President of the Republic of Angola. The aim of the government is to diversify its tax revenues, which are mainly centred in the oil and gas sector, as well as updating the tax regime currently in force.

The following have been implemented since 2010:

- Legal Regime for invoices
- Taxation of Large Contributors Regime
- Real Estate Tax, Consumption Tax and Inheritance and Gift Tax.

The following tax codes were published in 2014:

- Personal Income Tax Code
- Corporate Tax Code
- Enforcement Tax Code and Tax Amnesty
- Changes to Capital Income Tax, General Tax Code
- Stamp Duty Code
- Investment Income Tax Code

Resident companies are taxed on their worldwide income at a rate of 30%.

The branch of a non-resident company is taxed only on its Angolan revenues at 30%.

The supply of services is taxed at a rate of 6.5%, and is required to be withheld by the Angolan contracting party upon the payment of the service.

A special tax regime applies to companies in the petroleum and mining sectors. A new Mining Code was published in 2011 applying new taxes to mining activities.

Personal Income Tax is payable on a sliding scale of up to 17% by individuals on their Angolan income regardless of their residence or nationality. Self-employed individuals are taxed at a flat rate of 15%.

A tax amnesty for tax transgressors has been granted in respect of corporate personal tax, stamp duty, capital gains tax and property tax.

Angola has not to date concluded any double taxation agreements with any country.

Import/Export

The new Customs Tariff of Import and Export Duties was approved in 2013 and increased customs duties on locally produced goods. Under the reform implemented by the PERT, additional customs laws and regulations are expected to be approved soon.

Exemptions may be granted to investors by the Ministry of Finance and by the Customs General Director if the imported materials and equipment are used for private investment projects approved by the Angolan National Investment Agency.

Legal System

Angola has a codified legal system which guarantees equal treatment of Angolan and foreign individuals and companies. The Angolan judicial system comprises the Supreme Court and Provincial Courts established through Angolan provinces. The Constitutional Court was established in 2008. Foreign judgments and arbitral awards may be enforced in Angola once recognised by the Supreme Court.

Angola has an Arbitration Law which is strongly influenced by the United Nations Commission on International Trade Law (UNCITRAL) model law. Angola is not yet party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. An Agreement on Legal and Judicial Cooperation has been concluded with Portugal.

Intellectual Property

As a member of the World Intellectual Property Organization (WIPO), Angola is committed to the protection of intellectual property and has adopted the Paris Convention for the Protection of Intellectual Property.

The Angolan Industrial Property Institute promotes the registration of patents, trademarks, names, badges, industrial designs, utility models, rewards and provenance indications.

Financial Services/ Insurance

The Financial Institutions Law regulates banking and non-banking activities, such as insurance. The Angolan National Bank supervises banking institutions. Other financial institutions are supervised by the Capital Markets Commission or the Insurance Supervision and Regulation Agency.

A stock exchange is expected to open soon and the government is promoting this important step. A committee to review, study and create new laws and regulations relating to stock markets has been appointed and has published the new statutes of the Capital Market Commission as well as laws regulating collective investment schemes, brokers, distributors and companies managing regulated markets and financial services.

Angola has a significant number of insurance companies and banks.

Key Strategic Growth Initiatives by Government/Private Sector

Angola is investing in the rehabilitation and construction of its infrastructure, roads and highways. Water and electricity production and distribution projects are part of the government's policy to improve the wellbeing of the population. For this reason the Government has recently announced that management and distribution of water will be privatized.

The government supports and provides incentives to private projects in the agriculture, cattle raising and forestry sectors as well as associated industrial projects.

Treaties and Bilateral Agreements

Angola is a member of the Multilateral Investment Guarantee Agency (MIGA), which provides dispute settlement assistance and guarantees for private investors.

Angola has signed bilateral investment treaties with Portugal, South Africa, the United Kingdom, Italy and Germany, which have not yet been ratified. A bilateral investment treaty with Cape Verde has been executed and ratified.

Angola has adopted the Southern African Development Community (SADC) Free Trade Protocol, which harmonizes trade and customs regimes and reduces tariffs among SADC countries. Angola has also signed customs cooperation agreements with Portugal and São Tomé and Príncipe. Treaties have been signed with South Africa, the Community of Portuguese language Countries (CPLP), Namibia and the Democratic Republic of Congo.

Membership of International and Regional Organizations

Angola is a member of the United Nations (UN), the Southern Africa Development Community (SADC), the Community of Portuguese language Countries (CPLP), the International Monetary Fund (IMF) and the African Union (AU).

Labour Relations

The most common employment contracts have an indefinite duration. The average working week is 44 hours. In special circumstances, working hours may be extended to 54 hours per week. Workers may not work more than 5 consecutive hours. In each calendar year, workers are entitled to 22 working days of paid vacation leave.

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After disciplinary proceedings have been initiated by the employer, Angolan law allows for dismissal for just cause without compensation. In the case of unfair dismissal, the worker has the right to receive compensation.

Foreigners who wish to work in Angola need to execute an employment contract (or a promissory employment contract) in order to obtain a valid working visa.

Significant country issues for investors to consider

Private investors are guaranteed protection under Angolan law:

- In the case of expropriation, the investors are entitled to effective and fair compensation
- Any change in the economic or political system which results in nationalization of private assets will entitle investors to receive immediate monetary compensation
- Protection of intellectual property rights, licenses, banking, commercial and trade secrets is guaranteed
- Recourse to the courts to defend and enforce rights is also guaranteed.

Foreign citizens travelling to Angola must obtain a valid visa which enables them to enter and remain in the country. Different types of visas are available at Angola's Consular Services depending on the purpose of the entry.

BOTSWANA

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Country Information
Botswana is a landlocked country with a population of about 2 million. The urban population accounts for about 50% of the total population.

Type of Government
Botswana is a stable multiparty democracy.

Latest GDP Figures
Real gross domestic product (GDP) grew by 5.1% in 2014. The projected 2014/15 budget surplus is estimated at P1.326 billion representing 0.97% of the forecast GDP.

Inflation Rate
The year-on-year inflation rate was 4.1% in December 2013 compared to 7.4% in December 2012.
The current rate is within the Bank of Botswana's medium term objective range of 3 to 6%.

Investment Climate
Botswana is a stable democracy with an open economy. Implementation of the Southern African Customs Union (SACU) Agreement and the Southern African Development Community (SADC) Free Trade Area will continue to be pursued, including the establishment of the necessary institutions and harmonization of industrial and trade policies.

The SADC Free Trade Area involves zero tariff levels for 85% of all goods traded among member states. Liberalisation of tariffs on the remaining 15% of goods (considered to be sensitive products) was completed in 2013. The government is making substantial efforts to create a favourable climate for private and foreign investment by imposing minimal restrictions on foreign investors and the privatisation of state entities.

The Botswana Export Development and Investment Authority (BEDIA) and the International Financial Service Centre (IFSC) were merged into one entity; the Botswana Investment Trade Centre which was established to operate as a one-stop investor service centre for both entities.

Forms of Business
- Private or public limited liability company
- External company (branch of foreign company)
- Company limited by guarantee
- Partnership
- Common law trust
- Sole proprietorship
- Societies being associations of persons.

The Companies Act provides a simplified framework for the incorporation of companies and other legal entities (like close corporations) and imposes strict obligations on corporate governance.

Formation of a Company
Non-residents may hold shares in a Botswana company. One resident director is required for a private company and two resident directors for a public company. The registered office must be in Botswana. Auditors are required who must be certified public accountants practising in Botswana. Company secretarial duties are performed by secretarial services companies, most of which are attached to accounting firms. Companies are usually registered within 4 weeks.

Exchange Controls
Botswana has abolished all exchange control regulations and foreign investment is welcomed. Dividends and capital gains on equity investments received from a foreign source are, subject to tax being paid, freely remittable out of Botswana in foreign currency. Interest on and the capital of foreign loans are freely remittable in foreign currency. Upon disinvestment a non-resident may remit capital in foreign currency. Foreign currency can be held and earn interest with a bank in Botswana.

Botswana securities denominated in a foreign currency may be purchased using foreign currency without converting the foreign currency into Botswana Pula. The proceeds of such Botswana securities may be paid in foreign currency and freely remitted anywhere in the world without notification to the Central Bank.

Taxation
Tax is levied on income that is actually derived or deemed to be derived from Botswana sources.

Foreign source dividends and interest are deemed to be from a Botswana source and are taxable on accrual.

There is a single corporate tax rate of 22%. The corporate tax rate for non-resident companies is 30%.

The tax rate for manufacturing and International Financial Services Centre (IFSC) companies is 15% in respect of approved activities. These rates do not apply automatically and must be applied for and approved by the relevant

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authorities.

Withholding Tax
Withholding tax is 7.5% on all dividends paid.

Payments of rent to a resident or non-resident for the use of any land or building or both are subject to withholding tax at the rate of 5% unless:

- the rent is paid by an individual and it is not claimed or will not be claimed as a business expense by such person
- the payment of rent is less than P36 000 during any tax year
- the rent is paid in respect of accommodation in a hotel, motel, guest house or lodge
- the recipient of the rent is a person exempt from taxation.

The amount of any surplus amount paid by a mine rehabilitation fund to a person who contributed to the fund is subject to withholding tax of 10%. Such withholding tax will represent a final charge to tax and the amount paid by the mine rehabilitation fund will not form part of the recipient's assessable income.

Payment of commission or brokerage for or in connection with the procurement of goods or services is subject to withholding tax at the rate of 10%. Such withholding tax will only apply to payments in excess of P36 000 in any tax year.

The exemption from withholding tax on commercial royalty payments made to non-residents in respect of the leasing of aircraft has now been withdrawn.

Capital Gains Tax
Tax is payable on capital gains at the income tax rate of the particular tax payer in respect of immovable property on 100% of the gain. The gain is calculated by deducting from the sale price the cost of acquisition and the cost of any improvements. A prescribed escalation factor is applied to other movable property, including shares in a company, on 75% of the gain which is calculated by deducting from the sale price the cost of acquisition of the property sold.

Capital gains tax is not payable on the sale of shares in a public company, as defined in the Income Tax Act, if the shares, units or debentures were held by the tax payer for a period of at least one year prior to the date of disposal.

Double Taxation Agreements
Botswana has double taxation agreements with South Africa, United Kingdom, Zimbabwe, Seychelles, Sweden, China, Mauritius, France, Lesotho, Swaziland, Barbados, India, Zambia Mozambique and Russia.

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VAT
Value Added Tax (VAT) is levied at 12% .

Import/Export Incentives/Support
The Botswana Investment Trade Centre facilitates the establishment of export-oriented enterprises and selected services.

Monetary Policy
Implementation of monetary policy is entrusted to the Central Bank of Botswana. Price stability is the main goal of monetary policy using indirect policy instruments and a framework for forecasting inflation.

Legal System
The legal system of Botswana is a mixture of Roman-Dutch and English common law principles. There are also local systems of tribal law and custom in rural districts, which govern everyday disputes and property relations but are subordinate to statutory law. The superior courts in Botswana are the Court of Appeal, the High Court and the Industrial Court.

Intellectual Property
Intellectual property is protected by the Industrial Property Act which gives effect to various international conventions, treaties and protocols to which Botswana is a party.

Financial Services/Insurance
Banking services are regulated by the Banking Act, the Bank of Botswana Act and the National Clearing and Settlement Systems Act with the Central Bank as the regulatory authority.

Efforts to improve the efficiency of this sector include the expansion of electronic payments. In this respect, the relevant systems, such as the Electronic Clearing House and Botswana Interbank Settlement System, are monitored by the Bank of Botswana to ensure that they meet the important public policy objectives and attributes of safety, efficiency, stability and integrity.

Non-bank financial services are regulated by the Non-Bank Financial Institutions Regulatory Authority.

Key Strategic Growth Initiatives by Government/Private Sectors
The government has less than one year until the Millennium Development Goals period ends and to achieve Botswana's long term vision (Vision 2016).There are seven broad themes which need to be addressed: growing the economy and employment creation; improving productivity and sustaining sovereign rating; investing in infrastructure development to support economic growth; investing in human resources to support sustainable growth; enhancing people's welfare and livelihoods; strengthening the judicial system and combating crime and strengthening local governance.

The government is aware that growth will depend largely on the country's success in enhancing the performance of the non-mining sectors. Key to this goal is investment in technical skills and resources. Botswana has substantial funds ready for such investments.

The government realises that sustainable employment creation will require local and foreign investment, concentrating on Southern Africa and development in key niche areas where Botswana has a natural advantage (for example tourism).

The government remains committed to privatisation and the Privatisation Policy adopted in 2002 was reinforced by the approval of a Privatisation Master Plan. The overriding goal of the policy is to improve effectiveness in the delivery of services, raise Botswana's growth potential and competitiveness while increasing entrepreneurship and citizen participation in the economy.

The government continues to implement programmes that enhance citizen participation in economic activities and business ventures. A large share of government expenditure goes towards education, training and health.

The Botswana Development Corporation (BDC) continues to be a leading investor and lender. The BDC has a diverse portfolio covering industry, agribusiness, services, property development and management. Through its subsidiaries, affiliates and associate companies, the BDC has been active in the local production of products which were previously imported.

Botswana's Industrial Development Policy aims to promote highly productive and efficient export industries integrated with foreign markets and technology, develop competitive manufacturing and service sectors able to compete internationally, grow supporting services and component manufacturers, create links between small and medium enterprises with foreign firms and develop small and medium enterprises for the domestic market.

Treaties and Bilateral Agreements

Botswana is a signatory to the Lome Convention with the European Union and has duty free or preferential access to the US market under the General System of Preferences with no quota restrictions.

The African Growth and Opportunity Act (AGOA) of the United States Government provides duty-free and quota-free entry of garments produced in Botswana from yarn or fabric of African or American origin (to be increased to yarn of any origin).

There are bilateral agreements with China and regional countries (through SACU and SADC) allowing preferential or limited duty free trade.

Membership of International and Regional Organisations

Botswana is a member of the World Bank, the United Nations (UN), SACU, SADC, the International Monetary Fund (IMF), the African Union (AU) and the AU's New Partnership for Africa's Development (NEPAD). Botswana is a member of the World Trade Organization (WTO) and a signatory to the Multilateral Investment Guarantee Agency (MIGA), which protects investments from nationalisation or expropriation.

Road and Transport

The government will continue to allocate resources to the sector and introduce new policies. In this regard, a National Integrated Transport Policy has been developed and is being processed for approval. The Policy will define the transport system in terms of the infrastructure, operations and management of all different types of transport. It will also in part drive the Integrated Transport Project (ITP) which is anticipated to improve the transport industry and provide substantial benefits to users, suppliers and operators.

Water

The efforts to maintain water supply security are challenged by recurring drought. The government continues to undertake measures, including the development of water infrastructure such as dams and water pipelines and exploit alternative water sources.

A comprehensive National Water and Waste Water Policy is being tabled to ensure that Botswana's needs are met. This will allow the development of the National Water Conservation Strategy and Integrated Water Resource Management Plan to ensure proper utilisation of water resources.

Energy

The government strives to maintain adequate power supply in the country, despite the relatively high cost of providing it. Although the development of Morupule B Power Station was expected to transform the country from being a net energy importer to near self-sufficiency, continued technical problems have created uncertainty over the availability of power supply in the short to medium term. While the effects of the shortage of power supply on the economy have not been assessed in a systematic way, it is expected that it has had a negative impact on growth. In addition, it has slowed down the government's village electrification programme.

In recognition of the importance of power supply to economic growth and ordinary lives in general, the government has taken short and medium term measures to mitigate the impact of power supply shortage on the economy. It is in this regard, that a significant allocation was made under the proposed 2014/15 budget to BPC to enable the Corporation not only to operate and maintain its existing power infrastructure, but also to put up new transmission lines. In addition, the on-going rural electrification programme that involves the expansion of the infrastructure and village network is expected to increase

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access to electricity from the current 68 percent to 80 percent of households by 2016.

In the medium to long term, measures to address the growing demand of power include the development of Brown Fields for Morupule B, which will be units 5 and 6, with an estimated power generation of 300MW; and development of the Green Field, with an estimated 300MW. In addition, a bankable feasibility study of a 100MW concentrated solar thermal power station has been completed. Furthermore, the government is working on the expansion of the national grid to provide services to villages, agribusinesses, mining and tourism facilities.

To this end, the government has budgeted P300 million for the construction of the Northwest Transmission Grid and Rakola Sub-station to provide power to the Northwest region and augment power in the South eastern region. Government will continue to ensure increased access to electricity from local sources, but this comes at a high cost and as such, it is expected that electricity tariffs will be periodically adjusted, to reflect the economic cost of supplying power.

The national oil company, Botswana Oil Limited was formed and started operation in July 2013. The government has also commenced preliminary activities to construct Tshele Hills fuel storage at an estimated cost of P750 million. Upon completion, the facility will store 150 million litres of fuel and will increase the supply cover from the current 18 days to 60 days. The initiative has the potential to enhance security in the operations of industries such as manufacturing, agriculture and transport from disruptions of oil and petroleum supplies.

Telecommunications

A fixed line service is provided by Botswana Telecommunications Corporation (BTC) which is in the process of implementing an international connectivity project accessing submarine fibre systems and building national transmission rings to facilitate the promotion of Botswana as a telecommunications hub in the region to satisfy demand for information based services, web hosting, data centres, call centres, global financial services and software research and development. The Botswana Communications Regulatory Authority has adopted a very liberal licensing strategy.

Botswana Stock Exchange

The Botswana Bond Market Association is due to begin formal implementation of its mandate in collaboration with the Botswana Stock Exchange to resolve structural issues with impending bond market development, with a view to promote efficiency and liquidity of the bond market.

Furthermore the Botswana Stock Exchange Listing Requirements have been revised and with the introduction of the new Securities Act, there will be clearer transparent rules, under which securities exchanges and other players may operate.

Trade and Industry

Efforts by agencies such as Botswana Investment Trade Centres (BITC) continue to promote domestic and foreign direct investment into the sector and provide targeted fiscal incentives to major manufacturing projects to enhance the value addition and competitiveness of their products.

Information and Communications Technology

The Botswana Fibre Networks (BoFiNet) is now in operation and will focus on improving the backbone network while the recently privatised Botswana Telecommunications Corporation will address challenges with respect to internet connectivity, particularly bandwidth.

The government is also funding the optic fibre reticulation of the diamond trading park to ensure that diamond customers have access to information and communication technology. The Botswana Innovation Hub has registered 27 innovative businesses and institutions and remains positive about economic development and diversification.

Mining

Botswana is renowned for its diamonds but also has deposits of copper, nickel, cobalt, gold and soda ash which are currently being mined or developed. The mining sector now accounts for 20 percent of GDP. Diamond markets have shown improvement but remain sluggish.

The ownership of minerals in Botswana vests in the government and all mineral concessions can only be acquired in accordance with the licence regime under the Mines and Minerals Act. There are three main mineral concessions that may be issued in terms of the Act, namely prospecting licences, retention licences and mining licences.

Mining licences (except in respect of diamonds) are granted for periods of up to 25 years. The government has the right to acquire an equity interest of up to 15% in a company that applies for a mining licence.

A 5% state royalty is payable in respect of precious metal production, 3% for base metals and 10% for precious stones (including diamonds).

The relocation of the Diamond Trading Company International (DTCI) from London to Gaborone is ahead of schedule.

Agriculture

The performance of this sector has been dismal due to inadequate rainfall and recurring droughts. However, the government continues to assist this sector. The horticulture sub-sector has been boosted by the inclusion of irrigated farming under the Integrated Support Programme for Arable Agriculture Development (ISPAAD). The programme intends to subsidize farmers for the cost of installing irrigation equipment which may be significantly reduced once the Chobe/Zambezi to the Zambezi Agro-commercial Project site has been fully implemented.

The livestock sector continues to be the economic mainstay of many Batswana with the Livestock Advisory Centres continuing to sell some livestock feeds at subsidised prices.

Botswana is seeking to secure additional markets with promising prospects in the Middle East and elsewhere.

Labour Relations

Botswana has a reputation for stability on all levels, including labour relations. The government has a low level of ratification of International Labour Organisation (ILO) treaties which indicates a reluctance to commit to or adopt a pro labour movement agenda. Government emphasises productivity, wage increase restraint, the concept of reward for productivity and the need for harmonious industrial relations (and the role trade unions can play in this).

In an attempt to reduce unemployment, government has recognised a need to balance the importation of foreign skills and the need to train local skills that are in short supply. Efforts continue to be directed towards broadening the tourism, manufacturing, agriculture, construction and financial sector in order to create employment opportunities.

Competitiveness

The Cabinet Sub-Committee on Doing Business and Global Competitiveness has implemented a number of initiatives. These include:

- the passing of e-government legislation, such as the e-Communication and Transactions Act, and the e-Records Evidence Act
- the introduction of the Anti-Human Trafficking Act, the Counter Terrorism Act and Chemical Weapons (Prohibition) Act to give effect to international standards to combat and suppress trafficking, terrorism and the use of chemical weapons
- the supplementation of the investment security legal framework by introducing the Securities Act and the Retirement Funds Act to improve the capital markets in Botswana and enhance investor protection
- the introduction of regulatory frameworks to govern certain professions by passing the Architect Registration Act, Engineer Registration Act and the Quantity Surveyor Registration Act.

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Country Information
Formerly called the Republic of Upper Volta, Burkina Faso is a landlocked country in the middle of West Africa's "hump". It is geographically in the Sahel - the agricultural region between the Sahara Desert and the coastal rain forests. Most of central Burkina Faso lies on a savanna plateau 200-300 meters above sea level with fields, brush, and scattered trees. The largest river is the Mouhoun (Black Volta), which is partially navigable by small craft.

Its size is 274 200 square kilometres with an estimated population of 17.429 million (2014 - IMF), 28.2 % of whom are thought to be urban. It is characterized by warm, dry winters and hot, wet summers. Its landscape is mostly flat but hills dot the west and southwest regions of the country.

Political System
The Constitution of 2 June 1991 established a semi-presidential government with a parliament which can be dissolved by the President of the Republic who is elected for a term of seven years. In 2000 however the Constitution was amended to reduce the presidential term to five years.

The Parliament consists of one chamber known as the National Assembly which has 127 seats with members elected to serve five year terms. There is also a constitutional chamber composed of ten members and an economic and social council whose roles are purely consultative.

The former power of the president to modify the constitution in order to prolong his tenure led to a mass insurrection on 30 and 31 October 2014 that led to his ousting. Thereafter, new transitional institutions (president, government and parliament) have been set up to lead the country to free and transparent elections by November 2015.

Latest GDP Figures
GDP per capita: US$ 768
GDP: US$ 13 billion.
(IMF- 2014)
Inflation Rate (consumer prices)
1.5 % (2014 estimate).

Investment Climate
The mining sector in Burkina Faso is of great interest to investors. American, Australian and South African corporations have recently been granted mining permits. Tax exemptions applying to investments in addition to the enactment of the investment code offer an attractive climate to foreign businesses. Moreover, fully owned foreign ownership of companies is allowed except in the mining sector. The state is entitled to ownership of at least 10 per cent of the share capital of exploitation companies.

There is a Chamber of Commerce which conducts feasibility studies and helps develop business links.

There are also commercial banks with correspondent relationships with American and European banks.

Forms of Business
The Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA) has a Uniform Act on Companies which sets out various forms of business vehicles available to domestic and foreign investors such as: a société en nom collectif (general partnership), a société en commandite simple (limited partnership), a groupement d'interêt économique (economic interest grouping), a société à responsabilité limitée (limited liability company) and a société anonyme (Public limited company). However the following business vehicles are the most attractive for investors:

- a société anonyme (SA), which is a limited liability company with either a board of directors or a unique shareholder. The minimum share capital required is CFA100 000 (approx. US$21 000). Share transfers to third parties are unrestricted unless otherwise stated by the company's statutes which may require either the consent of the board of directors or the general assembly of shareholders
- a société à responsabilité Limitée (SARL), which is administered by one or more directors called "gérants". The minimum share capital required is CFA100000 (approx. US$210). Share transfers are regulated by the company's statutes and may be performed freely between shareholders but transfers to third parties require the prior consent of the majority of shareholders.

Joint ventures are often formed in the mining and the agricultural sectors.

Formation of a Company

Below are the processes and estimated times (where applicable) to incorporate a company:

- deposit subscribed capital in a bank (2 days)
- conduct background criminal check of manager (1 day)
- notarize the declaration of capital subscription and deposit the two acts at the notary office within three days
- register at the Centre des Formalités de Entreprise (CEFORE) for a company registration, tax number (IFU), and social security number
- a single application form must be submitted to complete the company registration with the Trade Register and Personal Credit Bureau (RCCM) to obtain the fiscal and the professional license at the Ministry of Commerce
- once the form is submitted, CEFORE organizes the registration with the court and other authorities. Companies are assigned a unique company identification number for company registration, fiscal identification and social security affiliation.

The official time for the completion of the registration process is 7 working days. However it takes longer in practice because CEFORE forwards the documents to the relevant authorities. Publication can be made directly on the CEFORE website (www.me.bf) for a fee of CFA 10 000 (approx. US$21). Costs for completing the formalities for the incorporation are CFA 47 500 (approx. US$96). (Note however that the US$47 500 is paid to the CEFORE and does not include all the incorporation fees, which may be higher and depend on the amount of the share capital).

Exchange Controls

Foreign investors are entitled to transfer all funds from the business, dividends, receipts from liquidation, assets and wages. However transfers must be completed before certified intermediates. Exchange controls are primarily regulated by the rules of the West African Economic and Monetary Union. Transfers are authorized in the original currency of the investment.

Taxation

Mandatory taxes to be paid by a company per annum are as follows:

- Corporate income tax (30%)
- Social security contributions (16%)
- Business license (8%) + fixed amount
- Payroll and apprentice tax (4%)
- Capital gains tax (10%)
- Mortmain property tax (10%)
- Tax on insurance contracts if any (20%)
- Stamp duty on contracts (CFA200 - (approx. US$50) per page)
- Value Added Tax (18%)
- Motor vehicle tax if any (CFA50 000 - (approx. US$104) based on the weight of truck).

Burkina Faso's customs fees are based on goods ad valorem and include a 5% customs fee, an import fiscal duty and a value added tax based on the type of equipment.

Import/Export

Imports account for US$ 3.674 billion (2012) of the economy and consist mainly of machinery, agricultural products, electrical goods and petroleum. Exports account for US$ 2.948 billion (2012) and consist mainly of agricultural goods, cotton, livestock and shea butter. Gold is also an important export.

Monetary Policy

Burkina Faso's monetary policy is largely based upon liberalisation. It is determined by the Central Bank of West African States (BCEAO) whose priority is to control inflation. Its monetary policy remains influenced by the European Central Bank as the CFA franc is pegged to the Euro. Burkina Faso's BCEAO-led monetary policy is accordingly strongly influenced by the monetary policy conducted in the Euro zone.

Legal System

The legal system is based on the French civil law system. At the top of the judicial system is the Supreme Court. Beneath it are courts of appeal at Ouagadougou and Bobo-Dioulasso and 24 Tribunals (Tribunal de Grande Instance), the most important being in Ouagadougou, Bobo-Dioulasso, Ouahigouya and Fada N'Gourma which deal with cases involving civil and criminal law. At the same level are the Tribunal du Commerce (Tribunal of commerce) at Ouagadougou and Bobo-Dioulasso dealing with commercial law and Tribunal du Travail (Labour court) at Ouagadougou, Bobo-Dioulasso and Koudougou. Following the 1983 coup, tribunals were created to try former government officials for corruption and mismanagement. There is also a High Court of Justice to try the President and high government officials for treason or other serious crimes.

In June 1991 a new constitution was adopted which provided a number of safeguards including a right to public trial, right of access to counsel and a right to appeal.

In 1995 an Office of Ombudsman "Mediateur du Faso" was created for resolving disputes between the state and its citizens. Although the judiciary in operation is independent of the executive, the President has considerable power over the appointment of judges.

Intellectual Property

Burkina Faso is part of both the African Intellectual Property Organization (AIPO) and the World Intellectual Property Organization (WIPO). The AIPO amended the Bangui Protocol of 1977 which sets out common procedures

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based on a uniform system of protection (in addition to provisions included in international conventions to which member states have acceded).

Available protections are:
- Patents: protected for a period of 20 years without provision for renewal.
- Trademarks: protected for an initial 20-year period with a provision for renewal.

Financial Services/Insurance
The insurance market was liberalized in 1978. Ten insurance companies are now operating in Burkina Faso which handle both life and non-life insurance. The non-life sector is dominated by motor vehicles (50%), the remainder is mainly fire, other property damage and personal accident insurance.

The insurance sector in Burkina Faso is regulated by the Inter-African Conference on Insurance Markets (CIMA). CIMA is charged with the approval, withdrawal and the supervision of insurance companies.

Key Strategic Growth Initiatives by Government
The government has carried out substantial reforms in the banking, financial and private sectors which has enhanced economic growth. This led Burkina Faso to benefit from US$700 million in debt relief under the Highly Indebted Poor Countries initiative (HIPC) and an education grant awarded by the Millennium Challenge Account. For example 42 state-owned companies have been restructured including 19 major corporations in banking, brewing, mining, medicine and manufacturing. Privatization of the state-owned electricity and telecommunications utilities is in process.

Treaties and Bilateral Agreements
Burkina Faso acceded to the New York Convention on the Enforcement of Foreign Arbitral Awards on 23 March 1987. The Berne Convention and the Kyoto Protocol on climate change were ratified on 31 March 2005.

Membership of International and Regional Organisations
Burkina Faso is a member of the Economic Community of West African States (ECOWAS), West African Economic and Monetary Union (WAEMU) and several other organisations including the Multilateral Investment Guarantee Agency (MIGA), the African Union (AU) and its New Partnership for Africa's Development (NEPAD) programme. It acceded to the World Trade Organization (WTO) in June 1995 and is part of the African, Caribbean and Pacific group of states.

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Economic Developments
Many trade restrictions have been removed and tariffs reduced in order to generate investment. Burkina Faso is eligible for direct loans from the World Bank, the European Union and the African Development Bank. A structural adjustment program has been implemented in cooperation with the World Bank and the International Monetary Fund.

The country's economic policy since 2011, "La Stratégie de Croissance Accelerée et de Développment Durable (SCADD) "(Accelerated growth end sustainable development strategy) is aimed at poverty reduction through production based on public-private partnership.

Road and Transport
There are 13 200 kilometres of classified roads in Burkina Faso of which 2 300 kilometres are paved. The state-owned bus company has been privatized and operates 5 main routes throughout the country. The 1 260 kilometre Abidjan-Niger railway is the main transport axis although the line has not recently operated efficiently and rail traffic is in decline. Burkina Faso's other 622 kilometres of railways are scheduled for restructuring. In 1995 a French company took control of the railroad and the line is anticipated to be rehabilitated with a US$31 million World Bank loan. The country has 24 airports with paved runways.

Water
According to the 2012 report of the water agency, potable water and sanitation coverage is 56 %.

In rural parts of the country only 0.01% percent of the population has access to water through private taps, only 2% through public standpipes, 46.1% through public wells, 41.2% through boreholes and 6% through sources such as rivers, streams, and ponds. Burkina Faso's urban water sector is not performing much better. Only 25% of city-dwellers have access to water through private taps, 47.7% access through public standpipes, 20.9% access through wells or boreholes and 5.7% buy water from vendors.

Since May 2003 Ouagadougou has been in the midst of a water supply crisis. Four dams located around the city can only produce an estimated 80,000 cubic meters of water amount which constitutes an estimated 70% of demand.

Widespread damming of rivers heavily taxes the region's extremely limited water resources through evaporation and seepage and leaves the supply susceptible to microbiological threat, including bilharzia.

Energy
Burkina Faso is predominantly dependent on thermally generated energy. Sonabel, the national electric company, produced 730. 77 million kilowatt hours (kWh) in 2013 of which 85.5 % was thermally produced and 14. 5 % hydro-electrically produced. Construction has begun on a new dam but the cost of electricity production is still significantly higher in Burkina Faso than in neighbouring countries. Although the government is not planning

Sonabel's privatisation the market will be liberalised and companies will be able to compete for production and distribution with Sonabel.

Consumption of petrol products is low and wood fuel provides over 90% of domestic energy. The government is trying to promote butane in order to slow deforestation.

Telecommunications

Communications in Burkina Faso are limited due to the low penetration of electricity even in major cities. Use of telecommunications is extremely low.

Telephones main lines in use: 137 500 (2013).
Mobile cellular telephones in use: 11. 240 million (2013).

In 2006 the government sold a 51% stake in the national telephone company and ultimately plans to retain only a 23% stake in the company.

The fixed line and mobile Internet subscriptions number 1 541 422 with an annual growth rate of 180.25% as at 31 December 2013. The sector has improved following the installation of a 22 Mbit/s fiber optic international link, a vast improvement over the previous 128 kbit/s link. Secondary access nodes are beginning to appear in the major cities and cybercafés are providing internet access to a broader spectrum of end users.

Trade and Industry

Imports of most consumer and other manufactured goods and equipment cause a chronically unfavourable trade balance. The largest exporter to Burkina Faso is still France but imports from other countries are growing. China has become a major buyer of goods from Burkina Faso. Cotton, livestock and gold are important exports. Abidjan's harbour in the Ivory Coast is used for bulk imports and exports. Other major trading partners are Singapore, Togo, Thailand and Ghana.

Small-scale manufacturing consists of flour milling, sugar refining, the manufacture of cotton yarn and textiles and the production of consumer goods.

Mining

Mining activities are confined to gold, manganese, phosphates, marble and antimony. There are also viable deposits of zinc, silver, limestone, bauxite, nickel and lead. Special customs and tax advantages are awarded through the Investment Code during exploration and production stages.

Agriculture

Main food crops are sorghum, millet, yams, maize, rice and beans. Cotton is grown for export.

Trade and Investment

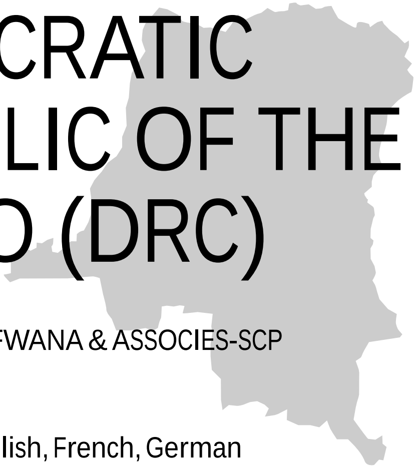
Tax exemptions apply to investments in mining and other sectors and foreign investors may transfer any funds associated with an investment, including dividends, receipts from liquidation, assets, and salaries (see Exchange Control above). Gold mining and diamond exploration are priority areas. Foreign and domestic investors are treated equally. The Ministry of Industry and Commerce and the Ministry of Energy and Mines approve all new investments on the recommendation of the National Investment Commission.

A local agent/distributor is not required by law for trade but can be helpful. Most trade restrictions have been removed and tariffs have been steadily reduced.

Labour Relations

Employees' rights are guaranteed by both the New Labour Code enacted in 2008 and the Labour Court. There is a well-organized trade union movement and employers are required to give employees at least 30 days prior notice of termination except in cases of gross misconduct such as theft or obvious neglect.

DEMOCRATIC REPUBLIC OF THE CONGO (DRC)



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General information
The Democratic Republic of the Congo (DRC) is located in Central Africa. To the north it borders the Republic of Congo, the Central African Republic and South Sudan. To the east it borders Uganda, Rwanda, Burundi and Tanzania. To the south it borders Zambia and Angola and the Atlantic Ocean to the west. The DRC is the second largest country in Africa and the eleventh largest in the world. With a population of over 75 million people, the DRC is the most populous Francophone country, the fourth most populous nation in Africa and the nineteenth most populous country in the world.

The Economy
DRC's economy is predominantly export-oriented, with the focus being on mining products. The DRC boasts an abundance of natural resources, namely forests and minerals such as diamonds, gold, copper, tin, Colombo tantalite or coltan, bauxite, iron, manganese, cobalt, petroleum and methane gas. Tourism is not an industry in the DRC as a result of civil wars in the region. Agriculture is a driving force of the economy despite the fact that cropland only comprises 3% of the national territory. The main crop produced is coffee, while the main products are wood (afromosia, ebony, wenge, iroko, sapele, sipro, tiama, tola, kambala and lifaki) and rubber.

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Political System
The Constitution, promulgated on 18 February 2006, established the institutions of the Third Republic and introduced a democratic and semi-presidential system with a bicameral parliament.

Legal System
The main provisions of private law can be traced back to the 1804 Napoleonic Civil Code. The Congolese legal system, however, is predominantly based on Belgian law. The Constitution endorses the separation of powers doctrine, emphasising the independence of the judiciary, legislature and executive. The judiciary comprises the Constitutional Court, the 'Court de Cassation', the Council of State, the Supreme Military Court, as well as the civil and military prosecutor's offices attached to these courts. Specialised courts may also be established. The DRC is a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention).

Inflation Rate
The inflation rate was 1.42% in December 2014.

Gross Domestic Product
The Gross Domestic Product (GDP) grew by 9.5% in 2014. GDP annual growth rate in the DRC averaged 0.83% from 1960 until 2014 reaching an all-time high of 9.5% in 1970.

Accession to OHADA Treaty
The DRC's accession to the Treaty of the Organisation pour l'Harmonisation en Afrique du Droit des Affaires (Organisation for the Harmonization of Business Law in Africa) (OHADA) presents both opportunities and challenges to companies doing business in the DRC, as well as in other OHADA Treaty countries (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo Brazzaville, Ivory Coast, Equatorial Guinea, Gabon, Guinea Conakry, Guinea Bissau, Mali, Niger, Senegal and Togo).

General Corporate Law
Investors will consider the implementation of the OHADA Uniform Act on Commercial Companies and Economic Interest Groupings (the "AUSGIE", from the acronym formed by its French name) a welcome development. The DRC's current legal framework relating to commercial companies stems from disparate legislation dating back to the colonial era (in some respects going as far back as 1887). This legislation contains historical anomalies ill-suited to modern business practices. Even though the DRC decree-law of 22 June 1926 has been amended, it still requires specific Presidential approval for the formation of and changes to the shareholdings in joint stock limited liability companies known as "SARLs". It also provides that no SARL may have less than seven shareholders and limits the voting rights attached to shares in SARLs so that no shareholder may exceed 20% of the total voting rights notwithstanding the number of shares they hold. Despite this, the AUSGIE remains a modern piece of legislation which, at the time of its promulgation in 1997, reflected the most recent trends in continental European (particularly French) company law.

Today, the AUSGIE's reach is expanding to better suit the business needs of OHADA Members States and their potential investors, with amendments having been implemented from 30 January 2014. The new AUSGIE came into force on 5 May 2014. Commercial companies and economic interest groups formed prior to this date are required to update their articles of association in accordance with the new AUSGIE before 5 May 2016. The articles of association of any company which have not been updated by this date will be deemed to be void. One of the major innovations of the revised AUSGIE is the introduction of a new corporate entity, namely the simplified joint stock company (societe par actions simplifiee or SAS). Any company formed prior to the revised AUSGIE can be transformed into a SAS.

Joint Ventures

Significant foreign investment in the mining sector has traditionally taken the form of joint ventures concluded with either foreign investors or DRC entities (often public sector entities). The management and administration of these joint ventures frequently requires negotiations between shareholders in order to ensure that a proper balance is achieved between control of management and strategy, voting rights and rights to dividends. The DRC has already adopted a series of progressive and modern codes relating to various industrial sectors (a Mining Code, Forestry Code and Investments Code) which has made those sectors attractive to foreign investors. However, existing company law prevents controls from being implemented (particularly shareholder control over management) to protect the interests of parties to these joint ventures. Parties to joint ventures have had, therefore, to introduce these controls themselves through private joint venture agreements, which do not always fit into the current legislative framework and are difficult to enforce. The implementation of AUSGIE, however, will make it easier for joint venture parties to conclude these agreements in a manner that is both consistent with the applicable legislation and enforceable. In future these arrangements may be incorporated in the joint venture's statutes or articles of association which are filed with the local commercial registry and are a matter of public record.

Main Forms of Commercial Companies

AUSGIE creates 5 types of companies:

- Société en Non Collectif (SNC)
- Société en Commandite Simple (SCS)
- Société par Action Simplifiee (SAS)
- Société à Responsabilité Limitée (SARL) - limited liability companies, formerly private limited liability companies known as SPRL's
- Société Anonyme (SA) - formerly known as SARL's (public limited liability company's), which are the equivalent of continental European companies.

These companies will enable joint venture parties to negotiate arrangements within a familiar framework. Subject to certain limitations, parties are free to create different categories of shares with diverse voting and dividend rights and enjoy a certain measure of freedom in determining how the company in question should be managed. SARL's and SA's have proved to be the two most popular types of company.

The OHADA SARL does not have a board of directors and management is exercised by one or several managing directors (gérants). However, certain decisions may only be made by the shareholders. The challenge for investors, when dealing with this type of company, is ensuring that strategic decisions are not decided by the gérants without the input of the shareholders. The difficulty is that, according to the applicable law, the gérant is fully entitled to represent the company in its dealings with third parties, unless the third party has been specifically notified that shareholder approval is a requirement.

The OHADA SA by contrast usually has both a board of directors (conseil d'administration) and management consisting either of a Chairman and Chief Executive Officer (Président-Directeur Général) or, at the option of the shareholders, a separate Chairman of the Board (Président) and Chief Executive Officer (Directeur Général), appointed by the Board. This allows for a balance of power and control, particularly well-suited to joint ventures between foreign investors concerned with long-term strategic decisions and local parties whose focus is on the day-to-day management of the company. Alternatively, for companies with less than three shareholders, it is possible to opt for management by a single managing director (administrateur général) similar to the OHADA SARL. This form of management can be particularly useful for wholly-owned subsidiaries. The single shareholder SA is an improvement on the seven shareholder SARL currently used in the DRC.

In order to avoid the burdensome regime for SARLs formed under current DRC law, most companies in the DRC were incorporated as a société privée à responsabilité limitée (or SPRL) notwithstanding that the SPRL was initially intended for privately held or closed companies (such as family-owned businesses). As a result of the OHADA Treaty, DRC companies will be required to bring their constitutional documents (statutes) in line with the rules governing the relevant corresponding OHADA type of company. This implies that a company established as a SPRL may opt for the OHADA SARL form, which is the most similar. However, it may be advisable for certain businesses that are incorporated “by default” as SPRLs to convert to an OHADA SA (the typical open capital company), which is in practice likely to be the most suitable form in which to conduct their business.

Improved Corporate Governance

AUSGIE and the other OHADA Uniform Acts which came into force on 12 September 2012, also bring about

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challenges for foreign investors. It is possible that limitations on the number of offices that directors or officers may hold in different companies, might make it difficult to obtain local talent for such positions. The revised AUSGIE, however, is far reaching in terms of improved corporate governance. It has reinforced the application of good governance principles by:

- prohibiting directors from participating in any vote on their own remuneration
- specifying the types of contracts that require the prior approval of an SA or SAS' board of directors
- introducing the concept of "abuse of equality"
- introducing new offences relating to the management of companies, such as the failure by directors to submit the company's financial statements within a month of their being approved by the shareholders.

These developments provide additional comfort for private equity investors, particularly those owning minority stakes, as they make portfolio company management more accountable. Under the revised AUSGIE, a competent court can appoint a provisional administrator when the operation of a company is deadlocked as a result of action or inaction by its shareholders or another corporate body. In addition, AUSGIE takes the practical constraints on investors into account by providing for meetings and votes to take place via video conference and by permitting decisions taken at the shareholder and board level to take place via written resolution.

Accounting and Auditing

Other modifications to the legislative framework will also present both incentives and challenges for investors. All SA companies and certain SARL companies meeting specified thresholds of share capital, total annual turnover or levels of employment, are required to designate official statutory auditors (commissaires aux comptes) to review and certify the company's accounts. This provides a safeguard against irregularities in the accounts (every major international accounting firm maintains offices in a number of OHADA member states) and grants auditors the power to trigger "alert proceedings", which require management to respond to queries in the event of financial difficulties. The OHADA Uniform Act on Accounting Law (AUL) creates a comprehensive framework for accounting rules and procedures, which may differ from the international accounting standards used by major international companies. The AUL rules require a company's financial year to coincide with the calendar year and impose an obligation on companies to close their annual accounts on 31 December.

Insolvency

The OHADA Uniform Act on Insolvency Proceedings also provides a comprehensive framework both for companies encountering financial difficulties and seeking relief from the demands of creditors, as well as for creditors filing their claims.

Taxation

The general system of taxation in the DRC is based on the principle of territoriality and tax is accordingly levied on all income derived from the DRC. The following are the main taxes:

- corporate tax at 40%
- corporate tax for mining companies at 30%
- withholding tax on income from movables at 20% and for mining activities at 10%
- personal income tax rate is based on a sliding scale with a maximum of 30%
- property tax is levied from US$0.30 to US$1.50 per square metre of the built property
- tax on rental income at 22%
- Valued Added Tax ("VAT") at the uniform rate of 16% on the local sale, import and provision of services. The law introducing VAT was promulgated in 2010 but its effective date was 1 January 2012. VAT replaced turnover tax which is no longer applicable in the DRC.

Investment Climate and Exchange Controls

DRC welcomes all foreign investment. The exchange control regulations currently in force are very liberal and commercial banks are authorized, subject to certain tax being paid, to freely transfer dividends, capital gains, interest and capital on foreign loans out of the country. Upon disinvestment, investors may freely remit capital without any restriction. Residents of the DRC are authorized to hold foreign currency accounts with local commercial banks.

The following fees and restrictions apply to remittances:

- the Central Bank of Congo ("BCC") levies a royalty of 2% on any payment to or from abroad regardless of the status of the transferor and transferee
- cross-border transfers to and from the DRC, with a value equal to or greater than U.S. $10 000 (including, entry of capital as direct investment, portfolio and other investments, including pre-financing of exports), must be made through an approved credit institution or intermediary and are subject to an RC declaration
- revenues (remuneration, direct investment, portfolio, and other investments income, such as profits, dividends, leasehold interests) can only be received or transferred through an approved bank.

Intellectual Property

Patents, trademarks, designs, and commercial names are protected by the provisions of the Intellectual Property Law. There is a general registry located at the Ministry of Economy where trademarks, patents and designs may be registered. The DRC is a member of the World Intellectual Property Organization (WIPO).

Foreign Investment and Incentives

The DRC has promulgated an Investment Code to encourage the investment of local and foreign capital in activities which contribute to the economic and social development of the country. The Code provides for one general regime under which incentives may be granted. For a project to benefit from the provisions of the Code, the investment must be at least US$10 000 for small and medium sized businesses and US$200 000 for other enterprises.

The Investment Code provides certain advantages for foreign investments. It sets the conditions, benefits and rules for direct investment, both domestic and foreign, in areas other than mining, oil, banking, insurance and reinsurance, arms production and military related activities, production of explosives, assembling equipment, military equipment and paramilitary or security services, as well as commercial activities. Investors can only benefit from these advantages for a specific period of time depending on the geographical location of their investment.

The Investment Code does not govern investments in the mining sector. The Mining Code provides for some incentives to private investors, including:

- exemption from customs duties on the export of samples for analysis and industrial tests
- exemption from customs duties on the import of foreign expatriate staff's property
- full exemption of customs duties on exports in relation to the mining project
- a reduced rate on professional profit tax contribution
- a reduced rate on the exceptional contribution on the compensation of expatriates.

The Investment Code also provides the following concessions and incentives:

- duty-free imports of all new plant, machinery and equipment associated with the project in question, as well as spare parts up to 10% of the Cost, Insurance and Freight (CIF) value of the equipment
- duty free exports of local semi-finished or finished products
- exemption from corporate tax and tax on share capital
- exemption from real estate or property taxes.

The duration of these exemptions depends on the location of the investment and may vary from three to five years.

Business Opportunities

There are opportunities for investments in the mining, petroleum, agricultural production, forestry exploitation, local manufacturing, infrastructure and tourism sectors in the eastern part of the country.

Membership of International and Regional Organisations

The DRC is a member of the International Monetary Fund (IMF), World Bank, United Nations (UN), African Union (AU) and African Development Bank (ADB). The DRC's accession to OHADA is viewed as a promotion of the rule of law, as the OHADA Common Court of Justice and Arbitration has been established as the highest court of appeal with the power to overturn decisions by local DRC courts. The DRC is a member of the Washington Convention establishing the International Center for Settlement of Investment disputes (ICSID) which applies to disputes between the DRC and nationals of other ICSID contracting States. The DRC is also party to several bilateral investment treaties that provide for arbitration in the case of disputes between the DRC and a national of a bilateral investment treaty contracting state.

Currently, foreign arbitral awards from outside of the OHADA member States are recognized and enforced in the DRC, after a Tribunal of High Instance of competent authority has granted enforcement. However, this will soon change after the DRC's recent accession to the New York convention. The DRC is the 153rd State to become a party to the New York Convention.

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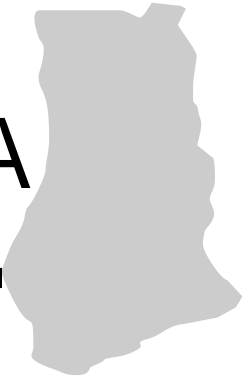

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Political System
Ghana has a constitutional government under a multiparty democracy.

Economic Indicators
Gross domestic product (GDP): US$ 48.78 billion (2013). GDP per capita is US$ 1838 (2013) .

Inflation Rate
The inflation Rate as at September 2014 was 11.6%.

Forms of Business
- Unincorporated businesses / sole proprietorships
- Incorporated partnerships
- Statutory corporations
- Company limited by shares (the liability of shareholders for the debts of the company is limited to any amounts unpaid on their shares)
- Company limited by guarantee (the liability of shareholders for the debts of the company is limited to amounts that they respectively undertake or guarantee to contribute to the assets of the company in case of liquidation)
- Unlimited companies (there is no limit on the liability of the members. The few unlimited companies that exist are mostly law firms and other professional organisations that may be prevented from operating as limited liability companies by professional rules)
- External company (incorporated bodies formed outside Ghana that seek to operate in Ghana register as external companies if they establish a place of business in Ghana).

Companies may be either public or private.

Investment Climate
The Constitution protects private property and prohibits compulsory acquisition except under due process of law. Parliamentary approval of international economic and business transactions to which the government is a party is required. Natural resource grants also require parliamentary approval.

Under the Ghana Investment Promotion Centre Act (GIPC Act) non-Ghanaians may invest and participate in the operation of enterprises in Ghana.

In the case of a joint venture with a Ghanaian, the non-Ghanaian must invest at least US$200 000 in foreign capital or its equivalent in capital goods by way of equity participation. The GIPC Act does not prescribe a maximum percentage of Ghanaian ownership in a joint venture enterprise, but the GIPC Act requires a minimum of a 10% Ghanaian shareholding in a joint venture.

Where the enterprise is to be wholly owned by a foreigner there must be an investment of foreign capital of at least US$500 000 or its equivalent in capital goods by way of equity capital.

In the case of a trading enterprise involved only in purchasing and selling goods owned either wholly or partly by a non-Ghanaian there must be investment of foreign capital of at least US$1 000 000 by way of equity capital and the enterprise must additionally employ at least 20 Ghanaians.

The above minimum capital requirements do not apply to portfolio investments or enterprises established exclusively for export trading.

Incentives granted under the GIPC Act include:
- an immigration quota limited to the amount of the paid-up capital of the company
- personal remittances of wages through authorised dealer banks
- free transferability of dividends and profits
- other special incentives that may be negotiated with the GIPC to promote certain identified industries.

Tourism
The Tourism Act requires that any person who exercises overall control over the daily operation of a tourism enterprise as the manager be registered with the Ghana Tourism Authority (GTA). A tourism enterprise is defined to include hotels or any company engaged in the hotel industry. A person will not be registered by the GTA as manager of a hotel if the person has been declared bankrupt or has been convicted of a serious offence. The Authority is yet to prescribe the procedure for registration of the manager. The current practice at the GTA is that the manager of the hotel must be a natural person with background in hotel management or a related qualification. Where the manager is a corporate entity there must in addition be a natural person with a background in hotel management or a related qualification.

The Ghana Investment Promotion Centre (Promotion of Tourism) Instrument which empowered the Ghana Investment Promotion Centre (GIPC) to grant tax exemptions to the hotel and hospitality industry has been repealed.

A 1% tourism development levy on tourism operators became operational in October 2012.

Import/Export

Companies that export more than 70% of their products may benefit from incentives under the Free Zone Act including:

- exemption from duties on importation of goods or exports
- a 10-year tax holiday
- post-holiday tax rate of 8%
- foreign employees are totally exempt from payment of income tax in Ghana on income earned in the free zone subject to the existence of a double taxation agreement between Ghana and the home country of that foreign employee and if the employee is liable to pay income tax in his home country
- shareholders are exempt from withholding tax on dividends arising out of free zone investment
- unconditional transfer through authorised dealer banks in freely convertible currency of:
    - dividends or net profits attributable to the investment and payments in respect of loan servicing where a foreign loan has been obtained
    - fees and charges in respect of any technology transfer agreement registered under the Act; and the remittance of proceeds (net of all taxes and other obligations) in the event of sale or liquidation of the enterprise or any interest attributable to the investment.

Minerals and Mining Act

The Minerals and Mining Act provides for a 10% carried interest for the government in mineral rights (reconnaissance, prospecting or mining). The government is not precluded from further participation in mining operations, provided this is agreed between the parties.

The holder of a mineral right which includes a reconnaissance licence, a prospecting licence, a mining lease, a restricted reconnaissance licence, a restricted prospecting licence or a restricted mining lease may be granted the following:

- exemption from payment of customs import duty in respect of plant, machinery, equipment and accessories imported specifically and exclusively for the mining operations
- exemption for staff from the payment of income tax on furnished accommodation at the mine site
- immigration quota in respect of the approved number of expatriate personnel
- personal remittance quota for expatriate personnel free from tax imposed by an enactment regulating the transfer of money out of the country.

Legal System

Ghana operates a common law legal system based on judicial precedent. Customary law remains an important source of law in relation to land and succession. Legislation is the source of most new law.

The Ghanaian court structure comprises:

- Supreme Court
- Appeal Court
- High Court (fast track, commercial, human rights, labour, land, and financial crimes divisions)
- Circuit Court
- District Courts.

A judgment obtained from a foreign country can be enforced in Ghana against a Ghanaian resident only where there is an agreement for the reciprocal enforcement of judgments between Ghana and the country in which the judgment was obtained. In every other case foreign judgments are enforced by way of a re-trial /re-hearing and the judgment may only serve as evidence of the liability of the other party.

Arbitral awards are enforceable under the Alternative Dispute Resolution Act if the award is made in a country which is party to the New York Convention or if there exists a reciprocal arrangement between Ghana and the country where the award was made.

Work Permits

A work permit and residence permit are required for a foreign national to engage in gainful employment. Permits are obtainable from the Ghana Immigration Service. Assistance is provided by the regulatory bodies relevant to a particular investment.

Customs Duties and Excise Duties

Customs Duties and Excise Duties are levied on goods imported into Ghana. Special concessionary rates apply to Economic Community of West African States (ECOWAS) member states.

Taxation

Value Added Tax (VAT) of 17.5% (which includes a National Health Insurance Levy of 2.5%) is levied on the supply of goods and services in Ghana, the importation of goods and the supply of any imported service other than certain exempt goods and services.

Income Tax in Ghana is payable on income accruing in Ghana or brought into or received in Ghana. For non-residents, tax is levied on income accruing in or derived from Ghana. Taxation in Ghana is regulated by the

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Internal Revenue Act.

The applicable tax rates for Withholding Tax are as follows:
- 5-25% on employee salaries earned
- for non-residents, 10% in respect of royalties, natural resource payments and rent
- for residents and non-residents, 8% on dividends and interest earned
- endorsement fees or management and technical services, 15%
- supply of goods and services (residents), 5%-10%
- supply of goods and services (non-residents), 15%.

With regard to Corporate Tax:
- the general tax rate is 25%. Companies engaged in non-traditional exports enjoy a rate of 8% on the income arising from the items exported
- manufacturing companies in regional capitals (excluding Accra and Tema) are subject to a rate of 75% of the relevant rate of income tax
- other manufacturing companies located elsewhere are subject to a rate of 50% of the relevant rate
- companies carrying on petroleum operations are taxed under the Petroleum Income Tax Law and pay 50% of their chargeable income as income tax.

A Branch Profits Tax of 10% is imposed on a non-resident person or company carrying on business in Ghana through a permanent establishment that has repatriated profits for a period ending with the tax year.

A 15% Capital Gains Tax is payable upon the realisation of chargeable assets. Chargeable assets include:
- buildings
- land
- shares and business and business assets, including goodwill, of a permanent establishment situated in Ghana.

The following are exempted:
- gains of a person up to a total of fifty currency points (about $15.625) per year of assessment
- gains of a company from a merger, amalgamation or re-organisation of the company involving the continued underlying ownership in the asset
- gains from a transfer of ownership of an asset between former spouses in a divorce settlement or a separation agreement
- gains where the amount received on realization is used to acquire a chargeable asset of the same nature within one year of realization.

Stamp Duty

Under the Stamp Duty Act no instrument that is subject to stamp duty is enforceable or admissible in court as evidence if the document is not stamped. The Act sets out various rates applicable to specific matters or instruments.

Exchange Controls

Ghana operates a floating exchange rate system. The Foreign Exchange Act has abolished exchange controls at the transactional level. Banks have to report foreign currency transactions to the central bank. The liberalised law and the well developed banking system and privately owned forex bureaux as well as money transfer organisations make for easy conversion and transfer of foreign currency in and out of Ghana.

An individual may operate a foreign currency account with banks in Ghana. Investments to which the GIPC Act applies are assured of unconditional transferability of personal remittances of wages through authorised dealer banks and the free transferability of dividends and profits.

Securities

The Securities and Exchange Commission (SEC) is the statutory regulator of the securities industry in Ghana. The SEC was set up under the Securities Industry Act (SIA). Under the SIA the SEC is mandated to:
- advise the government on all matters relating to the securities industry
- maintain surveillance over activities in securities to ensure orderly, fair and equitable dealings in securities
- register, license, authorise or regulate in accordance with the Act or any regulations made under it, stock exchanges, investment advisers, unit trust schemes, mutual funds, securities dealers, central securities depositories, and their agents, and to control and supervise their activities with a view to maintaining proper standards of conduct and acceptable practices in the securities business
- formulate principles for the guidance of the industry
- monitor the solvency of licence holders and take measures to protect the interest of customers where the solvency of any such licence holder is in doubt
- protect the integrity of the securities market against any abuses arising from the practice of insider trading
- adopt measures to minimize and supervise any conflict of interest that may arise for dealers
- review, approve and regulate takeovers, mergers, acquisitions and all forms of business combinations in accordance with any law or code of practice requiring it to do so
- create the necessary atmosphere for the orderly growth and development of the capital market
- perform the functions referred to in section 279 of the Companies Code 1963
- review and approve all invitations to the public to acquire or dispose of securities
- perform other functions specified under the SIA.

As part of its regulatory mandate the SEC licenses and regulates all brokers, investment advisors, custodians, trustees, stock exchanges and other players in the Securities Industry. The SEC's regulations also set out disclosure requirements for listed companies and unlisted public companies which undertake invitations to the public covering among others the publication of annual and quarterly financial statements.

A key regulatory development was the introduction of a new Takeovers and Mergers Code in January 2008. Under the new Code all takeovers and mergers involving public companies or where a public company is the target require approval of the SEC. The SEC is also undertaking a review of the SIA.

A key player in the capital markets is the Ghana Stock Exchange. The GSE was incorporated as a company limited by guarantee in July 1989. Trading commenced a year later on 12 November 1990. A 9-member Council governs the GSE. Criteria for listing on the GSE include capital adequacy, profitability, spread of shares, years of existence and management efficiency.

The Ghana Stock Exchange started operating with 11 listed companies which included Fan Milk Limited, Standard Chartered Bank Ghana Limited, Unilever Ghana Limited and Enterprise Group Limited (formally Enterprise Insurance Company). As at 2002, 26 stocks, 4 corporate bonds and 2 government bonds were listed on the First Official List. This increased to 36 listed equities and a number of government bonds by the year-ending 2009 as companies such as Golden Star Resources (GSR), SIC Insurance Company Limited and UT Financial Services Limited (now UT Bank) listed on the First Official List. Tullow Oil Plc was admitted to the GSE in July 2011 as a secondary listing. The listing of Tullow Oil Plc made the GSE the third largest bourse in Africa by market capitalization after Johannesburg and Lagos Stock Exchanges.

The Central Securities Depository Act now permits public companies to issue uncertificated or dematerialised shares where this is allowed in their regulations. The passing of the law paved the way for the Exchange to achieve several milestones in its development. These milestones include the incorporation and operation of the GSE Securities Depository Company Limited from its own resources together with a Clearing and Settlement System. Additionally the GSE has completed the automation of its trading system with the support of the government of Ghana's Economic Management and Capacity Building Project.

In 2011 the GSE introduced a new Exchange Traded Funds section and listed its first Exchange Traded Fund. In November 2011 the GSE announced the introduction of Rules for Exchange Traded Funds (ETFs). In 2012 NewGold ETF was admitted to listing on the GSE as the first Exchange Traded Fund.

Ghana's current exchange control regime allows non-residents to invest freely in the capital markets without restriction. Non-residents are also guaranteed free transferability of their capital and income. However, in relation to government of Ghana Notes, non-residents are only allowed to invest in Notes with a tenor of 3 years and above.

Intellectual Property

Ghana is a party to the Berne Convention for the Protection of Literary and Artistic Works, the Paris Convention for the Protection of Industrial Property, the Patent Cooperation Treaty (PCT), the World Trade Organisation (WTO) TRIPS agreement, the Locarno Agreement establishing an International Classification for Industrial Designs and the Harare Protocol. Ghana is a member of the World Intellectual Property Organisation (WIPO). Ghana has signed but has not ratified the WIPO Performances and Phonograms Treaty and the WIPO Copyright Treaty.

Ghana has within the last ten years passed six intellectual property statutes namely the Trademarks Act, Patents Act, Industrial Designs Act, Layouts - Designs (Topographies) of Integrated Circuits Act, Geographical Indications Act, and the Copyright Act.

The Trademarks Act is a comprehensive modification of the repealed Trademarks Act 1965 (Act 270) Act to keep pace with developments in trading and commercial practices and to modernize the legislation of trademarks to comply with international obligations under the TRIPS Agreement. To achieve this purpose the Trademarks Act has incorporated the following changes:

- registration of service marks
- a single register instead of the previously existing marks in either Part A or Part B
- extending the period of renewal of trademark registration from seven to ten years
- action in respect of transshipped goods.

The registration of a trademark is valid for ten years from the date of filing the application and is renewable for a further term.

A patent has a term of twenty years from the date of filing of the application. Annual fees are paid in advance. Where an annual fee is not paid the application will be deemed to have been withdrawn or the patent will lapse.

The new Copyright Act expressly provides for protection of copyright without the requirement of registration. The term of protection of copyright has been increased from fifty years to seventy years. The rights of the author if he is an individual are protected during the author's lifetime and seventy years after his death. Public corporations and other

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corporate entities also have their registered works protected for seventy years. Copyright protection extends to computer programs.

Ghana follows the International Classification for the registration of Industrial Designs according to the Locarno Agreement establishing an international classification for Industrial Designs. The registration of an industrial design is valid for a period of five years from the filing date of the application and may be renewed for two further consecutive periods of five years. There is no further protection for industrial designs after the lapse of ten years.

Protection for layout-designs is granted if the layout-design is original and if it is the creator's own intellectual effort (and is not common-place among creators of layout designs and manufacturers of integrated circuits at the time of its creation). A layout design consisting of a combination of elements and interconnections that are commonplace is protected only if the combination taken as a whole is original. Protection of a layout-design is valid for a period of ten years from the date of commencement of protection.

Geographical indications are governed in Ghana by the Geographical Indications Act which affords protection for homonymous geographic indications for wines or other products. It also allows a person or group of persons carrying on an activity as a producer in a geographical area and a competent authority to file an application. Protection for a geographical indication is available regardless of whether it is registered.

Any interested person may institute proceedings in the High Court to prevent the use of a geographical indication or to prevent it from any use which constitutes unfair competition under the Protection Against Unfair Competition Act. The High Court in addition to granting injunctions and awarding damages has the power to grant any other remedy it deems fit.

Labour Relations

Employer-employee relationships are regulated by the 1992 Constitution and the Labour Act. The engagement of an employee beyond six months requires a contract of employment. A contract of employment may be terminated on any of the following grounds:

- by mutual agreement between employer and employee
- on grounds of ill health or sexual harassment
- where the employee is found to be unfit on medical grounds
- inability to work on grounds of proven misconduct, incompetence of worker, and sickness or accident.

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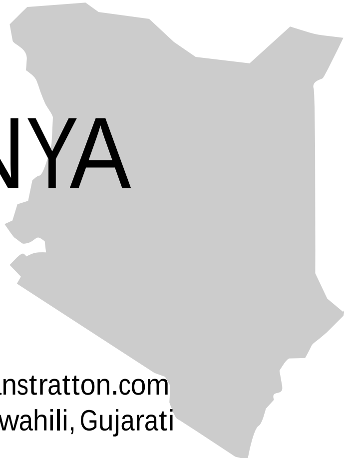
Remuneration is based on the principle of equal work for equal pay. The statutory deductions are social security as required by the Social Security Law and income tax under the Internal Revenue Act.

Workers are obliged to work forty hours each week and are entitled to rest periods. Nursing mothers are entitled to one hour each day for nursing a child under one-year old. Any form of child labour or forced labour is prohibited. Employees have a right to join unions. Employers and employees may enter into collective bargaining agreements. In the event of disputes the first steps should be mediation and arbitration, and then lockouts and picketing. Every strike action organized outside the Act is illegal. Any arrangement or amalgamation that results in the severance of the relationship between the worker and the employer or a diminution in the worker's status, prior to the arrangement or amalgamation, entitles the worker to compensation known as redundancy pay.

KENYA



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Ranked as a Tier 1 firm in Chambers, Global IFLR 1000 and Legal 500.

Country Information
Kenya covers a total area of approximately 582 650 square kilometres. The population is approximately 43 million.

Political System
Multiparty democracy.

Investment Climate
The Investment Promotion Act encourages foreign investment and facilitates the issue of general and industry specific licences.

There are limited foreign investment incentives available in Kenya. The main area of growth has been in light assembly manufacturing in export processing zones where 10-year tax holidays are available to approved enterprises.

There are no restrictions on investments by foreigners in private companies and foreigners can be directors of companies. Minimum Kenyan co-ownership in insurance companies, banks, telecommunications companies, engineering firms, financial sector advisers (non-statutory government policy restrictions), airlines (air services providers) and maritime services providers is mandatory. At least 25% of the shares of companies listed on the Nairobi Securities Exchange must be held by Kenyans. Mining companies are required to have local equity participation of at least 35% of the mining right, although there has been strong resistance from the private sector and the matter remains in flux. Dealings in agricultural land involving non-citizens are prohibited unless special approval is obtained. Otherwise foreigners are free to hold land but only on the basis of leasehold tenure not exceeding ninety nine years.

Kenya's membership of the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) presents opportunities for manufacturing operations to exploit the benefits of those markets. The East African Community Common Market Protocol, which provides for the free movement of goods, services, persons, labour and capital, commenced on 1 July 2010. Member states have not however put in place the necessary institutional framework for enforcement. The promulgation of the new Kenyan Constitution and continued government investment in infrastructure has enhanced Kenya's business environment in the past year. Over the past year, the country has been grappling with devolution of Government which has raised a number of teething issues that have directly and indirectly affected the private sector.

Forms of Business
- Close corporations
- Company limited by guarantee
- Co-operatives
- External companies (i.e. a branch of a foreign companies)
- Joint venture companies
- Limited liability partnerships
- Multinational companies
- Non-Governmental Organisations (soon to be known as Public Benefit Organisations)
- Partnerships
- Private or public limited liability companies
- Private unlimited liability companies
- Sole proprietorship
- Sole traders
- Trusts.

Formation of a Company
Companies and external companies (branches of foreign companies) must be registered with the authorities in Nairobi. Businesses such as banks, telecommunications and insurance companies require special licenses.

Regulatory Framework
There is an active Capital Markets Authority. The statutory Capital Markets Authority and Nairobi Securities Exchange regulations govern issues of and dealings in securities listed on the Nairobi Securities Exchange.

The Competition Authority regulates the creation or strengthening of monopolies, including acquisitions and takeovers of businesses where a change in control occurs.

Exchange Controls
There are no exchange control restrictions. Residents may hold foreign currency accounts. Foreign exchange for eligible transactions is purchased from commercial banks without any controls. Eligible transactions include payments in respect of dividends, capital and interest on loans, current account transactions and proceeds on disposal of investments.

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Taxation
Currently the main taxes are as follows:

Tax	Rate
Income tax on individuals	30%
Corporate tax	30%
Branch of a foreign company	37.5% (non resident)
VAT	16%
Capital gains tax	5%
Creation or increase in share capital	1%
Stamp Duty on transfers of land	2% or 4% of value of land depending on location.

Kenya has double taxation treaties with Canada, Denmark, Norway, Sweden, India, Zambia, United Kingdom, Germany, France, Tanzania, Uganda, South Africa, Mauritius, Iran and is currently negotiating a number of others with various countries. The USA does not have a double taxation treaty with Kenya.

Various capital deductions are available on industrial buildings, hotels, plant and machinery and mining investment. Capital allowances are provided on the basis of cost on a reducing balance basis.

Benefits-in-kind paid to employees such a motor cars, housing and loans are taxable. Employee taxes are based around a pay-as-you-earn income tax deduction, a national social security fund and a national hospital insurance levy. Excise and customs duties are also payable depending on the nature of the goods produced or imported. There are no death duties/taxes payable on personal estates.

Legal System
Kenya has a well developed legal system, partially inherited from its colonial past, with English common law forming the basis but combining traditional customary law and elements of Islamic law with regard to marriage and succession. Kenya adopted a new Constitution on 27 August 2010 which sets a reform agenda for better governance and a path to democratic stability.

Kenya has a four tier court system, namely Magistrates Courts, High Court, Court of Appeal and Supreme Court. There is provision for enforcement in Kenya of certain foreign judgments and arbitral awards.

Kenya is a signatory to and has adopted the 1923 Protocol on Arbitration Clauses of the League of Nations and the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The Arbitration Act is now operative and embodies most of the provisions of the UNCITRAL Model Law.

Intellectual Property
Protection is provided by statute. Kenya is a signatory to the Paris and Berne Conventions, the TRIPS Agreement, the African Regional Intellectual Property Organisation (ARIPO), Harare Protocol and the Madrid Agreement and Protocol. There are public registries for trade and service marks, designs and patents.

Financial Services/Insurance
Kenya has the most sophisticated financial and capital markets in the East African region. The Central Bank of Kenya is responsible for the management of Kenya's financial and banking system with the Treasury. Bank supervision is of a high standard.

The Capital Markets Authority is responsible for the regulation and supervision of the capital markets, including the Nairobi Securities Exchange. The Insurance Regulatory Authority is responsible for the regulation of the insurance sector.

Membership of International and Regional Organisations
Kenya is a member of the EAC, COMESA, African Union (AU), United Nations (UN), African Caribbean and Pacific Group of States (ACP) and the British Commonwealth.

Transport
The Government is currently injecting large amounts of money to improve infrastructure including major ring roads around Nairobi. A new commuter rail service system has been introduced in Nairobi to ease traffic congestion.

Water
Water is regulated under the Water Act 2002 and by the Water Resource Management Authority. Water Boards have also been established throughout the country.

Energy
The Energy Regulatory Commission (ERC) regulates the energy sector including petroleum prices based on a price capping formula.

Telecommunications
The Communications Authority of Kenya regulates the telecommunications sector which is fully liberalised.

Industry
There is historically no substantive industrial manufacturing carried on in Kenya.

Information and Communications Technology (ICT)
This is a fast expanding sector. The Kenya ICT Board has the mandate to promote development and investment opportunities in ICT.

Oil

With the recent discovery of profitable oil and gas deposits in Kenya, there is increased focus on petroleum and gas exploration.

Mining

Mining in Kenya is regulated by the Mines and Geology Department under the Ministry of Environment and Mineral Resources. Whereas mining does not contribute considerably to Kenya's economy, certain mining projects in the recent past may result in significant impact on Kenya's exports. A new Mining Act has been passed by Parliament and is awaiting Presidential assent before being passed into law.

Tourism

There was a significant decline in earnings from tourism in the year 2014. This is attributed to the risk of terrorist activity as a result of Kenya's war with the Al Shabaab in Somalia.

Agriculture

This is one of the main income earners for the country especially in recent years with the expansion of the floriculture and horticulture sectors. Tea and coffee are major crops.

Labour Relations

The terms and conditions of employment are regulated by the Employment Act, the Labour Institutions Act and the Industrial Court Act.

The Labour Institutions Act governs the functions, powers and composition of various labour related bodies, such as the National Labour Board as well as the appointment, functions and powers of officers responsible for labour matters.

The Labour Relations Act governs the establishment, registration, dissolution and operation of trade unions, federations of trade unions, employers' organisations and federations of employers. The Occupational Safety and Health Act regulates safety, health and welfare in the workplace.

LESOTHO

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Awarded the PMR Africa Golden Arrow 2014 Leaders and Achievers Award for Law firms in Lesotho.

Ranked by Chambers and Partners as a Band 1 General Business Law Firm with three of the partners being individually ranked.

Country Information
The Kingdom of Lesotho is a landlocked country entirely surrounded by the Republic of South Africa. It is just over 30 000 square kilometres in size with a population of approximately two million. It is the only independent state in the world that lies entirely above 1 400 metres in elevation. Its capital and largest city is Maseru.

Latest GDP Figures
Real gross domestic product (GDP) was 4% growth in 2012 (est.).Diamond mining in Lesotho has grown in recent years and may contribute 8.5% to GDP by 2015, according to current forecasts.

Political System and Investment Environment
Lesotho has a parliamentary system and constitutional monarchy. The Prime Minister is head of government and has executive authority. The King largely serves a ceremonial function. The Constitution provides for an independent judicial system and protects civil liberties such as freedom of speech, freedom of association, freedom of the press, freedom of assembly and freedom of religion. Lesotho has a dual legal system consisting of customary and general laws.

In May 2012, after competitive elections, Prime Minister Thomas Thabane formed a coalition government, the first in Lesotho's history.

Lesotho's economy is based on the export of diamonds, water sold to South Africa, manufacturing, agriculture, livestock and to some extent the earnings of labourers employed in South Africa. Lesotho also exports wool, mohair, clothing and footwear.

A new Companies Act came into force in May 2012 and introduced major changes to the corporate environment.

Forms of Business
- Private or public limited liability companies
- Single Shareholding Companies
- Non-profit Companies
- External companies (being branches of foreign corporate bodies)
- Partnerships (which include consortiums and joint ventures)
- Sole proprietorships
- Co-operatives
- Statutory corporations
- Business trusts.

Companies
The private limited liability company is the most common entity used in practice. There is no longer a minimum share capital for companies.

The Companies Act allows a private limited liability company to be registered with only one shareholder (with a maximum of 50 shareholders). A new set of filing forms have replaced those used under the old Companies Act and a new regulatory filing regime has been introduced. The Companies Act also provides for the electronic filing of documents. This process is still in its development phase. Under the Companies Act directors now face personal liability for breaches of duties owed to shareholders and shareholders are required to approve any major transaction by special resolution.

At least 51% of the shares in a company must be held by Lesotho citizens if specific trading licences are needed or where it is intended to acquire title to land by lease from the State (under the leasehold land tenure system which applies in Lesotho).

The financial accounts of the company must be audited by an auditor registered to practice in Lesotho although the Income Tax Department accepts without query financial statements from South African external auditors.

It is envisaged that after the final implementation of the Companies Act, the company registration process will take a few days at a cost of approximately 7500 Maloti which includes all fees payable to the Registrar of Companies but does not cover Value Added Tax, licensing and related procedures.

The Registrar is currently embarking on a clean-up exercise requiring all companies registered before May 2012 to re-register in order to update their records and to avoid being struck off the register.

External Companies

A foreign company may register as an "external company" in terms of the Companies Act and must do so within 10 days after establishing a place of business in Lesotho. This will require filing (with the Lesotho Registrar of Companies) the foreign company's statutes of incorporation, the full names and addresses of one or more persons resident in Lesotho, who are authorised to accept service of documents in Lesotho, as well as the address of the place of business of the external company in Lesotho.

Partnerships

Partnership agreements must be reduced to writing and signed by all the partners before a Notary Public. These agreements may be registered in the Deeds Registry under the Partnerships Proclamation of 1957. A partnership agreement must also be cancelled in writing. Partnerships are restricted to twenty persons. The Proclamation essentially records the common law applicable to partnerships.

Banks

The issue of banking licences is governed by the provisions of the Financial Institutions Act. A minimum paid-up capital of ten million Maloti is required.

Insurance Companies

The establishment and operation of insurance companies is governed by the provisions of the newly enacted Insurance Act, 2014. The regulations under the new Act are in the process of being finalised. The forms to be used, fees payable and capital requirements are expected to be published in the regulations. There are also requirements for the amount of working capital as well as margins of solvency. These will also be included in the regulations.

Taxation

This is regulated by the Income Tax Act together with regulations promulgated under the Act. The tax rates are:

- residents: the first 48 744 Maloti at 25%, this excess at 30%
- non-residents: 25%
- withholding tax must be deducted at source at the standard rate on dividends, interest, royalties, natural resource payments and charges for a management or administrative service. Withholding tax is levied at 10% of the gross amount of any payment to a non-resident under a Lesotho-source services contract
- capital gains tax applies subject to certain exemptions
- value added tax is payable on most goods sold and services rendered at the rate of 14%. Basic foodstuffs are zero-rated. The registration threshold is turnover in excess of 850 000 Maloti per year.

Double Taxation Agreements

Lesotho has signed bilateral treaties relating to double taxation with the United Kingdom, South Africa and Mauritius. It is negotiating tax treaties with Botswana and the Seychelles. The government has also approved negotiations with Namibia, Swaziland, India, China, United States of America and Australia.

Exchange Controls, Treaties, Bilateral agreements and Membership of International and Regional Organisations

Lesotho is part of the Rand Common Monetary Area. Exchange controls apply and are subject to the provisions of the Exchange Control Order and Exchange Control Regulations administered by the Central Bank of Lesotho, which functions in conjunction with the South African Reserve Bank. The commercial banks in Lesotho are appointed as authorised dealers in foreign exchange subject to certain limits. Lesotho is also a member of the Preferential Trade Area (PTA), the Southern African Development Community (SADC), the British Commonwealth, the United Nations (UN) and the Southern African Customs Union (SACU).

Monetary Policy

Implementation of monetary policy is entrusted to the Central Bank of Lesotho. Price stability is the main goal of monetary policy using indirect policy instruments and a framework for forecasting inflation.

Trading Licences

The issue of licences is governed by the Trading Enterprises Order and the Trading Enterprises Regulations. Certain licences are restricted to local citizens or companies controlled by local citizens.

Intellectual Property

Protection is provided by statute (there is a public registry in Maseru) for patents, trade marks, designs and copyright.

Legal System

The legal system of Lesotho is a mixture of common law principles and statutory law. There are also local systems of tribal law and custom in rural districts which govern everyday disputes and property relations but are subordinate to statutory law. The superior courts in Lesotho are the Court of Appeal, the High Court and the Commercial Court.

Infrastructure

The road network is estimated at 7 091km with only 1 404km of tarred roads. Several projects are under way to upgrade roads and other infrastructure including water purification plants. The country's only international airport in Maseru has two asphalt runways and offers a direct link to South Africa's main airports.

Telecommunications

The telecommunications sector is regulated in terms of the Communications

Act 2012 and like other African countries, Lesotho is experiencing rapid growth in the mobile telephone market.

Mining

Lesotho is world renowned for its diamonds and the diamonds from some if its mines are of exceptional quality. Mining is also a major contributor of direct foreign investment. The mining sector is regulated by the Mines and Minerals Act, 2005.

Agriculture

Agriculture is undeveloped and consists largely of subsistence crops (mainly maize and wheat). It contributes 7.8% of Lesotho's GDP. Lesotho is not self-sufficient in terms of food production and relies on food imports.

Labour Relations

The labour force is estimated at 854 600, the majority of which is employed in the agriculture sector. Lesotho has a very high unemployment rate. Labour relations are governed by the Labour Code Order of 1992 and foreign workers require a work permit before taking up employment in Lesotho. There is a statutory minimum wage.

Tourism

Lesotho has unparalleled natural beauty and the tourism sector offers growth opportunities in setting up accommodation, tour operating and high altitude adventure businesses.

MALAWI

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Political System
Multiparty democracy since 1994.

Growth Rate
4% (Source: Reserve Bank of Malawi (RBM) Economic and Financial Review November 2011). The growth rate has slowed.

Inflation Rate
21.3% (2012).
Current Inflation rate is estimated to be about 23 %.

Investment Climate
The government is eager to continue attracting foreign investment in both the private and public sectors. Malawi has opened up and liberalised its economy. It is encouraging foreign investment in the mining industry, as well as tourism, local production for export and adding value to agricultural products. Tobacco remains a key export crop.

The government is also encouraging private sector participation in the economy. The government is pursuing stable macroeconomic policies by exercising fiscal and monetary discipline in terms of its international obligations and maintaining high interest rates to curb inflation. The "cashgate" scandal in 2013 however negatively affected donor confidence and led to a suspension of aid directly to the Malawi government from its traditional donors (donor aid used to cover about 40% of Malawi's budget).

The exchange rate for the Malawi Kwacha (MWK) is no longer fixed and is floating.

The number of counters on the Malawi Stock Exchange is 15. The shares market has been inactive for the past 2 years. There have been no new listings for a number of years.

Forms of Business
- Private or public limited liability company
- External company (i.e. a branch of a foreign company)
- Partnership
- Trading trust
- Sole trader.

Formation of a Company
Both local and foreign companies must be registered with the Registrar of Companies. Companies can be incorporated and registered within 24 hours. A local company must have a registered office in Malawi and a foreign company must have a documentary agent in Malawi. Local companies must have a majority of at least three resident directors. This will in due course be reduced to 1 in due course when a revised Companies Act comes into force. Businesses not operating as incorporated companies or trusts are required to register their business names and the name(s) of the proprietor(s) of the business. Licences are required for certain types of business and other registrations are required for various purposes such as income tax, service and other taxes.

Exchange Controls
Exchange controls exist in Malawi and are managed by the Reserve Bank of Malawi (RBM). Foreign investment capital in the form of equity or loans needs to be registered with the RBM. The RBM's prior approval is required for the terms and conditions of foreign loans, foreign investment in the form of equity and remittance of dividends (and capital in the event of disinvestment), technical, management and consultancy contracts with non-residents, licensing and royalty arrangements and technology transfers. These approvals are granted in respect of transactions concluded on internationally prevailing terms, conditions and standards. It takes about 4 weeks to process applications with the RBM. In order to pay for imports, prior permission is required from authorised dealer banks as agents of RBM. Applications are expeditiously processed.

Taxation
Tax is levied on income from actual and deemed Malawi sources at the following rates:
- 30% for companies (35% for foreign companies) and 21% for life assurance businesses
- 25% for ecclesiastical, charitable or educational institutions of a public character or trusts
- 30% for the mobile telecommunication industry
- sliding rates from 0% up to 30% (based on annual income) for individuals and partnerships
- 30% for approved companies operating in an export processing zone
- 0% for 10 years or 15% for companies operating in priority industries

Almost all taxpayers operating businesses are required to pay estimated advance tax on a quarterly basis. Operating losses can be carried forward indefinitely for agricultural and mining industries and for six years for manufacturing and trading industries.

There are other taxes including, among others:

- value added tax (VAT) on annual turnover in excess of 10 million Malawi Kwacha (the standard rate is 16.5%)
- a turnover tax of 2% has been introduced for tax payers whose turnover is between 2 to 6 million Malawi Kwacha
- duty is charged on the import of goods
- surtax is charged on imports, services and locally manufactured goods
- capital gains tax - any gain from the sale or voluntary disposition of a capital asset must be included in assessable income. Rollover relief is allowed on capital gains realised from the disposal of business assets if the business acquires qualifying replacement assets within 18 months
- taxes on land and buildings (based on their valuation) is payable to local authorities
- mineral rights duty is payable for an exclusive prospecting licence
- stamp duty is payable at the rate of 1.5% on the transfer of land and buildings, leases and securities not capable of trading on the capital market. Stamp duty on debentures and legal mortgages is 0.60% of the value of the security. Transfers of shares are exempt from stamp duty
- fringe benefits tax on 'perks' is payable by the employer at 30%
- a training fund tax at 1% of the basic payroll of employees.

Tax must be withheld (in accordance with the relevant rates) when making certain payments such as rental, royalties, fees and commission, bank interest and remitted to the Malawi Revenue Authority.

Malawi has entered into double tax treaties with various countries including the United Kingdom, France and South Africa.

Investment Incentives

The following are some of the available allowances and incentives:

- certain capital allowances
- certain allowances for expenditure including a 100% investment allowance to a manufacturer for new buildings/plant machinery in the first year
- mining allowances of 100% of mining expenditure incurred in the first year of assessment
- an allowance of 2.5% for newly constructed commercial buildings with a value of 100 million Malawi Kwacha or more
- allowances for bad or doubtful debts, rental paid in respect of property used in the production of income and interest incurred in respect of property used in the production of income
- export allowances for non-traditional exports and for the deduction of international transport costs
- a 50% allowance on social contributions paid directly for the building of a public hospital or school, or the sponsoring of youth sporting development activities.

Malawi does not offer any special incentives to foreign investors. Incentives in priority industries, like the mining and petroleum industry for foreign investment, have to be specifically negotiated by investors with the government.

Competition law

Under the Competition and Fair Trading Act a takeover of an entity by another entity which is likely to result in a substantial lessening of competition in any market, requires the prior authorisation of the Competition and Fair Trading Commission. Any purported takeover in contravention of the law is of no legal effect. The Competition Commission for the Common Market for Eastern and Southern Africa (covering 19 African countries including Malawi) is headquartered in Lilongwe and commenced operations in January 2013.

Intellectual property

Protection of patents, certain trademarks, design and copyrights is provided for by statute. Registries exist for trademarks, designs, patents, companies, business names and ownership of immovable or real property.

Legal System

Based on English common law.

Labour relations and expatriates

Labour relations are regulated under the Employment Act. The labour force is plentiful in Malawi and wages are relatively low compared with other African countries. A foreign resident requires a permit to reside in Malawi and may not take up employment or engage in any business, profession or other occupation unless his permit authorises such activity. A work permit can be processed within 90 days. Where the level of investment is up to US$100 000, an investor can obtain work permits for only two key positions. For investments in excess of US$100 000, the investor's requirements for expatriate employees are generally approved.

MALI

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Country Information

Mali is a landlocked country in Western Africa. It is just over 1 240 000 square kilometres in size with a population of more than 14 million. Its capital is Bamako. The more than 4 000 km long Niger River flows northeast from Guinea through the heart of Mali into the Sahara desert. Between the towns of Segue and Timbuktu it branches into lakes and swamps forming the Masina Delta. Both the Niger and its tributary, the Bain, are vital for transport and irrigation. In the summer, moist maritime winds move in from the Gulf of Guinea and in winter the dry Harmattan blows from the Sahara Desert in the north. The Sahel Belt, bordering the desert, extends from Senegal and Mauritania through Mali.

Mandé-speaking peoples consisting of the Bambara, Malinké (Manding or Mandinka) and Soninke, account for half the population. Other significant groups include the Ful (or Fulani), the Senufo, the Dogon, and the Sangria. The nomadic Tuareg are concentrated around the scattered oases of the Sahara to the north of Timbuktu and Gao and speak Berber. About 80% of the population is Muslim and the rest is split between Christianity and ethnic beliefs. French is the official language and Bambara is the lingua franca. The urban population is 32% and is increasing at a rate of 4.8% (2005-10 estimate) per year.

Political System

The 1992 Constitution provides for an executive President, elected for a five-year-term. The President appoints the Council of Ministers and the Prime Minister. The 147 members unicameral "Assemblée Nationale" (National Assembly) also serves for a five-year term. In the July 2007 election a multiparty coalition under the umbrella of the Alliance for Democracy and Progress gained 113 seats against 15 for its rival the Front for Democracy (FDR) coalition. A military coup took place in March 2012. Following the coup the National Movement for the Liberation of Azawad (MNLA) declared the secession of a new state, Azawad in the North of the country. The MNLA has been rejected by Islamist groups associated with Al Qaeda, and have dropped their demands for secession. Mali is currently being led by an interim government headed by former President of National Assembly, Dioncounda Traore. Plans to re-take the North of the country with international assistance are being formulated after which the interim government plans to hold the long-delayed national elections.

Latest GDP Figures (2013 estimates)

GDP:	US$ 9 682 billion
GDP per capita:	US$ 602
GDP (PPP):	US$ 20 748 billion
GDP per capita (PPP):	US$1 223.

Inflation Rate

4.2 % (2012).

Investment Climate

Almost all production is state owned but privatization is increasing. Foreign direct investment is gradually growing thanks primarily to Canadian and South African mining companies which have become important participants in the gold mining sector. The mining code awards two years' worth of free-of-charge exploration permits. Prospecting is under way for petroleum, copper, lithium and diamonds. North American, Asian and other African countries are steadily investing in Mali and gaining market share. French firms are majority players in cotton production and in the petroleum sector. Mali's legislation (investment, mining and commercial codes) offers duty-free imports of capital equipment for new ventures in priority industries. A "one-stop" office (known in French acronyms as "API", Agence pour la Promotion des Investissements) was set up to enable all investors to implement all procedures to start a business in one central location. The Chamber of Commerce and Industry assists in this process.

Mali adopted a new investment code in February 2012 which came into force in August 2012 replacing the previous code of 1991.

Forms of Business

The "Organisation pour l'Harmonisation en Afrique du Droit des Affaires" (OHADA), which promotes the harmonisation of business laws in member states including Mali, has a Uniform Act on Companies which sets out various forms of businesses available to domestic and foreign investors such as a "société en nom collectif" (general partnership), a "société en commandite simple" (limited partnership), a "groupement d'interêt économique" (economic interest grouping), a “société à responsabilité limitée” (limited liability company) and a “société anonyme” (specific limited liability company). The following are the most attractive for investors:

- a “société anonyme” (SA) is a limited liability company with either a board of directors or a unique shareholder. The minimum share capital required is at least CFA franc 10 000 000 (approx. US $20 000). Share transfer to a third party is unrestricted unless otherwise stated by the company's statutes in which case either the consent of the board of directors or of the general assembly of shareholders is required
- “société à responsabilité limitée” (SARL) is administered by one or more directors called “gérants”. The minimum share capital required is at least CFA franc 1 000 000 (approx. US$2 000). Share transfers are regulated by the company's statutes. This may be performed freely between shareholders but transfers to third parties require the prior consent of the majority of shareholders
- joint ventures are encouraged by the government. There are numerous investors in the manufacturing and service sectors who have opted for a type of partnership contract. When contracting with the government in joint ventures, its shareholding is limited to 20%.

Formation of a Company

The processes and estimated times to incorporate a company are as follows:

- deposit the initial capital with a bank or a notary and obtain certification (1 day)
- notarize bylaws, sign an affidavit to certify no criminal records and pay registration fees at the notary (1 day)
- purchase legal stamps from the representative of the tax administrator at the API for authorization to operate, an application to the tax authority, an application to the commercial court, an application to the statistics office and proof of payment of “patente” (trading licence) (1 day)
- deposit registration documents at the API (3 days).

Exchange Controls

Mali's exchange control issues are governed by the regulations of the West African Economic and Monetary Union (UEMOA). All remittances are required to be reviewed by the regional central bank (BCEAO) accompanied by supporting documents. There are however no restrictions on the repatriation of capital, profits and/or assets.

Taxation

Treasury bonds have been issued by the government and have tax advantages for investors. Any company that exports at least 80% of its production is entitled to tax free status. However, the tax system can be fairly complicated for foreigners.

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The following mandatory taxes must be paid by a company every year:

- Corporate income tax: 35%
- Social security contributions: 22%
- Business license tax: fixed duty and a proportional 10% duty of the rental value of the business premises
- Payroll tax: 3.5%
- Apprenticeship tax: 2%
- Tax for youth employment, if needed: 2%
- Accommodation tax: 1%
- Insurance tax: 20%
- Tax on interest: 9%
- Value Added Tax: 18%
- Stamp duty: CFA franc 1 500 per page.

Import/Export

Imports account for US$2.7 billion and exports for US$ 2.635 billion. Taxes on exports were eliminated in 1990 except for 3% collected on main export products such as cotton and gold. Import duties have also been reduced. Mali is the third largest producer of gold in Africa and gold accounts for nearly 50% of its total export revenues. Mali's principal imported products are petroleum, machinery, construction materials, cosmetics, manufactured items and textiles and are channelled mainly through local distributors.

Monetary Policy

Mali's common currency together with other members of the West African Economic and Monetary Union (UEMOA) is the CFA franc issued by the Central bank of West African States (BCEAO). The CFA franc is pegged to the Euro. The BCEAO also supervises the financial sector of Mali. Malian banks struggle however to meet the different ratios imposed by the BCEAO. Moreover the BCEAO aims to control inflation in the region. Generally inflation in the UEMOA region is low due to the prudent monetary policy of the BCEAO. In Mali inflation is more volatile as a result of fluctuating food prices which represent 50% of the price index.

Legal System

Mali's legal system derives from French civil law and customary law and provides for the judicial review of legislative acts in a Constitutional Court (which was formally established on 9 March 1994). A Supreme Court was established in Bamako in 1969. It is made up of 19 members each nominated for five years, and has both judicial and administrative powers. The Court of Appeal is also in Bamako. There are two magistrate courts of first instance, courts for labour disputes, and a special court of state security. Customary courts have been abolished. The 1992 Constitution established a separate Constitutional Court and a High Court of Justice charged with trying senior government officials accused of treason.

The 1992 Constitution guarantees the independence of the judiciary and constitutional provisions for freedom of speech, press, assembly, association, and religion are generally respected. Nonetheless, the executive has considerable influence over the judiciary. The President heads the Superior Judicial, the body that supervises judicial activity, and the Ministry of Justice appoints Judges and oversees law enforcement. Trials are public and defendants have the right to an attorney of their choice. Court-appointed attorneys are available to indigent defendants in criminal cases. However the judicial system has a large backlog resulting in long periods of pre-trial detention in criminal cases.

Intellectual Property

Intellectual property rights are protected. Mali is a signatory to the World Trade Organisation (WTO) TRIPS agreement and legislation governing intellectual property in the country include regulations applicable to the African Intellectual Property Organisation (OAPI) and laws specific to artistic works.

Key Strategic Growth Initiatives by Government/Private Sector

The government initiated a series of adjustment and stabilization programs in 1982. Measures were introduced to reduce budgetary deficits, public enterprise operating losses and public sector arrears. Under the economic reform program signed with the World Bank and the International Monetary Fund (IMF) the government has taken a number of steps to liberalize the regulatory environment and thereby attract private investment. In addition, price controls on consumer goods have been progressively eliminated.

Mali was selected in 1999 as an eligible country for the Highly Indebted Poor Countries (HIPC) program and has been benefiting from the program ever since. In April 2003, Mali reached the HIPC completion point with the result that former debt payments will now be used to fund poverty alleviation programs. Total debt relief under the original and enhanced HIPC initiative will amount to about US$539 million, representing a 37% reduction. As one of 14 African nations that have reached the HIPC completion point, Mali will benefit from multilateral debt forgiveness under the G8 Gleneagles debt forgiveness agreement.

Treaties and Bilateral Agreements

Mali acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards on 8 September 1994. In 2006 Mali acceded to the Hague Act (a system of international registration of industrial designs) and the Complementary Act of Stockholm of the Hague Agreement. Mali is also a member of the International Center for the Settlement of Investment Disputes (ICSID) and signed and ratified the Kyoto Protocol on Climate Change on 28 March 2002.

Membership of International and Regional Organisations

Mali is a member of the West African Economic and Monetary Union (UEMOA), the Economic Community of West African States (ECOWAS), the United Nations (UN), the International Monetary Fund (IMF), the World Bank, the International Labour Organization (ILO), the International Telecommunications Union (ITU) and the Universal Postal Union (UPU). Mali also belongs to the African Union (AU) and the African Development Bank (ADB). In addition, thanks to its close partnership with the IMF and the World. Bank Mali is a member of the Multilateral Investment Guarantee Agency (MIGA).

Road and Transport Infrastructure

Roadways: 19 912 km
Paved: 13 717 km
Unpaved: 6 195 km
Airports: 13
International airports: 6
Regional airports: 7
Railways total: 642 km
Waterways total: 1 500 km.

Water

Despite its northern desert Mali has a number of important water resources. Two major rivers, the Niger River and the Senegal River, run through Mali. These two rivers constitute the majority of Mali's perennial surface water resources providing the country with 56 billion cubic metres of water. Important non-perennial surface waters are estimated at a volume of 15 billion cubic metres. Mali also has seventeen large lakes situated near the Niger River and renewable groundwater resources from aquifers have been assessed at 66 billion cubic metres. The volume of renewable water resources per capita per year is 10 000 cubic metres.

However these water resources are geographically dispersed and not always available when needed greatly limiting their exploitation and economic development. Overall only 0.2% of Mali's potential water resources are used. The country furthermore has had many droughts in the past compounding water shortage problems.

Trade and Industry

Manufacturing is mainly confined to small scale agricultural processing for domestic consumption and export. Other industries include soft drinks, textiles, soaps, plastics, cigarettes, cement, bricks and agricultural tools.

Mali is heavily dependent on foreign aid and vulnerable to fluctuations in world prices for cotton (its main export) and gold. Although the French dominate the automobile and consumer goods markets, North American, Asian and other African nations are steadily gaining market share. Ivory Coast and Senegal supply a range of essential consumer goods. Major trading partners are China, Thailand, Taiwan, Bangladesh, Taiwan, France, Ivory Coast and France.

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Mining

Gold mining has become an important contributor to Mali's GDP and has attracted considerable foreign interest including leading South African mining companies. Gold accounts for one third of Mali's foreign exchange earnings. Mali also has deposits of bauxite, iron ore and tin. Prospecting is underway for petroleum, copper, lithium and diamonds. Mali adopted a new mining code in February 2012 which came into force in June 2012 replacing the previous code of 1992.

Agriculture

Although only 3% of the total land area is arable more than 80% of the people make a living in agriculture which accounts for half of Mali's GDP. Mali is Africa's fourth largest and Sub-Saharan Africa's largest producer of cotton. Other cash crops are ground nuts, sugar cane and rice. Food crops include millet, sorghum and maize. Livestock is responsible for half of the agricultural sector's activity. The country is also self-sufficient in freshwater fish.

Labour Relations

Relationships between employers and employees are regulated by the Labour Code and the Social Contingency Code. Employees have the right to belong to unions and, although not required by law, conciliation between parties to a labour dispute is generally sought before a strike or similar action is undertaken.

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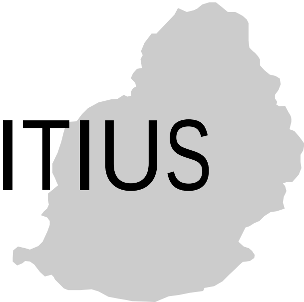

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Chambers and Partners Leading Lawyer 2012
Capital Finance Corporation Best Law Firm in Africa 2012
World Finance Legal Award 2012 Best Tax Firm Mauritius

Country Information

Mauritius is a small island measuring 720 square miles. It is located some 2 500 km off the coast of Africa. It has a multi-racial population of more than one million comprising Hindus, Muslims, Creoles, Chinese and Franco-Mauritians.

The Dutch, who were the first settlers, arrived in 1598. The French arrived in 1723 and occupied the island until 1810. It was the French who introduced a legal system based on the French civil and criminal law. In 1810, the British captured Mauritius from the French after winning the battle of Grand-Port. Britain governed Mauritius until 12 March 1968 when the island was granted its independence and became a republic.

Mauritian territory incorporates the island of Rodrigues (some 600 kilometres to the east) which is 119 square kilometres in area. Two tiny dependencies to the north of Mauritius (the Agalega Islands and the Cargados Carajos Shoals also known as the St. Brandon Rocks) are unpopulated. Nonetheless, their location permits the nation's exclusive economic zone (EEZ) to cover about 1.9 million square kilometres of the Indian Ocean. The population of Mauritius is estimated to be 1 200 000 with a population density of 631.4 per square kilometre.

Mauritius has transformed its economy from a mono-crop economy. The main pillars of the economy now are tourism, textiles, manufacturing, agriculture and financial services.

Political System

Mauritius is a multiparty democracy. The government is elected every five years. The last general elections took place on 5 May 2010.

Economic Indicators

Latest gross domestic product (GDP) Figures: US $10.49 billion
Real GDP Growth: 3.2%
GDP/Capita: US $8 124
Inflation Rate: 3.5 %.

Legal System

Substantive Mauritian law consists of both statutory law, i.e. Acts of Parliament, and the common law which comprises the Civil Code and English common law and case law.

Acts of Parliament have the force of law once they have been proclaimed in the Government Gazette.

Statute law in the Republic of Mauritius includes by-laws and regulations made by ministers under Acts of Parliament.

The Mauritian legal system is a mixture of the English and French systems. Mauritian criminal law, for instance, is inspired by the French penal code but the procedure used, as well as the law of evidence, is English. The company law is English but the Droit de Société which is equally used is French. The Plaint with Summons and Pleas are drafted in English whereas examination-in-chief and cross-examination may be carried out in French and Creole, with the permission of the court. Mauritius has a hybrid legal system in which the French civil law and the English common law form part. The French Civil Code, the French Code de Commerce and the French Penal Code – as amended to suit the Mauritian context – apply in Mauritius alongside the English common law system.

Company law, trust law, constitutional and administrative law, maritime law and employment law have been imported from the English legal system. Private international law, however, is based on French private international law.

Court structure

The Supreme Court has a Chief Justice and seventeen Puisne Judges who also serve on the Court of Criminal Appeal and the Court of Civil Appeal. Magistrates serve on the Intermediate Court, the Industrial Court and ten District Courts. There is a right of appeal to the Judicial Committee of the Privy

Council in London (the Privy Council also sits in Mauritius from time to time). The President of the Republic in consultation with the Prime Minister nominates the Chief Justice. The President nominates other Judges on the advice of the Chief Justice and the Judicial and Legal Service Commissions. Defendants have the right to counsel, including court-appointed counsel in case of indigency.

Forms of Business
- Limited or unlimited liability company
- Private or public company
- Partnership ("Sociétés Civiles" and "Sociétés Commerciale")
- Foreign company (branch)
- Company holding a category 1 business licence (private, public, limited life or partnership)
- Company holding a category 2 business licence (private, public, limited life or partnership)
- Protected cell company
- Limited life company
- Investment company/Funds
- Limited partnerships
- Foundations
- Private Pension Schemes
- Trusts
- Sole trader.

Formation of a Company
An application for incorporation of a company must be submitted to the Registrar of Companies. The following structures are available:
- Domestic companies (as opposed to global business companies)
- A category 1 Global Business Company ("GBC 1") or category 2 Global Business Company ("GBC2") - if the proposed company is issued with a Global Business Licence by the Financial Services Commission ("FSC").

The most common form of business vehicle is the private company limited by shares.

The name of the company must first be reserved at the Registrar of Companies (which takes two days) and the application for registration at the Registrar of Companies must be filed on confirmation of the availability of the name. The Registrar of Companies normally gives its acceptance of registration within three business days and issues the certificate of incorporation of the company after payment of the registration fees. Other important facts are:
- there is no minimum or maximum share capital
- shares can be issued for consideration other than cash
- there are no restrictions on rights attaching to shares
- there are no restrictions on foreign entities or individuals holding shares in a company in Mauritius. However, the Prime Minister's approval is required for foreign shareholders in companies holding immovable property or long-term leases of immovable property
- directors are responsible for the management of the company but major transactions must be approved by shareholders. A GBC1 or a GBC2 company must use a management company for incorporation and keeping records of the company at a registered office in Mauritius
- there must be a minimum of 1 resident director for domestic companies and minimum of 2 resident directors for a GBC1. Resident directors are not required for a GBC2
- directors are responsible for managing the business and affairs of the company and must act in good faith and in the best interests of the company (section 143, Companies Act)
- annual audited financial statements and an annual report must be filed with the Registrar of Companies/Financial Services Commission within six months of the close of the financial year (this is applicable to companies other than small proprietary companies and GBC2 companies)
- GBC's must file an annual report and financial statements with the FSC
- the FSC must be notified if a person becomes the holder of 20% or more of the company's shares or a GBC's voting powers.

Offshore companies (GBC 1 companies)
Companies holding Category 1 global business licences ("GBC1 companies") are one of the most popular offshore products in Mauritius. The Companies Act 2001 and the Financial Services Act 2007 now govern the registration and incorporation of GBC1 companies.

At present more than 10 000 GBC1 companies have been incorporated in Mauritius. Most of them have been incorporated to take advantage of the Mauritian network of double tax treaties. An application for incorporation of GBC1 companies must be channelled through the FSC through a management company.

A GBC1 company may be set up by direct incorporation either with or without a constitution, or by registration of a branch of a foreign company or by way of continuation if the law in the country of origin allows continuation following deregistration. An application for a GBC1 company should be accompanied by:
- a business plan of the proposed activities to be carried out by the applicant
- the applicable processing fee
- a legal certificate signed by a law practitioner in Mauritius
- supporting certified copies of Customer Due Diligence documentation
- incorporation documents including:
  - copy of constitution (where adopted) and of the

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legal certificate required under the Companies Act 2001
- certified copies of relevant statutory forms required under the Companies Act 2001 for the incorporation of a company.

The application is submitted to the FSC. The FSC will process the application for the licence for the GBC1 and send the application to the Registrar of Companies for incorporation of the company as a GBC1 company.

A GBC1 company incorporated in Mauritius may elect to be resident in Mauritius and may take advantage of its wide network of double tax treaties. A GBC1 company which elects to be resident in Mauritius for tax treaty purposes may apply for a tax residence certificate if the following conditions are satisfied:
- two directors must be resident in Mauritius, of sufficient calibre to exercise independence of mind and judgement (a GBC1 company may have one director, like all other companies that may be registered in Mauritius, but for tax treaty purposes the company must be managed by at least two directors resident in Mauritius at all times)
- the registered office and the secretary of the company must be in Mauritius
- board meetings must be held in or chaired from Mauritius
- banking transactions must at all times be channelled through a bank account with a bank holding a banking licence in Mauritius
- statutory records, such as minutes of meetings and the members' register, must be kept at the registered office
- accounting records must be maintained at its registered office in Mauritius in accordance with the Companies Act 2001
- the auditors must be resident in Mauritius and to have its statutory financial statements to be audited in Mauritius.

In determining whether the conduct of business is managed or will be managed and controlled from Mauritius, the FSC is required to take into consideration whether a corporation:
- will have or has at least 2 directors, resident in Mauritius, who are appropriately qualified and are of sufficient calibre to exercise independence of mind and judgment
- will maintain or is maintaining at all times its principal bank account in Mauritius
- will keep and maintain or is keeping and maintaining, at all times, its accounting records at its registered office in Mauritius
- will prepare, or proposes to prepare or prepares its statutory financial statements and causes or proposes to have such financial statements to be audited in Mauritius
- will provide or provides for meetings' of directors to include at least 2 directors from Mauritius
- which is authorised/licensed as a collective investment scheme, closed end fund or external pension scheme, is administered from Mauritius.

In addition to the above, the FSC will also take into account whether a corporation meets at least one of the following criteria:
- the corporation has or will have office premises in Mauritius
- the corporation employs or will employ on a full time basis at administrative/technical level, at least one person who must be resident in Mauritius
- the corporation's constitution contains a clause whereby all disputes arising out of the constitution will be resolved by way of arbitration in Mauritius
- the corporation holds or is expected to hold within the next 12 months, assets (excluding cash held in bank accounts or shares/interests in another corporation holding a Global Business Licence) which are worth at least US $100 000 in Mauritius
- the corporation's shares are listed on a securities exchange licensed by the Commission
- it has or is expected to have a yearly expenditure in Mauritius which can be reasonably expected from any similar corporation which is controlled and managed from Mauritius.

GBC1 Companies have to comply with these requirements by 1 January 2015.

Companies holding Category 2 global business licences (GBC2 Companies)

A company holding a Category 2 global business licence ("GBC2") provides for greater confidentiality and is suited for holding and managing private assets. A GBC2 is a non-resident company and therefore is exempt from tax in Mauritius. It cannot take advantage of tax treaties or operate in the free-port sector. A GBC2 may be registered by way of direct incorporation, with or without a constitution, by way of continuation from its country of origin or by way of conversion from a GBC1 company status into a GBC2 status.

A GBC2 must have a registered agent, who may be a management company or person approved by the FSC and a registered office at all times in Mauritius, where all statutory books and records must be kept. Registered agents must submit an application for registration to the Registrar of Companies together with the forms duly completed and signed and the constitution if the company is to have one.

Shareholders' or directors' meetings may be held in or outside Mauritius as may be determined by the constitution of the company. Meetings may also be held by telephone or other electronic means and

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shareholders may be represented by proxy. The management of the company must be carried out by the board of directors consisting of at least one director who may be an individual or a body corporate. A GBC2 is not resident in Mauritius, and therefore there is no need for directors to be ordinarily resident in Mauritius.

From now on, as long as GBC2 companies demonstrate that management, control and ownership are maintained outside Mauritius, Mauritian participation will be considered a GBC2.

However, where a Mauritian resident proposes to hold shares in a GBC2 company, the latter is required to demonstrate to the FSC that the Mauritian resident does not hold any 'management and control' in that company.

In addition, the FSC Mauritius may also have regard to whether the group structure of the GBC2 company is creating 'economic substance' in Mauritius.

A GBC2 company can be held by a GBC1 company provided that, at any point the shareholders of the GBC1 do not include a Mauritian resident which has 'management and control' in the GBC1.

A GBC2 company will be considered as being managed and controlled in Mauritius if decision-making takes place in Mauritius and the resident shareholder(s) of the GBC2 is/are a 'controller' in relation to the corporation.

A Mauritian resident may hold shares in a GBC2 if it can demonstrate that the overall group structure has strong economic impact in Mauritius. For instance, the FSC Mauritius will consider whether the proposal will generate revenue in Mauritius, whether the proposal is likely to create employment in Mauritius, or the impact of the proposal on the development of the country.

Trusts

Mauritius has introduced trust law for the benefit of both residents and offshore settlors. Prior to 2001, the Trust Act 1989 allowed the creation of domestic trusts based on the traditional English model, and the Offshore Trusts Act 1992 allowed the creation of offshore trusts. The Trust Act 1989 and the Offshore Trusts Act 1992 have been repealed by the Trusts Act 2001 ("TA 2001") which was introduced to fuse the domestic trust and offshore trust legislation in a bid to avoid ring-fencing. However, a distinction is still apparent and foreign settlors are in a more advantageous position than domestic settlors. Section 3 of TA 2001 provides that a trust exists where a person (known as a trustee) holds or has vested in him, or is deemed to hold or have vested in him, property of which he is not the owner in his own right, with a fiduciary obligation to hold, use, deal or dispose of it for the benefit of any person (a beneficiary), whether or not yet ascertained or in existence, or for any purpose, including a charitable purpose, which is not for the benefit only of the trustee.

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Every person of full age, of sound mind and who has legal capacity to contract may create a trust and vest the property in a trustee for any lawful object other than the carrying on of any trade or business. The settlor may also be a trustee, a beneficiary, a protector or an enforcer but he/she cannot be the sole beneficiary of a trust of which he/she is the settlor.

Any property may be held by or vested in a trustee on trust. The trust property may consist of any movable or immovable property and any interest in such property including, in the case of a charitable trust, such donations as the trustees may receive. There are, however, a number of restrictions.

A major restriction under TA 2001 relates to non-citizens of Mauritius. Section 22 of TA 2001 provides that no person shall create a trust of immovable property located in Mauritius for the benefit of a non-citizen or a person who is a non-resident of Mauritius except with the authority of the Prime Minister and on such terms and conditions as the Prime Minister may specify. This restriction on foreign owners is consistent with the Non-Citizen (Property Restriction) Act which prohibits non-citizens of Mauritius from acquiring and holding property in Mauritius without the express authorisation of the Prime Minister's Office. TA 2001 further provides that the appointment of a non-citizen as beneficiary of a trust the trust property of which includes immovable property situated in Mauritius, shall be void and of no effect.

Under TA 2001, the settlor may set up any of the following types of trust: protective trust or spendthrift trust, maintenance and accumulation trust, interest in possession trust, discretionary trust, charitable trust, purpose trust and commercial and trading trust.

The settlor of an offshore trust may not be a resident of Mauritius, and the trust must have at least one qualified trustee who is a person residing in Mauritius or a Mauritian management company or a bank authorised by the FSC to provide trusteeship services (a 'qualified trustee').

The Investment Promotion Act has been amended to allow non-resident settlors or non-resident beneficiaries of a trust to own immovable property in Mauritius solely under the Integrated Residential Schemes ("IRS") and the Real Estate Scheme ("RES") without the approval of the Prime Ministers' Office under the Non-Citizens (Property Restrictions) Act 1973, as amended. Non-citizens of Mauritius wishing to avail themselves of immovable property in Mauritius under the IRS and RES may use trust or domestic company to do so subject to registration duty applicable to IRS and RES.

Foundations

In 2012, the Parliament of Mauritius enacted the Foundations Act whose aim is to allow the incorporation of foundations in Mauritius.

A foundation is a wealth management vehicle that is of particular appeal to countries not very familiar with the concept of trusts. It has some hybrid features of both a trust and a company. A foundation can be incorporated in Mauritius for such purposes as may be provided in its charter and can be established through a will. Furthermore, it may be charitable or non-charitable (or both) to benefit a person or a class of persons. It is attractive to "High Net Worth" Individuals from civil law jurisdictions who may find in it an ideal platform for succession planning and private wealth management. It can elect to have a legal personality through registration with the Registrar of Companies (acting also as Registrar of Foundations) and can accordingly have full capacity to transact and institute legal proceedings in its own name. The latter feature is one of the main characteristics that distinguish a foundation from a trust. In a foundation, ownership of the assets is transferred to the foundation itself by the founder in order to achieve the purposes and objects of the foundation.

Exchange Controls

Exchange controls have been suspended.

Taxation

Taxation in Mauritius is regulated by the Income Tax Act and its regulations. The Mauritius Revenue Authority (MRA) is the regulator. Mauritius offers both a low tax jurisdiction and competitively priced business costs. The Mauritius tax regime is one of the lowest in the world.

The following tax incentives are available to domestic and foreign investors:

- Income tax: Under the Income Tax Act, domestic companies and companies holding a GBC1 benefit from an income tax rate of 15%. In the case of a GBC1 the income tax rate may be reduced to 3% after application of deemed foreign tax credits. Corporations which hold a category 2 Global Business licence are exempt from tax but are not considered as residents for tax purposes
- no capital gains tax
- royalties, interest and services fees payable to foreign affiliates are allowed as expenses provided they are reasonable and correspond to actual expenses incurred
- interest paid on deposits in a bank holding category 2 banking licences are tax exempt
- dividends are tax exempt
- no withholding tax on interest and royalties paid by a GBC 1 or GBC 2 to non-residents
- no estate duty or inheritance tax is payable on the inheritance of shares in an entity holding a Global Business Licence (GBL).

Foreign Account Tax Compliance Act (FATCA)

On 27 December 2013, Mauritius and the US signed a Tax Information Exchange Agreement (TIEA) and a Model 1 Intergovernmental Agreement ("IGA") in relation to FATCA. The 'Agreement for the Exchange of Information Relating to Taxes (United States of America - FATCA Implementation) Regulations 2014' was published in the Government Gazette of 5 July 2014 and was made under section 76 of the Income Tax Act to facilitate the implementation of the IGA by the Mauritius Revenue Authority.

Although FATCA is a US statute it imposes on foreign financial institutions ("FFI") established outside the US certain obligations to withhold tax on behalf of, and report and disclose information to, the US Internal Revenue Service. FFIs are non-US entities that take deposits in the ordinary course of banking or other similar business, hold financial assets for the account of others, engage primarily in the business of investing, reinvesting, or trading in securities, partnership interests or commodities, or conduct certain business as insurance companies.

The type of IGA signed is of utmost importance because it will determine whether FFIs will be required either to report information directly to local revenue services, which will in turn supply the information received to the US Internal Revenue Service (Model 1 IGA), or to report the information directly to the US Internal Revenue Service (Model 2 IGA).

FFIs within the scope of FATCA are required to report directly to the Mauritius Revenue Authority which will then transmit the information to the US Internal Revenue Service.

Banks, management companies and global business companies are now required to undergo a due diligence. The TIEA provides a list of exempt beneficial owners, and deemed compliant entities, such as governmental entities, international organisations, central banks, certain retirement funds, certain local banks with local client bases, qualified credit card issuers, controlled foreign corporations, investment advisers and investment managers and certain collective investment schemes. The TIEA also provides for some exempt products, including certain retirement and pension accounts, term life insurance contracts, accounts held by an estate, certain escrow account in connection with a court order or judgment.

Intellectual Property

Protection is provided by statute, more specifically by the Patents, Industrial Designs and Trademarks Act, the Copyright Act and the Customs Act.

Financial Services/Insurance

The Financial Services Commission (FSC) was established as the regulator for the non-banking financial services sector under the Financial Services Act. The FSC is the integrated regulator for the industry and its remit encompasses those of the former regulatory bodies for securities (Stock Exchange Commission), insurance (Insurance Division of the Ministry of Economic Development, Financial Services and Corporate Affairs) and global business (Mauritius Offshore Business Activities Authority). The Commission thus licenses, regulates and supervises non-bank financial institutions in Mauritius.

Investment Climate and Incentives

The government has ensured that doing business in and from Mauritius is easy and efficient and complies with best practices in terms of transparency, good governance and ethics. Mauritius has enacted anti-money laundering and anti-terrorist financing legislation while the business framework itself has been made simpler. Mauritius has never been blacklisted and is not on the Organisation for Economic Co-operation and Development (OECD's) list of suspect tax havens.

Under the Business Facilitation (Miscellaneous Promotion) Act (the "BFA") all applications in respect of foreign investment are channelled through the Board of Investment (BOI). The Mauritian government has expressed its will to amend the BFA to remove bottlenecks and streamline procedures when investing in Mauritius. Red tape has been minimised and regulatory processes re-engineered towards controls based on clearly defined guidelines. An attractive package of incentives is provided to investors in the hotel, leisure and real estate sectors. In addition the government has in the Finance Act introduced various schemes to promote foreign investment with minimum intervention by the Mauritian authorities. The Mauritian government promotes foreign direct investment with incentives for foreign investors in the freeport sector, ICT/BPO sector, financial services sector, tertiary education sector and emerging markets such as renewable energy.

Mauritius has improved its global ranking to 19th place in World Bank's Doing Business 2013 Report, leapfrogging from last year's 24th position. Mauritius has therefore maintained its position as the premier location for doing business in the Sub-Saharan region for 5 consecutive years.

The Mauritian government in its 2013 budget reaffirmed its commitment to position the Mauritian investment platform as the lynchpin for African investments with regard to the rising number of global investment companies and funds using Mauritius as their base for investing in. It is notable that for the first half of 2012, 47% of all new global business vehicles structured in Mauritius have an African investment mandate. Statutes introduced in 2012 relating to foundations, limited partnerships and private pension funds further complement the product offerings of the jurisdiction as a financial centre of choice for the region.

Government incentives for investment include a low corporate tax rate of 15%, exemption from customs and excise duties on imports of equipment and raw materials, a low rate of 5% registration duty for notarial deeds, free repatriation of profits, dividends and capital, reduced tariffs for electricity and water and the possibility for foreign investors to acquire immovable property and obtain permanent residency under the Integrated Residential Scheme (IRS) and Real Estate Scheme (RES).

Under the IRS a foreign company or a non-resident is allowed to buy immovable property for a minimum of US$500 000 (about EUR364 870) and is eligible to be granted residency. In addition a corporation holding a category 1 Global Business Licence may acquire immovable property where authorised by the terms of its licence.

Double Taxation Avoidance Treaties ("DTA")

Mauritius has concluded 36 double tax treaties and several treaties are under negotiation. The treaties currently in force include those with Barbados, Belgium, Botswana, Croatia, Cyprus, Democratic Socialist Republic of Sri Lanka, France, Germany, India, Italy, Kuwait, Lesotho, Luxembourg, Madagascar, Malaysia, Mozambique, Namibia, Nepal, Oman, Pakistan, People's Republic of Bangladesh, People's Republic of China, Rwanda, Senegal, Seychelles, Singapore, South Africa, State of Qatar, Swaziland, Sweden, Thailand, Tunisia, Uganda, United Arab Emirates, United Kingdom and Zimbabwe.

Four treaties with Russia, Congo, Kenya and Zambia await ratification and treaties await signature with Egypt, Malawi, Nigeria and Ghana.

Treaties are being negotiated with Algeria, Burkina Faso, Canada, Czech Republic, Greece, Monaco, Portugal, Republic of Iran, Saudi Arabia, St Kitts & Nevis, Vietnam and Yemen.

A Tax Information Exchange Agreement has been signed with India to promote international co-operation and effective exchange of information between the Mauritius Revenue Authority and the Securities and Exchange Board of India while preserving and protecting taxpayer's confidentiality.

Mauritius intends negotiating additional DTA's with Algeria, Angola, Burkina Faso, Tanzania and South Africa.

Investment Promotion and Protection Agreements
Investment Promotion and Protection Agreements (IPPA) have been signed and are in force with the following countries: Barbados, Belgium/Luxemburg Economic Union, Burundi, China, Czech Republic, Finland, France, Germany, India, Indonesia, Madagascar, Mozambique, Pakistan, Portugal, Republic of Korea, Romania, Senegal, Singapore, South Africa, Sweden, Switzerland and UK and Northern Ireland.

Investment Promotion and Protection Agreements with the following countries are awaiting ratification: Benin, Botswana, Cameroon, Comoros, Ghana, Guinea Republic, Mauritania, Nepal, Republic of Congo, Rwanda, Swaziland, Chad, Tanzania and Zimbabwe.

Bilateral Treaties - Preferential Trade Agreement
There is a Preferential Trade Agreement (PTA) between Mauritius and Pakistan and an Interim Economic Partnership Agreement (EPA) between the Eastern and Southern African region and the European Union.

Membership of International and Regional Organisations
Mauritius has secured preferential access to markets with the European Union through the Cotonou agreement; with the US under the Africa Growth and Opportunity Act and with Eastern and Southern Africa through the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

Agriculture and Aquaculture
Industrial Crops comprising sugarcane, tea and tobacco constitute 37% of Mauritian agriculture while food-crops account for 22%, livestock 23% and flowers, fruits and forestry account for 4%. The government supports the agricultural sector through food security strategies that are already bearing fruit. An innovative step is the local cultivation of rice with the aim of supplying the local market and for export. Furthermore, development of the agribusiness sector is high on the agenda of the Mauritian Board of Investment. It plans to attract further foreign investment in areas such as large-scale hydroponic farming, animal feed production, cattle breeding and high value added food processing for export.

The government has implemented a plan to develop Mauritius as a world-class seafood hub. This sector has enormous business potential due to the wide exclusive economic zone of 1.9 million km², port facilities and an attractive business environment. The further development of the Mauritian seafood industry focuses on: (i) maximising value from the landings of catches in the region, namely through the development of further processing activities for high-graded products such as Sashimi tuna; and (ii) developing sustainable eco-friendly aquaculture following new legislation authorising fish farming in the sea. Aquaculture in Mauritius has significant potential and a study has identified sites suitable for fish farming.

Property
The property development sector, or real estate, is a market that attracts a range of international investors, lenders, occupiers and developers seeking cross-border opportunities. The sub-sectors include the Integrated Resort Scheme (IRS), the Real Estate Scheme (RES), the Invest Hotel Scheme (HIS), business and industrial parks, shopping malls, office buildings and marina development.

Information Technology (IT) / Business Process Outsourcing (BPO)
The government intends to make the Information and Communications Technology (ICT) sector a pillar of the economy and transform Mauritius into a regional ICT hub to position Mauritius as a major destination in the region for investments in this sector. Through a well-developed and reliable infrastructure, excellent telecommunication facilities and access to a scalable and stable power grid, Mauritius is emerging as a regional hub for the provision of outsourcing and telecoms services. The government of Mauritius has set the building blocks to position Mauritius as a global centre for data hosting, disaster recovery, shared, cloud computing services and other high value added services.

Mauritius is building on existing infrastructure (such as the Ebene Cyber City and the Informatics parks) and also investing in the creation of state of the art IT/BPO poles namely, the Rose Belle Business Park and the forthcoming Eco Park which will enable data centre infrastructure projects. Additionally the creation of an ICT academy will cater for training needs of the workforce for international standard service delivery in the IT/BPO sector. The ICT sector will be characterised by the delivery of complex services with higher value and higher margins. New segments such as online gaming and online media will also be explored.

To boost this sector, a second undersea fibre optic cable, LION 2 has been operational in Mauritius since March 2012, thus ensuring continuity of service at all times; and the Mauritius government endeavour to provide work and residency permits (occupation permits) to workers in the ICT/BPO earning a minimum salary.

Freeport
The Mauritius Freeport is a sector that offers enormous potential with a 2.5% growth rate and a connection to more than 400 million consumers in the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). It contributes 9% of GDP. For the calendar year 2008/09 a further 25 freeport projects have been approved by the

Mauritian Board of Investment with a total investment value exceeding MUR 700 Million.

A tax holiday for freeport operators which was due to end in 2013 will now continue indefinitely and a zero per cent corporate tax rate from 1 July 2013 will provide more certainty to freeport operators and enhance Mauritius as a regional trade, marketing and distribution platform. This measure will give a strong boost to the sector and help to further increase cross- border trade.

Renewable Energy and the Environment

The 'Maurice Ile Durable' project (MID) is central to the development of Mauritius and intends to become a leader in renewable energy and sustainable development in the region.

Healthcare

Mauritius has a fast growing healthcare and life sciences industry and is set to become a major a healthcare, wellness and medical outsourcing hub, supported by strong pharmaceutical, biotech and medical devices industries, and driven by high-end biomedical research and innovation. Mauritius is a leading destination for medical travel with an increase from 1500 foreign patients in 2007 to nearly 10 000 in 2012.

Infrastructure

Mauritius has a well-developed network of internal and external communications, an extensive and well-maintained road infrastructure, a modern and efficient port capable of berthing vessels up to 100 metres, a web of sea links and direct air connections with several cities around the world, high band fibre cable connectivity, a reliable fixed and mobile telephone network, express courier service providers and freight forwarders, fully serviced business and industrial parks and a free port.

Water

The Central Water Authority (CWA) is responsible for the control, development and conservation of water resources and the treatment and distribution of water for domestic, industrial and commercial purposes throughout Mauritius. The CWA operates under the Ministry of Public Utilities. Potable water supplied by the CWA is treated to meet norms met by the World Health Organisation (WHO) for drinkable water. The Ministry of Health and Quality of Life conducts independent tests to ensure CWA's compliance with the norms set by both the WHO and the Ministry of Environment. Water is maintained and supplied via reservoirs, dams, springs, rivers and groundwater abstraction. Mauritius has abundant rain water.

Energy

The Central Electricity Board (CEB) is a parastatal body wholly owned by the government. It reports to the Ministry of Renewable Energy and Public Utilities. The CEB's business is to "prepare and carry out development schemes with the general object of promoting, coordinating and improving the generation, transmission, distribution and sale of electricity" in Mauritius. The CEB produces around 40% of the country's total power requirements from its 4 thermal power stations and 8 hydroelectric plants. The remaining 60% is purchased from Independent Power Producers. Currently, the CEB is the sole organisation responsible for the transmission, distribution and supply of electricity to the population. The supply of electricity in Mauritius is stable.

Telecommunications

Equipped with an excellent telecommunication network and a good pool of IT specialists the use of the latest software products is made possible. Some leading companies such as Microsoft and Hewlett Packard have opened branches in Mauritius. Growth and employment in the IT sector is expected.

Tourism

Tourism contributes significantly to economic growth and has been a key factor in the overall development of Mauritius. The sector contributes approximately 18% to the country's GDP. In the past two decades tourist arrivals increased at an average annual rate of 9% with a corresponding increase of about 21% in tourism receipts.

Manufacturing Sector

Since the establishment of the Export Processing Zone (EPZ) the manufacturing sector has attracted substantial foreign direct investment (FDI) from various parts of the world including Europe, USA, India, Hong Kong, Taiwan, China, Japan, Australia and South Africa. More than 800 manufacturing companies, of which some 500 are export-oriented, produce a wide variety of quality products such as textiles and apparel, light engineering products, precision plastics, electronics and electrical components, jewellery and horology items, printed materials, toys, and miniature ship models, amongst others. Manufacturing is one of the main pillars of the economy and remains a major foreign exchange earner for Mauritius. The manufacturing sector is now moving up the value chain with new players, both local and foreign, in new activities, with more job opportunities for graduates and skilled labour. Activities requiring specialised skills are developing in Mauritius, such activities include high precision engineering and production processes on CNC machines.

Textiles

The textile industry, forming a substantial part of the manufacturing sector, is one of the main pillars of the Mauritian economy. It has undergone many changes in its almost thirty years of existence. Equipped with a highly skilled labour force and efficient management practices Mauritius manufactures products of excellence like Boss and Ralph Lauren for export to the European Union and

United States of America. Great emphasis is laid on quality control. To face the present economic situation, investments are being made in new technology with the aim of making Mauritius a centre for capital-intensive activities such as spinning, weaving, design, marketing and logistics.

Financial Sector

The Mauritian financial sector has become, over recent years, a major contributor to the Mauritian economy with financial intermediation accounting for around 10% of GDP in 2010. As an International Financial Centre (IFC) Mauritius is committed to compliance with internationally agreed norms and has ensured over the years that it was and is seen to be a reputable IFC. The Mauritian IFC has gained international recognition as a safe and trusted jurisdiction by the Organisation for Economic Co-operation and Development (OECD), Financial Action Task Force (FATF), International Organisation of Securities Commission (IOSCO), International Association of Insurance Supervisors (IAIS) and IFSB amongst others. The country is ranked 20th globally and 1st in Africa in the 2011 World Bank Doing Business Report. The IMF & the World Bank favourably assessed the Financial Sector of Mauritius under the Financial Sector Assessment Programme. Mauritius also offers international businesses a high-quality financial environment with sophisticated products.

Labour Relations

Labour relations in Mauritius is governed by the Employment Relations Act which amends and consolidates the law relating to trade unions, fundamental rights of workers and employers, collective bargaining, labour disputes and related matters. Strike action which was almost impossible under the earlier Act but is now allowed. New bodies and institutions (the Employment Relations Tribunal, the Commission for Conciliation and Mediation and the National Remuneration Board) have been created to settle labour disputes. The use of arbitration, mediation and conciliation for the efficient resolution of labour disputes is promoted.

MOZAMBIQUE

COUTO, GRAÇA & ASSOCIADOS, LDA

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Country Information

Mozambique has a 2 470 kilometre coastline and a total land area of 801 590 square kilometres. It is a tropical country with effectively two seasons, a hot and wet season from October to March, and a dry season from April to September. The country's official language is Portuguese. It has an estimated population of about 23 million with a growth rate of 2.8%. The official currency is the Metical but the U.S. Dollar, the South African Rand and the Euro are widely used and accepted in business transactions.

Political System

Multiparty Democracy.

Latest GDP Figures

US$ 15.32 billion (2013) with an estimated growth rate of 8.3% in 2014 and 8.5 in 2015.

Inflation Rate

4.9% in 2013.
5.6% in 2014 (estimate).

Investment Climate

Mozambique strongly encourages foreign direct investment and has enormous investment opportunities in sectors such as agriculture, fisheries and aquaculture, industry, tourism, public infrastructure, mineral resources and energy.

The Constitution of the Republic of Mozambique guarantees foreign investment undertaken in terms of its economic policy. Foreign investment is allowed in all economic sectors. The State guarantees the right to property. Expropriation may only occur if in the public interest and if fair compensation is paid.

The investment law, its regulations and the Code of Fiscal Benefits constitute the general regulatory framework for national and foreign investments that are eligible for government guarantees and financial incentives. The guarantees comprise:

- legal protection of private property and rights, including intellectual property rights
- the right to transfer dividends and funds out of Mozambique which are connected with: (i) profits from investments eligible for export in terms of the Investment Laws; (ii) royalties or other remuneration for indirect investment relating to the transfer of technology; (iii) amortization of loans and payment of interest on loans granted in the international financial market for investment projects in the country; (iv) any compensation paid by the Government; and (v) invested and re-exportable foreign capital
- dispute resolution by the International Centre for the Settlement of Investment Disputes (ICSID) or the International Chamber of Commerce (ICC)
- investment risk insurance from the World Bank's Multilateral Investment Guarantee Agency (MIGA) and the Overseas Private Investment Corporation (OPIC) (an independent agent of the United States' Government).

The following general benefits are provided to eligible projects depending on their value, location and sector of activity: Exemption from import duties and Value Added Tax ("VAT"), investments in projects authorized by the Investment Law and Regulations are exempt from import duties, VAT on imported goods classified in class "K" of the Customs Table, a discount of 50% on transfer tax (SISA) on the acquisition of commercial immovable property for industry (including agribusiness, hotels and resorts, provided that they are acquired within three years of the investment authorization date), tax credits for investment, accelerated depreciation on immovable assets, a reduction of corporate income tax on investments relating to the modernization and introduction of new technology, reduction of corporate income tax for expenditure for professional training of Mozambican workers.

Specific regulations and benefits are applicable to investment projects which are undertaken within Special Economic Zones (Zonas Económicas Especiais – ZEE).

Other reforms include the revision of labour laws and the Commercial Code, comprehensive judicial reform and the creation of a commercial court to facilitate the settlement of commercial disputes, the liberalization of the financial sector (including the creation of an independent central bank, the Bank of Mozambique), civil service reform and improved government budget making and auditing.

Although most sectors of Mozambique's economy are open to foreign investment, and foreign investors generally receive the same treatment as domestic investors, some restrictions remain. The private ownership of land is restricted and mining and management contracts are subject to specific performance requirements. Foreign ownership or control of companies is however not restricted.

The government's Investment Promotion Centre (CPI) assists investors to obtain approvals from applicable government authorities. A comprehensive investment guide is available on the internet at www.cpi.co.mz. Investments within the ZEEs are regulated by another government agency, GAZEDA.

It should be noted that the mining and the oil & gas sectors are each subject to a specific investment regime which allows for tax benefits. The Mining Act and the Petroleum Act are presently under review by the Government and Parliament and it is expected that amendments to these laws will be made this year.

It is also important to note that undertakings covered by the Mega-Project Law (public-private partnerships, large scale projects and business concessions) currently in force are subject to specific investment, operating and financial requirements.

Forms of Business

- private or limited liability company
- close corporation
- joint venture
- government owned companies
- individual trader
- external company (i.e. a foreign commercial branch or representative office of a foreign company).

Formation of a Company

Companies must:

- reserve the company's name at the Legal Entities Registrar Offices
- prepare a standard draft of the articles of the company
- open a bank account with a local bank to deposit the share capital
- execute a public deed of incorporation and the articles of the company
- formalize the company registration at the Legal Entities Registrar Offices
- publish the incorporation of the company and its articles on the Official Gazette
- register the company with the relevant Tax Department to obtain a tax number (NUIT)
- obtain licenses from the relevant authorities for the intended area of business activity.

Exchange Controls

Foreign currency and other forms of foreign remittance into Mozambique are permitted provided that any amount exceeding US$5000 is declared to the Bank of Mozambique. Foreign exchange transactions (i.e. any transaction between a resident and a non-resident that results, may result or is deemed by law to result in a payment to or receipt from anywhere outside Mozambique) require the prior authorization from and registration with the Bank of Mozambique.

Failure to comply with the exchange control provisions and regulations will prevent any outflow of funds from Mozambique and may result in penalties and fines varying from ten thousand Meticais to one million Meticais and the forfeiture of the assets or values involved in the illegal exchange control transaction.

Taxation

Corporate income tax (IRPC) is a direct tax levied on income. Commercial companies with a head office or effective management in Mozambique are considered to be IRPC taxpayers and are subject to an IRPC rate of 32%. However for agricultural activities IRPC has been reduced to a rate of 10% until 31 December 2015. The income of foreign entities arising from business within Mozambique is subject to IRPC at 20%.

Value Added Tax is levied at a fixed rate of 17%. Exports are VAT exempt which allows exporters to recover the value of accumulated VAT levied on exported goods.

Specific taxation systems and regimes apply to economic sectors such as mining and oil & gas.

Monetary Policy

The main objective of monetary policy in Mozambique is to reduce inflation. Since 2004 the Bank of Mozambique has implemented reforms to strengthen monetary management through daily liquidity forecasting and the use of foreign exchange and treasury bill sales. The government's tight control of spending and the money supply combined with financial sector reform successfully reduced inflation from 70% in 1994 to 4.21% in 2009.

Legal System

Mozambique's legal system is based on Roman and German law.

The courts have exclusive jurisdiction to settle disputes by judicial means unless the parties have agreed to submit a dispute to arbitration. The state courts operate according to the principle of separation of powers and are classified as sovereign bodies under the Constitution of the Republic. The law differentiates between judicial courts, administrative courts and other special courts.

The courts include the Supreme Court, The Supreme Appeal Courts, the Provincial Courts and the Districts Courts.

Treasure Bill Sales

The administrative court has special jurisdiction to hear disputes in legal administrative relationships, litigation

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appeals lodged against the decisions of state bodies and agents and appeals lodged against tax and customs' court decisions.

Intellectual Property

Protection of Intellectual Property is guaranteed by law. Mozambique employs an IP strategy known as "Estratégia da Propriedade Intelectual-2008-2018" enacted at the XXIII Meeting of the Ministries Council on 28 August 2007. It identifies the international Conventions and Treaties which Mozambique has ratified or accessed as follows:

- copyright
- Berne Convention for the Protection of Literary and Artistic Works (1886)
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (1994)
- SADC Protocol on IP.

Industrial Property

- Harare Protocol on Patents and Industrial Designs within the framework of the African Regional Intellectual Property Organization (ARIPO)
- Madrid Agreement (1891) and Protocol (1989) concerning the International Registration of Marks
- Nice Agreement on the International Classification of Goods and Services for the Purposes of the Registration of Marks (1957)
- Paris Convention for the Protection of Industrial Property (1883)
- Patent Cooperation Treaty - PCT (1970) for the international registration of patents and utility models
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (1994).

International IP Organizations

World Trade Organization
World Intellectual Property Organization (WIPO)
African Regional Intellectual Property Organization (ARIPO).

Treaties and Bilateral Agreements

Mozambique has signed investment promotion and reciprocal protection agreements with South Africa, Germany, Algeria, Belgium, China, Cuba, Denmark, Egypt, USA, Finland, France, Indonesia, Italy, Mauritius, Netherlands, Portugal, Sweden, United Kingdom, Vietnam, India, Switzerland and Zimbabwe. Mozambique has also signed agreements to prevent double taxation with Portugal, Mauritius, United Arab Emirates, Macau, Italy, Botswana, India, Vietnam and South Africa.

On 10 June 1998 Mozambique became a signatory to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

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Membership of International and Regional Organizations

Mozambique is a member of the Southern African Development Community (SADC), African Union (AU), United Nations (UN), Community of Portuguese Language Countries (CPLP), British Commonwealth, African Countries of Portuguese Official Language (PALOP), International Monetary Fund (IMF), World Bank, Food and Agriculture Organisation (FAO), World Trade Organisation (WTO), World Tourism Organisation and the International Labour Organisation (ILO).

Energy

Mozambique's vast energy resources have the capacity to satisfy most of its domestic energy needs. They include hydropower (the Cahora Bassa Dam), natural gas, coal, biomass, solar and wind power. The country has considerable hydropower potential (especially in the Zambezi River basin at sites such as Cahora Bassa and Mphanda Nkuwa) with an estimated capacity of 12 500 MW with an annual energy generation potential of 60 000 GWh.

The country has expanded its energy generation capacity to more than 16 000 MW. This is a result of the commercial extraction of natural gas (the Pande gas fields), the rehabilitation and construction of new hydroelectric dams and the exploitation of alternative and renewable energies such as solar, oleic and biofuels (bioethanol, biodiesel and biogas). The energy sector has been liberalised to allow private participation and the sector offers a major investment opportunity.

Telecommunications

Although the State owned TDM (Telecommunication de Mozambique) still enjoys a monopoly, the telecommunications sector was liberalised in 2004 and the mobile sub-sector has experienced significant growth.

Mining

Mozambique has significant investment opportunities for the exploration, extraction, processing and utilization of natural gas, coal, gold, titanium, ilmenite, zircon, rutile, tantalite, marble and precious stones.

Agriculture

Mozambique exports baby-corn, flowers, citrus, cashew nuts, various fruits, pepper and paprika. There are also opportunities for the production of cereals, fruit, flowers and vegetables for the local and export market.

Labour Relations

There are laws which regulate employment relations and the employment of foreign workers. In 2007 a new labour law was passed which made significant reforms (although some difficulties still exist especially in relation to dismissal procedures). The registration of employees and their employers with the National Security System is mandatory. The contributions to social security must be deducted by the employer from the employees' remuneration. The employee pays 3% and the employer 4% of the social security contributions. Registration for the social security system is not required for foreign employees resident and rendering services in the Republic provided they can prove that they are covered by another country's social security system. The Commission for Mediation and Arbitration deals with labour disputes.

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NAMIBIA

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The present Senior Partner established P F Koep & Company in 1982. The name of the firm was changed to Koep & Partners in November 2006. The firm maintains contacts with various firms worldwide including South Africa, Germany, Australia, China, the United Kingdom, Asia, Scandinavia and the United States. Koep & Partners offers a comprehensive legal service to clients with business interests in southern Africa and focuses on corporate and property work. The firm is a member of Lex Africa as well as Lex Mundi, the world's leading association of independent law firms.

Country Information
Namibia is a vast but sparsely populated country with a total population of about 2.2 million spread over an area of approximately 824 292 square kilometres. Most of the population resides in the central and northern regions of the country which are cradled by the Namib desert stretching along the cold Atlantic Ocean in the west and the Kalahari semi-desert along the eastern border with Botswana. The southern areas bordering on South Africa are also arid. The capital city is Windhoek which has an estimated population of about 300 000.

Political System
Multiparty democracy.

Latest GDP Figures
GDP: US $17.79 billion
GDP real growth rate: 4.4 %
GDP per capita (PPP): US $8 200.

Inflation Rate
4.98% (October 2013).

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Investment Climate
The government has stakes (often 100% ownership) in companies in the following sectors: telecommunications (fixed and mobile voice and data services), energy, water, transport (air, rail and road), postal services, fishing, mining, petroleum and tourism.

Namibia welcomes foreign investment however and virtually all business activities are open to foreign investors. Namibia introduced the Foreign Investment Act in 1990 which affords protection to foreign investment and introduced an Investment Centre within the Ministry of Trade and Industry to streamline and encourage foreign investment. Foreign nationals are protected by this legislation which guarantees the repatriation of funds and interest invested in Namibia.

New enterprises that export to countries outside the Southern African Customs Union (SACU) can apply for Export Processing Zone (EPZ) status. The benefits of an EPZ enterprise are:

- relief from corporate income tax, import duties, VAT and stamp duties (but not on tax on employees' income and withholding tax on dividends)
- training grants of 75% of training costs
- foreign currency bank accounts free of exchange control
- relief from certain Labour Act provisions.

Foreign ownership of agricultural land is regulated. The government's land reform policy is shaped by two key pieces of legislation: the Agricultural (Commercial) Land Reform Act 6 and the Communal Land Reform Act 5. Recently a Land Bill was published which attempts to consolidate the two existing acts. The Land Bill (when passed as legislation) will have a major effect on foreigners investing in agricultural land in Namibia.

There is currently no legislation on Black Economic Empowerment (BEE) in Namibia. In July 2004 the Office of the Prime Minister announced that it was consulting on the content of a BEE policy and its legislative framework for the country. It was stated that once consultations had been finalised the draft policy document would be presented to the Cabinet for approval and thereafter a Bill would be presented to Parliament. A Transformational Economic and Social Empowerment Framework (TESEF) was prepared in May 2006. The goals of the TESEF were aimed at empowering previously disadvantaged Namibians and "Namibianising" the economy. The TESEF however never came into operation. In 2011 Cabinet adopted the New Equitable Economic Empowerment Framework ("NEEEF") to replace TESEF. The objectives of NEEEF are aimed at redressing past inequalities and providing measures for empowerment. Empowerment in terms of NEEEF revolves around five pillars of empowerment which is measured using a scorecard-approach. These are ownership; management control and employment equity; human resources and skills development; entrepreneurship development; and community investment. NEEEF also deals with financing mechanisms. These mechanisms are aimed at funding solutions to address developmental challenges and to broaden entrepreneurship in Namibia. The proposed options are: grants and incentives; state-facilitated lending; project financing; venture capital; and targeted investment.

The Development Bank of Namibia (DBN) provides finance for private sector start-ups and expansions, equity deals, bridging finance, enterprise development finance, trade finance, small and medium enterprises, public private partnerships, public sector infrastructure, local authorities, and bulk finance to responsible micro-finance providers. The DBN only finances Namibian participation in projects.

Forms of Business

- Private or public limited liability company
- Close corporation
- External company (branch of foreign company)
- Partnership
- Trading trust
- Sole trading
- Co-operatives.

Formation of a Company

Companies, close corporations and external companies (branches of foreign companies) must be registered with the Registrar of Companies in Windhoek. Trustees of business trusts do not need any authorisation before they can commence their duties. The regulation of trusts is minimal. A trust deed must however be approved by the Master of the High Court who must also approve the trustees. A business generally has to register for various tax purposes such as Value Added Tax (VAT), import VAT, Pay As You Earn (PAYE), workmen's compensation as well as with the Social Security Commission. Trading licences are not required.

Exchange Controls

After independence Namibia remained part of the South African Rand Common Monetary Area which includes South Africa, Lesotho and Swaziland. Although the Namibian Dollar was introduced as the country's official currency in 1993, the South African Rand remains legal tender for an indefinite period. The two currencies are also freely exchangeable on a one for one basis in Namibia. For as long as Namibia remains part of the Common Monetary Area its foreign exchange transactions must be conducted in accordance with South African exchange control policies and regulations. If Namibia withdraws from the Common Monetary Area it is likely that exchange control provisions similar to those in South Africa will be introduced. Exchange control in Namibia is administered by the Bank of Namibia (the central bank of Namibia) in conjunction with the South African Reserve Bank and through authorised dealers, commercial and merchant banks.

Exchange control approval is required for all transactions by Namibian residents (whether natural or juristic persons) which involve the transfer of assets to countries outside the Common Monetary Area. Residents are not allowed to transact business in foreign currencies. Transactions may be invoiced in foreign currencies but payments must be made in local currency. There are also certain limitations on the amount of local currency available for residents each year in respect of foreign travel and study.

With regard to non-residents:

- no restrictions apply when foreign funds are introduced into Namibia as share capital
- share certificates must be endorsed “Non-Resident”
- companies owned by non-residents should observe a ratio of share capital to fixed assets of 1:1
- the introduction of loan funds from abroad is subject to specific exchange approval.

Taxation

Normal tax is levied on the taxable income accruing to companies, trusts and individuals from sources within or deemed to be within Namibia. The standard corporate tax rate is a flat rate of 33%. Individuals are taxed on a sliding scale. The maximum tax rate for individuals is 37%. Insurance companies are effectively taxed at 12.8% of investment income and mining companies at 37.5% (although diamond mines are effectively taxed at 55%). There is no capital gains tax or estate duty. There is no taxation on local dividends from companies and distributions from close corporations paid to residents but dividends accruing to foreign residents are subject to a non-resident shareholders' tax. The rate of this tax is 10% if the beneficial owner of the shares is a company which holds directly or indirectly at least 25% of the capital of the company paying the dividends. In all other cases the rate is 20%. Royalties paid to non-residents are subject to a 10.5% withholding tax. The Income Tax Third Amendment Act 15 of 2011 came into force on 30 December 2011. It introduced a 10% withholding tax on interest earned by foreigners at Namibian Banks or Unit Trust schemes and the new section 35A introduces a 25% withholding tax on certain services, management and consultancy fees rendered by foreigners.

Double tax agreements may override Namibian withholding taxes as well as taxation of deemed source income. Namibia has double tax treaties with Botswana, France, Germany, India, Malaysia, Mauritius, Romania, Russia, South Africa, Sweden and the UK. Namibia is currently negotiating treaties with Belgium, the Seychelles, Singapore, Zambia and Zimbabwe.

VAT is charged at an effective rate of 15%. The import of goods or services is subject to VAT at 15% unless the goods or services are exempt. Imports by areas declared as Export Processing Zones are exempt from VAT. The export of goods is not subject to VAT. Customs duty is also payable.

Legal System

Namibian law is based on Roman and Roman-Dutch law and is, because of the country's history, influenced by South African law and to a certain extent by German and English law. Because the Namibian legal system shares its roots with the South African legal system and has developed in close connection to the South African legal system much use is made of South African case law and authorities when interpreting and applying Namibian law. Namibia adheres to the principles of rule of law, the supremacy of the Constitution and the independence of the judiciary.

Intellectual Property

Rights to intellectual property are protected under Namibian law largely by statute but also at common law. Some of the statutes overlap with the common law and with each other. Patents and designs are governed by an old South African Act, the Patents Designs, Trade Marks and Copyright Act 9 of 1916. New legislation (the Industrial Property Act 1 of 2012) has been passed but is not yet in force.

Trademarks are governed by the Trademarks Act 48 of 1973. Regulations specify the procedures to be followed by applicants and protection is afforded from the date of filing if the application is granted. The common law recognises that an unregistered mark used by a trader which distinguishes such trader's goods or services from those of others is of a proprietary nature and deserves protection. The Trademarks Act recognises such common law rights by preserving the right to bring an action for passing off of the unregistered mark.

Any of the works listed in the Copyright and Neighbouring Rights Protection Act 6 of 1994 are eligible for copyright protection. Copyright comes into existence without registration and the Act prohibits the unauthorised reproduction, publication, broadcast, performance, transmission or adaptation of a literary, dramatic or musical work. Special provision is made for the protection of artistic works and of sound recordings, cinematograph films, television and sound broadcasts, published editions of works and computer programs.

Financial Services/Insurance

Namibia has a well-established insurance industry which is to a great extent inherited from and interlinked with the South African insurance industry. Insurance is divided into long-term insurance (pertaining to life insurance, health, disability, funeral or sinking fund policies) and short-term insurance (relating to fire, marine, aviation, vehicles, guarantee and personal accident, sickness, general liability, damage to property, goods in transit, credit, railway rolling stock, legal expenses and expropriation and confiscation of property, personal and co-insurance business). Long-term and short-term insurance and the registration, cancellation and carrying on of business in relation thereto are regulated by the Long-Term Insurance Act and Short-Term Insurance Act. Most types of risk can be insured in Namibia and the reinsurance business has gained ground in the country in recent years, in particular since the introduction of the State owned National Re-Insurance Company and the Namibia Financial Institutions Supervisory Authority (NAMFISA).

Treaties and Bilateral Agreements

Namibia has ratified, acceded to, or is a member of various treaties and international agreements. In terms of article 144 of the Constitution of the Republic of Namibia, an international agreement binding upon Namibia forms part of Namibian law.

Membership of International and Regional Organisations

Namibia is a full member of a number of international and regional organisations including: United Nations (UN) and its agencies, International Monetary Fund (IMF), World Bank, World Trade Organisation (WTO), African Union (AU), The Southern African Development Community (SADC), Southern African Customs Union (SACU), British Commonwealth of Nations and the Lomé Convention.

Road and Transport

Namibia has modern civil aviation facilities, an extensive well-maintained land transportation network and an important seaport at Walvis Bay. Construction continues to expand two major road arteries, the Trans-Caprivi and Trans-Kalahari Highways which will further open up the region's access to Walvis Bay.

Water

Article 100 of the Namibian Constitution vests all natural resources including water in the State. The control, conservation and use of water for domestic, agricultural, urban and industrial purposes is regulated by statute. The Namibia Water Corporation Limited (NamWater) is a State-owned company dealing with bulk water supply and providing water-related services and facilities.

Energy

During the pre-independence period large areas of Namibia, including offshore, were leased for oil prospecting. Natural gas was discovered in 1974 in the Kudu Field off the mouth of the Orange River. The field is thought to contain reserves of over 1.3 trillion cubic feet of gas. In 2009 the government announced changes to the ownership structure of the Kudu project. Tullow Oil Plc which owned 70% of the Kudu gas field saw its stake drop to 31%. Japanese firm ITOCHU Corporation which owned 20% of the project now owns 15%. The Namibian government through state petroleum firm the National

Petroleum Corporation of Namibia (NAMCOR) has a stake in Kudu, together with Tullow Oil Plc and Itochu. Plans are also underway to build the country's first combined cycle power station near Oranjemund. With power shortages facing the Southern African region the government has stated its commitment to develop the Kudu gas field. However, the supply of electricity in the short to medium term remains a challenge.

Namibia has a well-developed legislative framework governing the upstream and downstream oil business. Currently there are thirteen companies exploring for oil and gas.

Namibia's electricity grid currently supplies only about 40% of its population. Electricity in Namibia is generated mainly by thermal and hydroelectric power plants.

Telecommunications

The telecommunications industry in Namibia is regulated by the Ministry of Works, Transport and Telecommunication. Overall Namibia has a good telephone and radio frequency system and makes use of local broadcasting channels and wired and wireless internet connections. Telecom Namibia Limited is the national telecommunications operator established in August 1992 and wholly owned by the government but functioning as a commercialised company.

Tourism

Namibia generally attracts eco-tourists with the majority visiting the Caprivi Strip, Fish River Canyon, Sossusvlei, the Skeleton Coast Park, Sesriem, Etosha Pan and the coastal towns of Swakopmund, Walvis Bay and Lüderitz. There are many lodges and reserves to accommodate eco-tourists.

Mining

Mining accounts for 8% of the GDP but provides more than 50% of foreign exchange earnings. Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Namibia is the fourth-largest exporter of nonfuel minerals in Africa, is one of the world's largest uranium producers and the producer of large quantities of lead, zinc, tin, silver, and tungsten. The mining sector employs only about 3% of the population.

Agriculture

Although Namibian agriculture (excluding fishing) contributed between 5% and 6% of Namibia's GDP for the past five years about 35-40% of the population depends on subsistence agriculture for its livelihood. Animal products, live animals and crop exports constitute about 10.7% of total Namibian exports. The government encourages local sourcing of agriculture products. Retailers of fruits, vegetables, and other crop products must purchase 27.5% of their stock from local farmers.

Labour Relations

Employment relationships are regulated by the Labour Act (which applies to all employees, including foreign employees). Namibia has subscribed to various International Labour Organisation (ILO) conventions. In terms of the Namibian Constitution all persons have the right of freedom of association, which includes the freedom to form and join associations or unions. No employee may be dismissed without a valid and fair reason and without following a fair procedure. It is unfair to dismiss an employee because of the employee's sex, race, colour, ethnic origin, religion, creed or social or economic status, political opinion or marital status. Foreign employees require a work visa if they intend to stay for a short while in Namibia (about three to six months). It is usually valid for three months and can be renewed a maximum of three times.

NIGERIA

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Country Information
Nigeria covers 923 768 square kilometres. It has Africa's largest population of over 174 million with a growth rate of 2.3% per annum. Nigeria's economy is the largest in sub-Saharan Africa and grew by 6.54% in the second quarter of 2014.

Political System
The 1999 Constitution provides for a multi-party democracy and a Presidential system of government which includes the Executive, Legislature and Judiciary.

The executive branch is headed by the President and is divided into Federal Ministries each headed by a Minister appointed by the President and confirmed by the Senate.

The legislative arm consists of the Senate and the House of Representatives while the judicial arm consists mainly of the Supreme Court of Nigeria, the Court of Appeal, the High Courts and other trial courts. Each arm acts as a check and balance on the powers of the other arms.

The Constitution provides for the operation of three tiers of government at the Federal, State and Local levels. The States have their own Houses of Assembly which have the powers to make laws applicable in their respective States.

Latest GDP Figures (2014 Estimates)
In the second quarter of 2014 the nominal Gross Domestic Product (GDP) in real terms stood at 16 084 622.32 million Naira with a growth rate of 6.54%.

Inflation Rate
The inflation rate as at September 2014 was 8.30% (Consumer Price Index).

Investment Climate in Nigeria
Nigeria has attracted both local and foreign investors. In 2013 Nigeria attracted US$ 5.5 billion in Foreign Direct Investment (FDI).

The minimum share capital for foreign companies is 10 000 000 Naira. The investment may be in the form of working capital or equipment which it has procured for its operations in Nigeria. The company may also obtain a loan from its parent company to boost its working capital.

Factors that have made investment attractive in Nigeria include a generally stable political environment (although the Boko Haram group has created instability primarily in northern Nigeria), huge deposits of natural resources, a free market, tax incentives, bank reforms, the rule of law and a stable legal and regulatory framework for conducting business. 100% foreign ownership of businesses is permitted (except in some restricted areas). Favourable exchange regulations allow the easy repatriation of capital and profits. There is a growing financial sector, easy provision of medium and long term loans, a controlled money supply, a fast growing private sector and a huge internal market.

There are many opportunities available in the oil and gas, power, mining, banking and finance, agriculture and other sectors. The high population density creates high demand for products and services while economic and political improvements have created more opportunities for investors.

Forms of Business

Joint ventures
A joint venture is formed in terms of an agreement concluded between two or more parties for the purpose of executing a particular business undertaking. All parties agree to share in the profits and losses of the enterprise.

Partnerships
A partnership is usually established between joint owners of a business who are personally liable for the obligations and debts of the partnership.

Incorporated companies
A company may be incorporated with unlimited liability, limited by shares or limited by guarantee. Where it is limited by shares, it may be a private or a public limited company. Foreign companies intending to do business in Nigeria must form a local incorporated entity. 100% foreign ownership is allowed and the transfer of shares in private companies is restricted.

The time frame for incorporating a company is approximately 2 to 3 weeks from the date of the submission of all the required documents and payment of all fees. Express incorporation is possible within 48 hours of the submission of all the required documents and payment of all fees.

Non-governmental organizations (NGOs) may be registered as a company limited by guarantee or as incorporated trustees (whereby trustees of the NGO, rather than the NGO itself, obtain the status of a body corporate). A company limited by guarantee cannot have a share capital and cannot have the objective of carrying on business for the purpose of making profits for distribution to members. The memorandum of a company limited by guarantee cannot be registered without the authority of the Attorney General of the Federation.

Business names must be registered under the Companies and Allied Matters Act where the name consists of an addition to a person's name.

Exchange Controls

There are comprehensive exchange control measures in place to guarantee a parallel market/internal balance for foreign exchange. Exchange control regulations however have been liberalised to ensure the free flow of international finance. There is now unrestricted movement of investment capital. Under the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act an individual or corporate body wishing to invest in any Nigerian enterprise with capital imported into Nigeria is required to do so through an authorised dealer.

Subject to the prior submission of prescribed documentation, the authorised bank issues a "Certificate of Capital Importation" (CCI) within 24 hours of receipt of the funds of a foreign investor. This certificate enables foreign companies to transfer dividends and profits from investments out of Nigeria. It also enables the settlement of foreign loan obligations and in the event of a sale or liquidation of the company it allows the investor to transfer the proceeds of the sale/liquidation out of Nigeria.

Registration with the Nigerian Investment Promotion Commission (NIPC)

The Nigerian Investment Promotion Commission (NIPC) is an agency of the Federal Government set up primarily to promote and encourage foreign investments in Nigeria. It serves as a regulatory agency for foreign investors operating in Nigeria and requires that all foreign investors register with it before commencing business operations.

Business Permits

The Nigerian Investment Promotion Commission (NIPC) Act requires the consent of the Minister of Internal Affairs for any foreigner to practise any profession or establish or take over any trade or business. Such consent takes the form of a "Business Permit".

Expatriate Quota Positions

Any company wishing to employ an expatriate in Nigeria is required to apply to the Federal Ministry of Interior for "Expatriate Quota" positions. This is an official permit authorising the employment of individual expatriates in specifically approved job designations. An application for an expatriate quota must be accompanied by evidence that the expertise required is not available in Nigeria. Expatriate Quota positions are usually granted for 2-3 years and subject to renewal.

Combined Expatriate Residence Permit and Alien's Card (CERPAC)

CERPAC facilitates the easier acquisition of residence permits and alien registration certificates for foreigners. The Federal Ministry of Interior issues the card on application. The card permits foreigners to reside in Nigeria with unhindered movement.

Taxation

The Federal Government is responsible for the collection of companies' income tax, withholding tax, Value Added Tax, education tax, capital gains tax and stamp duties from corporate bodies and personal income tax from individuals resident in the Federal Capital Territory and persons resident outside Nigeria who derive income from Nigeria.

All companies in Nigeria are required to pay companies' income tax on all profits accruing in, derived from, brought into or received in Nigeria. The rate of income tax in Nigeria is 30% of the assessable profit.

Education tax is also charged (but only on Nigerian companies) at the rate of 2%.

Stamp duty is charged on written agreements and other relevant documents to which a company is party and may be fixed or based on the nature and the value of the transaction.

Value Added Tax is payable on the supply of all taxable goods and services at a flat rate of 5%.

Withholding tax is deductible at a rate between 5% and 10% (depending on the nature of services rendered or transaction carried out) from payments due to a taxable person/entity.

Capital gains tax is payable at the rate of 10% on gains accruing from the disposal of assets.

Companies engaged in petroleum operations are subject to petroleum profits tax at the rate of 85% of their assessable income.

There are also taxes at the State/local government level such as stamp duties, development levies, land charges, tenement rates and shops and kiosks' rates.

There is a comprehensive package of tax incentives to attract investment. This

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includes a 3 to 5 year tax holiday for companies that fall within sectors defined as priority areas/pioneer industries by the Government such as the agriculture, mining and manufacturing. There are various incentives for the mining sector, liquefied natural gas projects and export oriented enterprises.

Nigeria has entered into double taxation agreements with the United Kingdom, France, Belgium, Pakistan, Canada, Romania, Netherlands, Czech Republic, Slovakia, Poland, Philippines, Japan, China, South Africa and Italy (shipping and air transportation only). Withholding tax for rents, dividends, commissions, directors' salaries, rates or any other income derived by a company (which is normally calculated at the rate of 10%) may be reduced to 7.5% in terms of an applicable double taxation treaty. The double taxation agreements generally cover personal income tax, companies' income tax, petroleum profits tax and capital gains tax.

Monetary Policy

The Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for 2014/2015 of the Central Bank of Nigeria (CBN) (applicable to banks and other financial institutions) is aimed at creating an environment characterized by low inflation and conducive for sustainable economic growth and job creation.

Some of the policy measures put in place by the CBN to reform the Nigerian monetary system are the use of open market operations (as the major channel of monetary operations in the secondary market), the use of cash reserves and liquidity ratios (as prudential and liquidity management tools), the use of discount window operations to accommodate banks in need of temporary liquidity support, the use of market-driven interest rates (with the rates being indirectly influenced by CBN's adjustments), the remittance of VAT, custom duties and other collections on behalf of the Federal Government by banks by the next working day, the use of the average cost of funds computation framework by deposit taking banks in the computation of their cost of funds, the flotation and re-issue of Federal Government bonds and Nigerian treasury bills with a view to enhancing the depth of the financial markets and developing a credible and transparent alternative source for financing government deficits, encouraging banks to improve their deposit mobilisation efforts by developing new products that will improve access to credit, promoting a cashless society and enforcing the publication of banks' financial statements not later than four months after the end of their financial year.

The Nigerian Legal System

Nigeria is made up of 36 states and a Federal Capital Territory (FCT), located in Abuja. These states are as a matter of convenience generally grouped into 6 geopolitical zones of North East, North West, North Central, South East, South West, and South.

The Nigerian legal system is based on the English common law and legal tradition. English law has a strong influence and forms a substantial part of Nigerian law.

The Constitution

The Nigerian Constitution is a federal one which provides for the division of powers between the constituents of the Federal Government. It is the supreme law and is binding on all authorities and persons throughout the country.

Legislation

The Constitution regulates the distribution of legislative powers between the National Assembly (which has power to make laws for the Federation) and the House of Assembly of each State of the Federation.

Judicial Precedent

The doctrine of precedent is founded on the principle of law that like cases be decided alike and its operation is tied to the hierarchy of the courts. A court is bound by the decisions of any court above it in the hierarchy and (usually) by a court of co-ordinate or equivalent jurisdiction.

Customary Law

Customary law can apply but is disallowed when its effect or its content is repugnant to the principles of natural justice, equity and good conscience.

Sharia Law

The Koran is the principal source of Sharia law and in Nigeria, Sharia has been instituted as a main body of civil and criminal law in about 9 Muslim-majority areas and in some parts of Muslim-plurality states.

English Law

This consists of:

- English common law, the doctrine of equity, statutes of general application in force in England on 1 January 1900 and Statutes and subsidiary legislation on specified matters, and
- English statutes made before 1 October 1960 and extending to Nigeria which have not been repealed. Laws made by the local colonial legislature are treated as part of Nigerian legislation.

International Law

Nigeria is a member of the United Nations, the Commonwealth of Nations, African Union and many other international organizations. Although Nigeria is a signatory to various international conventions and treaties, they are not enforceable in Nigeria unless they are enacted into law by the National Assembly.

The Nigerian Court System

The Nigerian court system consists of the Supreme Court, the Court of Appeal, the Federal High Court, the State High Courts, the Magistrate Courts and the Customary Courts. There is also the National Industrial Court which has original jurisdiction in civil labour matters as well as jurisdiction to determine appeals from decisions of arbitral tribunals. Appeals also lie from this Court to the Court of Appeal. The Magistrate Courts are essentially courts of summary judgment having original jurisdiction in both civil and criminal matters.

The State High Courts have jurisdiction in both civil and criminal proceedings and hear appeals from the Magistrate Courts. The Federal High Court has co-ordinate jurisdiction with the State High Courts but is only bound by the decisions of the Supreme Court and the Court of Appeal. The Supreme Court is the highest court in the Nigerian judicial system.

Disputes between corporate bodies are usually heard by the civil courts. The Federal High Court however has jurisdiction over revenue matters, banking, fiscal matters, aviation matters, admiralty, foreign exchange and matters involving the Federal Government or its agencies.

Intellectual Property in Nigeria

Nigerian intellectual property law provides ample protection for the intellectual property rights of both Nigerians and foreigners. This includes copyright, patents and industrial and design rights. The law prevents others from copying or taking unfair advantage of the work or reputation of another and provides remedies where this arises.

Financial Services in Nigeria

The banking sector in Nigeria has recently witnessed significant reforms undertaken by the Central Bank of Nigeria (CBN) to tackle the effects of the global financial crisis and to strengthen its growth potential.

In 2010, the Asset Management Corporation of Nigeria (AMCON) was established to address the problem of non-performing loans in the Nigerian banking industry, among others. The CBN also established the Consumer and Financial Protection Division to provide a platform through which consumers can seek redress.

Other reforms being carried out by the CBN are a comprehensive review of the Guide to Bank Charges with a view to making the charges customer friendly, the adoption of International Financial Reporting Standards (IFRS), the abolition of the Universal Banking System, the introduction of non-interest banking and the introduction of cashless policies.

The reforms have resulted in greater confidence in the banking system with the revocation of licenses of distressed banks and the adoption of a strict code of corporate governance. Nigerian banks are now key players in the global financial market with many of them ranking among the top 20 banks in Africa and in the top 1000 banks in the world.

Insurance

The insurance industry in Nigeria is governed by the Insurance Act 2003 with the National Insurance Commission (NAICOM) as its regulatory body. The Insurance Act complies significantly with the International Association of Insurance Supervisors' (IAIS) core principles.

Government reforms in the insurance industry through the process of recapitalisation and consolidation are aimed at restoring public confidence in the market and enhancing international competitiveness of local operators.

To this end NAICOM introduced the Market Development and Restructuring Initiative (MDRI), a medium term reform plan targeted at enhancing industry capacity, market efficiency and consumer protection in the Nigerian insurance market. The MDRI focuses on the enforcement of compulsory insurance in six areas including group life insurance, employers' liability insurance, buildings under construction, occupiers' liability insurance, motor third party insurance and healthcare professional and indemnity insurance. It also focuses on the enforcement of compulsory insurance products in Nigeria the modernisation of the insurance agency system, removing fraudulent insurance institutions and the introduction of risk-based supervision.

The entrance of banks into the insurance industry under the now abolished Universal Banking System helped to boost the growth of the sector.

Strategic Growth Initiatives by Government/Private Sector

The country has a dynamic private sector. The Federal Government is committed to improving the economy and to rank it among the 20 largest economies in the world. To achieve this, the Federal Government has set up an economic team known as the Nigeria Vision 20:2020 Economic Transformation Blueprint (Vision 20:2020). The Government has also embarked on a Public Private Participation (PPP) scheme, and has partnered with state governments to execute several projects aimed at strengthening the economy.

The private sector is vital to boosting economic growth and development which can reduce poverty by generating employment and income and expanding public revenues. Banks are adopting and developing strategies to promote and support private sector development such as the provision of loans and overdrafts, private project financing, investment promotion, investment finance, technical support to individual enterprises and support to micro-enterprises (microfinance).

Membership of International and Regional Organisations

Nigeria is a member of the African Union (AU), United Nations (UN), Organisation of Petroleum Exporting Countries (OPEC), British Commonwealth, Economic Community of West African States (ECOWAS), the New Partnership for Africa's Development (NEPAD), World Bank, International Monetary Fund (IMF), World Trade Organisation (WTO), International Labour Organisation (ILO), African Development Bank Group (AfDB), International Bank for Reconstruction and Development (IBRD), International Chamber of Commerce (ICC), International Criminal Court (ICC), International Criminal Police Organisation (Interpol), International Development Association (IDA), International Finance Corporation (IFC), International Maritime Organisation (IMO), International Mobile Satellite Organisation (IMSO), International Olympic Committee (IOC), International Organisation for Migration (IOM), International Organisation for Standardisation (ISO), Islamic Development Bank (IDB), Organisation of Islamic Cooperation (OIC), Organisation for the Prohibition of Chemical Weapons (OPCW), United Nations Conference on Trade and Development (UNCTAD), United Nations Educational, Scientific, and Cultural Organisation (UNESCO) and World Health Organisation (WHO) amongst many others.

Key Industry Sectors

Nigeria's key investment sectors are agriculture, banking and finance, power generation, oil and gas, information and communications technology, telecommunications, mining, trade and investment and real estate.

Oil and Gas

The oil and gas sector in Nigeria has attracted the most interest for investors in the Nigerian economy. Foreign companies are involved in the oil and gas sector but mostly as contractors to the Nigerian Government. Major oil companies are active in the up-stream sectors of the oil industry.

Apart from investing directly in the up-stream sector of the oil industry, foreign investors can invest in lucrative down-stream industries like crude oil refining, transportation and storage and the production of liquefied natural gas.

Power Generation

In 2005 the Federal Government embarked on an Electric Power Sector Reform Program. One of the key aspects of the program was the corporatisation and unbundling of the Power Holding Company of Nigeria (PHCN). This has led to the establishment of eighteen successor companies including eleven distribution companies and six generation companies. Fifteen of these successor companies have been handed over to new owners.

This sector provides investment opportunities for foreign investors to invest in the generation, transmission and distribution of electricity. This also includes the local manufacture of cables, transformers and other electricity equipment, appliances and component parts.

Banking and Finance

The country has a highly developed financial services sector with a mix of local and international banks, asset management companies, brokerage houses, insurance companies and brokers, private equity funds and investment banks.

Real Estate

Like other emerging markets, the rapid growth of the Nigerian economy has led to rapid growth in the demand for real estate with positive trends in investment in the sector.

Information and Communication Technology

Nigeria is one of the largest and fastest growing telecommunications markets in the world and this sector is one of its most attractive for investors. Nigeria has successfully launched two telecommunications satellites, namely NigComSat-1 and NigComSat-2. There are several opportunities including in the provision of private network links, the sale and installation of terminal equipment and the manufacture of telecommunication equipment and accessories.

Mining

The Nigerian Government's policy focus on the mining sector is based on the need to develop a private sector led mining industry with Government restricting its role to that of a regulator. Nigeria is blessed with 34 types of minerals but the Government has prioritised the development of this industry to only 7 minerals, namely coal, bitumen, limestone, iron ore, baryte, gold and lead-zinc. This reflects their strategic importance to the country's economy and their availability in quantities which can sustain mining operations for many years.

In a bid to diversify the country's economic base, the Government has introduced a regulatory framework for the exploration and exploitation of mineral resources by the enactment of the Nigerian Minerals and Mining Act, 2007. Opportunities now exist for the exploitation and export of natural gas, bitumen, limestone, coal, tin, columbite, gold, silver, lead-zinc, gypsum, glass sands, clays, asbestos, graphite and iron ore.

Agriculture

The discovery of crude oil in the late 1960s and early 1970s led to the abandonment of food exports as a Government priority. The country now depends largely on food imports. However the present Government has made efforts to rejuvenate the agricultural sector and has created several incentives to encourage private investment in this sector.

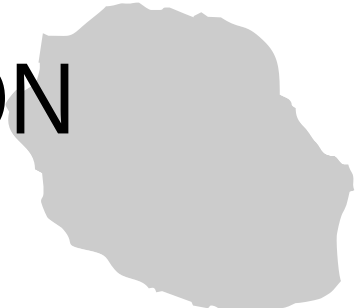
Trade and Investment

The Nigerian economy is dominated by crude oil exports which account for about 90% of its foreign exchange earnings and 65% of its budgetary revenues. Other exports are cocoa, palm oil, groundnuts, cotton, timber and rubber. Major import commodities include machinery, chemicals, transport, equipment, manufactured goods and live animals.

The Nigerian Labour Market

With a labour force of about 48 million people, skilled and unskilled labour is available in Nigeria at a relatively cheap rate compared to other parts of the world. The country has several labour laws that govern the relationship between employers and employees such as the Factory Act, Labour Act and Trade Dispute Act. The National Industrial Court has exclusive jurisdiction in civil causes and matters relating to or connected with any labour or employment matter, trade unions, industrial relations and other matters arising in the workplace and the conditions of service, including health, safety, welfare and other related matters.

REUNION ISLAND



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Main Areas of Practice
Gangate & Partners is one of the leading law firms in Reunion Island, with a highly recognized expertise across a broad spectrum of disciplines both in consulting and litigation.

Gangate & Partners offer legal advice and assistance to businesses, public and private sector institutions and individuals in corporate and commercial law, mergers and acquisitions, foreign investments. labour and employment law, real estate and intellectual property.

Geography
Mascarene Archipelago, Indian Ocean
55°30' east longitude - 21°15' south latitude
Located between Mauritius Island and Madagascar
Surface area: 2512 km²
Climate: moderate tropical
Population: 837 868 inhabitants
Annual demographic growth: 1.5 %.

Political System
Multiparty republican democracy. Reunion Island is an overseas departmental French region (DROM) which also holds the status of an outermost region of the European Union (OMR). It is therefore subject to French governmental and political system. French laws and regulations as well as European Community regulations apply and may be subject to specific measures or derogations, given the specific characteristics and constraints of the territory.

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As a French and European territory in the Indian Ocean, Reunion Island offers a secure and modern setting for the development of projects.

Being part of the Eurozone and organised according to the French political and administrative model, Reunion Island provides a solid guarantee in terms of monetary, political and social stability.

Reunion's dual character (being both French and an outermost EU region) enables access to various national and European support mechanisms for economic activity.

Economic Indicators
Currency: Euro
GDP Nominal: 16.3 billion € (2012)
GDP per inhabitant: €18,500 (2011)
GDP growth rate: 3.1 % (2011/2010), in current values.

Investment Climate
As part of the eurozone, Reunion Island is stable for investors and boasts a quality banking sector. Reliable, modern and fully connected to major financial institutions, Reunion's banking environment provides the resources necessary for the development of economic activity and support for household spending.

A broad and varied framework of support has been set up to cater for the needs of investors. This support depends on the type of investment project (physical investment, research and development, innovation, training, etc.), its location (priority development areas or non-priority areas) and the type of company conducting the project (large company, mid-size company or SME). The creation of Bpifrance, France's public investment bank, in 2013 consolidated this range of state aid and financing to help companies, particularly those with fewer than 5000 employees, to expand in France and increase their exports.

In principle there are no administrative restrictions on foreign investment in Reunion Island. Foreign investments will only require the filing of certain forms with the Banque de France (for statistical purposes) or the Ministry of Economy depending on the size and nature of the investments. However, certain acquisitions in sectors considered to be sensitive require prior authorisation. For public security/safety reasons investors must obtain the prior approval of the Ministry of Economy before making an investment in certain protected sectors or where public safety is at risk.

Forms of Business
French company law provides for numerous corporate forms. However, the most used forms are companies with limited liability.

The three main types of limited liability companies are as follows:

- Société à responsabilité limitée (SARL)

- Société anonyme (SA)
- Société par actions simplifiée (SAS).

In a limited liability company, financial liability is limited to the amount of the owner's capital contribution. A SARL and SAS can be formed with a single partner, whereas seven shareholders are required for an SA.

The SAS is the most recent form of a French company and is now the most commonly chosen form for small and large privately held businesses. The SAS is particularly flexible in terms of governance and characterised by much wider contractual freedom.

Additional options are available. These are mainly partnerships (société en nom collectif - SNC), non trading partnerships (société civile) and economic interest groupings (groupement d'interets économique – GIE).

Formation of a Company

A number of formalities are required to set up a company. In particular, setting up a business first requires the signature of a commercial lease contract (or a domiciliation contract with a business center) for the company's registered office, the signature of the articles of association, the filing of these articles with the tax office and the publication of a notice containing the company's main characteristics in a legal publication.

Formalities to create a company have been simplified and can be carried out online. The entire process is managed by a single organisation, the Center of Business Formalities (CFE), which conveys to the appropriate bodies all of the documents needed to set up of the company. These bodies include:

- the Commercial Court Clerk's Office (Greffe du Tribunal de Commerce).It will deliver a receipt proving the pending registration, enabling the legal representative to undertake additional registrations with other administrations and public agencies. Once the registration with the Commercial and Companies Registry is completed, the company receives a certificate of incorporation (Extrait K-bis) from the Clerk's office
- the National Institute of Economic Statistics and Studies (Institut National de la Statistique et des Etudes Economiques or INSEE), in charge of allocating industry codes and delivering the SIREN (identification number) and the SIRET (premises number) necessary to recruit staff and complete other day-to-day formalities
- fiscal and social security administrations.

Branches and agencies in Reunion Island of an entity with an overseas headquarters also have to complete registration requirements.

Taxation

The French tax system applies in Reunion Island with certain specificities and exceptions.

French corporation tax is due on the profits of companies operating in Reunion Island. Corporation tax is currently charged at 15% and 33,33%. The lower rate applies to the first 38 120 Euros earned profits per year and the rest of the company's profits are taxed at the standard rate.

French income tax is due by individuals who have their tax domicile in Reunion Island on their worldwide income and profits. Income tax is calculated on a progressive scale.

Like all European Union (EU) Members States, Reunion Island operates a Value Added Tax (VAT) system. However, it should be noted that Reunion Island, like the other French Overseas Departments (DOM) are not part of European Community (EC) territory for the purposes of VAT.

The EU harmonized rules on VAT do not apply to the DOMs and the application of turnover taxes is a matter for the national or local authorities subject to compliance with the general principles of European Treaties and, notably, the absence of discrimination in the taxation of products.

Reunion Island applies a local VAT system closely resembling the EC system but with certain adaptations (eg reduced rate at 8.5%).

Moreover, there is a further tax on consumption known as "dock dues (octroi de mer)", which applies mainly to products from outside the Island but which can also be applied to locally manufactured products. Dock dues are a very old form of tax, several centuries old, which was originally levied on all products arriving in the DOMs by sea.

In principle, the EC Treaties do not permit differences in taxation between local products and products imported from mainland France or other EU Member States. However, the specific nature of the outermost regions, which includes Reunion Island, is laid down in the relevant EC treaty which permits specific measures to be taken, particularly in the tax field, to take account of the particular characteristics and constraints of these regions.

Local manufacturers have to contend with a number of handicaps, caused especially by their remoteness, the effect of which is to push up the cost prices of their products, thereby making them uncompetitive with products from elsewhere (especially mainland France and other EU Member States). This has justified the implementation of a specific measure which, by means of tax exemptions or reductions for local products, serves to:

- encourage productive industrial activity
- safeguard their competitiveness with outside products, and

- thus increase the proportion of the DOMs' GDP accounted for by industrial activity.

Import/Export

Reunion Island is part of the EU single trading area with a unified customs law where all goods (subject to very narrow exceptions such as certain limited health and safety exceptions and military items) circulate freely, whether made in an EU Member State or imported from outside. Subject to dock dues, internal customs duties, fees and barriers are removed within the EU, although Member State customs authorities retain the right to check goods at the border. There is a common external customs tariff for products imported from outside the EU.
The EU has adopted a Community Customs Code, which sets out the general rules and all the customs procedures applicable to goods traded between the EU and non-EU countries, including in respect of import relief in the form of dumping and countervailing duties and quotas.

The Customs Code and the Customs Regulations are directly applicable in Reunion Island and are administered and enforced by the French customs authorities. The national customs authority in France (Reunion Island) is the General Directorate for Customs and Excise Duties (DGDDI). Relevant legislation is found in the French Customs Code which is applicable in Reunion Island.

In some cases, imports may require a national or EU license. These can include common agricultural policy licenses for certain foodstuffs, licenses for the importation of livestock, blood, plant life and other items subject to health and safety controls.

Exports may be subject to controls under French legislation and/or EU regulations.

Judicial Environment

French laws and regulations as well as EU regulations apply and may be subject to specific measures or derogations, given the specific characteristics and constraints of the territory.

The court system is characterised by a division between judiciary courts and administrative courts. Judiciary courts include civil courts, which have jurisdiction over disputes between private individuals and criminal courts for criminal matters. Administrative courts are only competent if a public person or body is involved. Each part of the judicial system is headed by a high court empowered to overturn judgments by the lower courts. The Supreme Judiciary Court is the Cour de Cassation and the Supreme Administrative Court is the Conseil d'Etat.

Intellectual Property

In Reunion Island, intellectual property matters are handled by the French National Institute of Intellectual Property (Institut National de la Propriété Intellectuelle or INPI) which includes the trade mark, registered design and patent registries.

Treaties and Bilateral Agreements

Same as the Republic of France.

Membership of International and Regional Organisations

Same as the Republic of France.

Economic Developments and Key Industry Sectors

Priority sectors identified for economic development by the Regional Council are, tourism, information and communication technology (ICT), agri-food, renewable energy and the environment.

Tourism

Tourism is a key sector in the Indian Ocean for both the economy and job creation.

It was thanks to the island's unique 'Pitons, Cirques and Ramparts' that Reunion was granted the status of world heritage site by UNESCO in August 2010, thus becoming France's 35th site to obtain this classification.

One of the world's unique tourist destinations, Reunion is ideal for the development of an attractive, diverse, authentic and sustainable tourism industry. Today, this sector continues to consolidate its strong impact in the creation of wealth and jobs, confirming its position as an emerging activity and source of diversification for the island's economy.

In fact, tourism represents nearly 10 000 jobs, either employees or independent workers, (4% of all jobs on the island) and a turnover estimated at €900m. In addition more than 400 hotel rooms have been either created or renovated, representing more than €50m in investment and the creation of more than a hundred new jobs.

Reunion Island offers an extensive array of leisure activities in terms of sports, visits and opportunities to relax. Reunion benefits from qualified human resources trained by the following high-performance establishments in the sector of tourism:

- Professional Hotel and Catering High School (La Renaissance)
- Reunion Island technical training centre for tourism, hospitality and catering (Centhor)
- University Business School (IAE).

These establishments award diplomas in the following areas: catering, wine-tasting, hospitality, accommodation, languages, I.T., health and safety, knowledge of Reunion and management.

ICT

A major sector in full expansion, Information and

Communication Technology (ICT) represents one of Reunion's most dynamic industries. Identified as a priority sector, it boasts a high quality technological environment and huge potential both for the local market and for neighboring markets. ICT is one of the most dynamic sectors in Reunion.

There are 7 internet service providers on the island with a quality network combining several technologies (eg optic fiber and wireless broadband coverage). The rate of mobile phone coverage on the island is over 95% with connections to Europe and the Indian Ocean.

Reunion Island therefore boasts a fine array of ICT expertise:

- design of CD-ROMs, servers and websites, networks and interactive terminals that are being exported to mainland France, Canada, Mauritius, Madagascar and South Africa
- ICT consultants: experts in auditing and improving quality processes
- communication companies: creation and production of graphics and multimedia
- animation and graphic design: with Pipangaï, Europe's second largest studio for colouring and compositing, Reunion plays a major role in cartoon creation in Europe. The sector has opened up further to new companies working in pre-and post-production, 3D animation and internet and cross-media techniques
- development of specific tools: energy efficiency, WEB security, Geographic Information System, RFID (Radio Frequency Identification), etc.

ICT companies will find that Reunion boasts top quality European training and research facilities offering specialised training in ICT through the Institute of Image of Indian Ocean – ILOI.

Agri-Food

In recent years Reunion's Agri-Food Industry has progressed constantly. As the number one industry in Reunion, it has bolstered its own expertise, in particular by diversifying local agricultural production and with an ever-increasing development of agro-industrial skills thanks to efficient industrial facilities.

Today, innovation within the agri-food industry enables the continuous improvement of expertise and know-how, and the opening up of new horizons in terms of both products and geography. Some figures with regard to the agri-food industry:

- ranked n°1 in terms of export value (€183.4m in 2012)
- four main sectors: meat, drinks, milk and sugar
- 117 predominantly food-based supermarkets with an average density of 193m² per 1000 inhabitants (2012)
- added value of the food industry in Reunion: 24% (including commercial crafts) in 2010
- €98m of capital spending between 2009 and 2010
- 807 companies (including commercial crafts)
- 5 300 employees
- Net turnover: €1 160m
- Added value: €276m
- Turnover from exports: €116m making it Reunion's leading industrial sector.

Renewable energy and the environment

Reunion Island boasts certain advantages making it an island which is rich in opportunities and skills for the development of renewable energy and a favourable location for the creation of innovative environmental projects.

Reunion boasts tremendous advantages in the areas of renewable energy (ENR) and biodiversity. Due to its size, mountainous terrain and history, Reunion Island has today become an exceptional testing site for energy technology and processes.

The island has a considerable amount of sunshine and ideal exposure to wind as well as interesting potential for marine energy which has encouraged the development of many different projects.

Rich in natural resources, Reunion has become a territory of excellence for renewable energy and energy management.

The development of solar power is promoted thanks to high levels of sunshine. Reunion benefits from 30% more luminosity than mainland France, reaching levels of up to 1 900kWh/m². The average amount of sunshine is around 1 350 hours per year, with peaks reaching 2 000 hours per year.

Transforming biomass resources such as wood and bagasse (sugar cane and cane fibers) could provide a potential production of 756 GWh per year by 2020.

Wind Energy: Reunion has good wind potential at a height of 30 meters with 62% of the island's surface area being exposed to wind speeds between 6 and 7m/s. A production target of 60 to 70 MW (maximum) is planned for 2025.

Infrastructure

Main sea port of Reunion Island

Located at the crossroads of major shipping routes, Reunion Island's port is a vantage point for the distribution of goods across the entire Indian Ocean. Located in the northwest of the island in the town of Le Port, it consists of two sites 3 km apart, Port Ouest and Port Est. Uses are multiple (trade, fishing, ship repairs, yachting, cruises or even military activity) and the port has continued to see its traffic grow thanks to the impetus

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of its commercial momentum and the island's economic development.

Management of this port of national interest was granted to the Chamber of Commerce and Industry of Reunion (CCIR) and it has the infrastructure, equipment and tools to match European standards, making it a modern and efficient port in the heart of the Indian Ocean.

Reunion's main sea port handled 4.1 million tons of cargo in 2012 with 587 ship calls (breakdown according to tonnes handled), being mostly containerised trade with Europe, but also with Asia and the Pacific.

Roland Garros Airport
Located next to the sea in the north of the island in the municipality of Sainte-Marie, Roland Garros Airport has a privileged location due to its proximity to Reunion's main city. Some figures:

- an area of 200 hectares
- more than 35 000m² of terminals: 27 000m² for the passenger terminal and 8 000m² for the freight terminal (depots, warehouses, animal storage area and offices)
- a 3 200m runway ideal for large aircraft take-offs and a 2 670m runway for landings in all weather
- a capacity of 2.5 million passengers per year
- the total number of passengers for 2012 was more than 2 million, including 68 631 passengers in transit and 1 999 133 local passengers
- more than €200 million committed to an investment program running until 2020 which includes extensions to the east and west of the airport and the reinforcing and widening of the runways
- number of passengers in 2012: 2 million
- investment for 2012 (in Euros): 14 million
- passenger traffic: ranked 11th in France.

Roland Garros airport freight terminal
The terminal offers a quality service benefiting from a Border Inspection Post applying European norms and handles nearly 30 000 tonnes of cargo each year. It has an official aviation security accreditation as a known consignor and also has the status of a bonded warehouse, making it an efficient partner for companies working in both import and export. Some figures:

- 7510m² of warehouses (export depot: 3410m² and import depot: 4100 m²)
- 5 200m² of offices
- 2 cargo nose-in parking areas
- 20 cargo handling engines (tractors and forklifts for both runway and warehouse)
- refrigerated depots
- 40 000 tonnes/year of nominal capacity.

Pierrefonds airport
Located in the south-west of the island in the municipality of Saint-Pierre, it is devoted to regional traffic, notably with Mauritius.

Regional Broadband Network
The island's mobile telephone coverage is more than 95%, with connectivity across Europe and the Indian Ocean. In order to improve quality and performance the development of thematic networks have been initiated across different domains (some in conjunction with national networks).

An extensive road network in constant development
More than 1 200 km of roads:

- 395 km of national roads (of which 138.6 km are dual carriageways)
- 728 km of departmental roads.

The New "Route Du Littoral" (Coastal Road) is the largest construction project ever attempted in Reunion and one of the biggest in France. It involves a 2x3 lane highway, partly as an embankment and partly as a viaduct over the sea, at a cost of 1.6 billion Euros.

SENEGAL

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Political System
Multiparty democracy.

Forms of Business
- Sole trader
- Limited liability company
- Public company
- Economic interest groups
- Branches of foreign companies
- Joint venture.

Investment Climate
Certain laws have been passed to facilitate local and foreign investment in Senegal. The Investment Law gives tax relief and permits profits to be remitted abroad. The Statute of Free Tax Exportation provides certain advantages to investors.

Taxation on Companies
The following taxes are levied in Senegal (the minimum tax rate varies depending on the turnover of the company):
- tax on companies and other body corporates is 30%
- Value Added Tax (VAT) is 18% for all products and services
- there is a fixed tax of 3% of the payroll
- trading tax.

Taxation of Individuals
Individuals are subject to income tax on revenues from real estate and properties, movables, commercial and industrial profits.

Double Tax Treaties
Senegal has signed double taxation agreements with France, Belgium, Canada, Norway, Cameroon, Tunisia, Central African Republic, Cote d'Ivoire, Benin, Gabon, Burkina Faso, Madagascar, Mauritius, Niger, Rwanda, Togo, Mauritania, Mali, Chad, Congo and the Democratic Republic of Congo.

Exchange Controls and Regional Organisations
Senegal is a member of the West African Economic and Monetary Union (WAEMU/UEMOA) and belongs to the CFA Franc zone in which the transfer of funds is free. The CFA Franc is the currency of the Union and is linked to the Euro at a fixed rate of 655. 957 CFA to 1 Euro.

There are no exchange controls between Senegal and the other countries which belong to the CFA Franc zone, namely: France, Monaco, Benin, Burkina Faso, Ivory Coast, Equatorial Guinea, Mali, Niger, Togo, Cameroon, Central African Republic, Congo Brazzaville, Gabon and Chad.

There are exchange controls with regard to funds transferred outside the CFA zone. In general, the transfer of funds for commercial operations is allowed.

Senegal is a signatory to the Organization for Harmonization of Business Law in Africa (OHADA) Treaty that came into effect on 1 January 1998. The treaty standardises business law in the sixteen signatory states and establishes a Common Court of Justice and Arbitration.

The OHADA signatory states are Benin, Burkina Faso, Cameroon, Central African Republic, Comoros, Congo Brazzaville, Ivory Coast, Gabon, Equatorial Guinea, Mali, Niger, Senegal, Chad and Togo, Guinea Bissau and Guinea Conakry.

Intellectual Property
Senegal is a member of the African Intellectual Property Organisation for promotion of Industrial Property (OAPI). The other members of this organisation are: Benin, Burkina Faso, Cameroon, Central African Republic, Congo, Ivory Coast, Gabon, Guinea Conakry, Niger, Mali, Mauritania, Senegal, Chad and Togo, Equatorial Guinea and Guinea Bissau.

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Recognised by all leading legal directories, Werksmans is a leading South African corporate and commercial law firm serving multinationals, listed companies, financial institutions, entrepreneurs and Government. With a formidable track record in mergers and acquisitions, banking and finance and commercial litigation and dispute resolution, Werksmans is distinguished by the people, clients and work that it attracts and retains.

Werksmans has been consistently recognised and won awards as a leading law firm including with regard to mergers and acquisitions, litigation and corporate finance. Individual directors of Werksmans have been recognised by various international and South African bodies in various practice areas including competition/antitrust, dispute resolution, mergers and acquisitions, tax, mining and banking and finance.

As one of South Africa's largest corporate law firms, Werksmans' more than 180 lawyers are a powerful team of independent-minded individuals who share a common service ethos. The firm's success is built on a solid foundation of insightful and innovative deal structuring and legal advice; a keen ability to understand business and economic imperatives; and a strong focus on achieving the best legal outcome for clients.

Country Information

South Africa is the second largest economy in Africa (after Nigeria) and contributes about 25% of African gross domestic product (GDP), 40% of its industrial output and 50% of its electricity supply. It has sophisticated banking, financial services, mining, telecommunications, agricultural, IT, commercial and industrial sectors and a developed road, rail, airport and port infrastructure. It is ranked as an upper-middle income economy by the World Bank. Its population is about 52 million (although it is estimated that there could be several million legal and illegal immigrants) and comprises a rich diversity of cultures and religions (Christian, Hindu, Islam, Judaism and African customary). It has 11 official languages including English, Afrikaans and nine African languages. Its area is about 1 219 090 square kilometres and it is divided into nine provinces with three capital cities, Pretoria (administrative capital), Cape Town (legislative capital) and Bloemfontein (judicial capital). Poverty, crime and unemployment (officially about 25%) remain major problems.

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Political System

Multiparty democracy. The Constitution is one of the most progressive in the world and entrenches a bill of rights which guarantees property rights, equality, socioeconomic rights, individual freedoms, an independent judiciary and a free press. The President is limited to two five year terms of office.

Investment Climate

South Africa generally welcomes foreign investment and virtually all business activities are open to foreign investors. However foreigners may not directly or indirectly control or have a greater than 20% interest in a commercial broadcasting licensee and foreign residents may not hold more than 25% of the voting rights in an air services licensee (although the Minister of Transport may grant an exemption in this regard). The establishment of branches of foreign banks requires the consent of the Registrar of Banks (several foreign banks operate in South Africa including Citibank, China Construction Bank, Bank of Baroda, Standard Chartered Bank, Bank of China, JP Morgan, State Bank of India, Deutsche Bank and Royal Bank of Scotland).

Calls by certain elements of the ruling African National Congress (ANC) party for the nationalisation of the mines, banks and farming land had caused uncertainty for local and foreign investors but the ANC finally rejected nationalisation as a policy at its congress in Mangaung in December 2012. Alternative policies (for example special mining taxes, export controls on certain minerals and requiring the beneficiation of minerals) to increase the benefits for Government from South African's mineral resources are however being discussed (resulting in continued uncertainty in the mining sector). Labour unrest, costs and productivity issues in the mining sector remain of concern for investors. The Mining Chamber laid down certain black economic empowerment targets for mining companies to achieve by 31 December 2014. It is not clear what the consequences of failing to meet such targets will be or what new targets will be introduced. The Government has proposed a ban on the foreign ownership of agricultural land and restricting land holdings to 12 000 hectares. A law requiring 51% local ownership of private security firms has been passed by Parliament and is awaiting the President's signature.

Foreign investors are generally afforded the same treatment as local investors with some exceptions (for example only residents are subject to the South African exchange control regime below). During 2013, the Government decided to unilaterally terminate South Africa's Bilateral Investment Treaties ("BITS") with Belgium, Luxembourg, Spain, the Netherlands, Germany and Switzerland and announced that all other existing BITS would be phased out and replaced with new legislation. The Promotion and Protection of Investment Bill has been published for public comment and is heavily focussed on protecting the sovereign rights of the South African Government to legislate in the "public interest". The Bill does not permit investment disputes to be resolved by international arbitration (as provided in most BITS) and provides that compensation for expropriation must be "just and equitable" as required by the Constitution (ie unlike most BITS, it is not guaranteed that the compensation will be fair market value).

South Africa is often described as a "Gateway to Africa" and many foreign companies have based their sub Saharan operations in South Africa due to its advanced infrastructure and economy (especially compared to other African countries), political stability and strong South African business and Government ties to the rest of the continent. Other advantages are South Africa's network of double tax treaties (see under taxation below) and investment protection agreements as well as a favourable "headquarter company regime" (see under investment incentives below). The Department of Trade and Industry has a Manufacturing Competitive Enhancement Programme (MCEP) which provides various incentives for the manufacturing sector. The MCEP is a reimbursive incentive and provides for grants of up to R50 000 000.

The Government has developed industrial development zones in East London and Coega near Port Elizabeth (both ports in the Eastern Cape Province) and the port of Richards Bay in KwaZulu Natal. New legislation has been proposed to establish special economic zones throughout the country.

An electricity supply crises in 2008 caused widespread blackouts and economic dislocation (including in the mining industry). In late 2014, blackouts occurred again due to a failure to maintain electricity infrastructure causing renewed concerns about a secure supply of electricity. The Government is constructing new coal based electricity plants to increase capacity but these projects have experienced repeated delays. The Government is also considering a nuclear energy program and solar, wind and other alternative energy projects are being developed.

The Government has announced a plan to expand and rehabilitate the country's infrastructure in an amount of about US$110 billion but implementation has been slow. The Infrastructure Development Act was passed in 2014 and is intended to fast track and facilitate Government infrastructure projects. The Government owns approximately 25% of the land area of the country and, through various State owned enterprises, owns airports, ports, the national airline (South African Airways), oil pipelines, railways, electricity generation and distribution facilities (including a nuclear energy plant at Koeberg near Cape Town in the Western Cape Province) and interests in oil and gas exploration and the defence industry. The formation of a State owned mining company has been announced in addition to an existing State owned company, Alexkor, which is involved in diamond mining. Several state owned enterprises (for example electricity parastatal Eskom, the Post Office and South African Airways) have funding problems.

Financing for various projects may be provided through the State owned Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA) and, for small and medium sized businesses, from Khula Enterprise Finance and the Small Enterprise Development Agency. The National Empowerment Fund has been set up to fund Black Economic Empowerment transactions but currently requires recapitalisation.

Monetary policy is determined by the South African Reserve Bank which is independent of Government and follows a generally conservative monetary policy involving inflation targeting. Unlike several other African countries, South Africa's growth rates have been sluggish since 2008. GDP growth of 2.2% and inflation of 3.8% is projected for 2015 by the South African Reserve Bank.

A land claims process (allowing restitution or granting compensation to black South Africans deprived of land as a result of apartheid policies) has not yet been finalised.

Black Economic Empowerment

The promotion of Broad Based Black Economic Empowerment (BBBEE) is one of the key Government policies to address the racial and gender inequalities of the country's apartheid legacy (which restricted and excluded non-white South Africans from participating in the economy). BBBEE is regulated by the Broad Based Black Economic Empowerment Act and "generic" Codes of Good Practice that have been issued by the Government. BBBEE transformations charters and Codes have been developed for certain sectors of the economy including mining, financial services and construction. It must be noted that there is (other than in certain sectors like mining and gaming where licence conditions include BBBEE ownership requirements) no general legal requirement that a firm must have a BBBEE shareholder but a firm's BBBEE rating will be negatively affected if it earns no BBBEE ownership points. Government policy has generally been

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based on the principle that the manner in which a firm applies BBBEE is to be decided by the individual firm and the BBBEE framework simply provides a methodology for measuring the BBBEE rating of the firm.

However Government, regulatory bodies, parastatals and other public entities are obliged to take BBBEE into account in granting tenders and licences (eg mining and gambling licences) and in practice firms with low BBBEE ratings are unlikely to be granted such tenders and licences. Private sector firms may also try to increase their BBBEE rating by procuring from other private sector firms with good BBBEE ratings. There is a special dispensation for multinationals to remain 100% foreign owned and still earn BBBEE ownership points by means of so called "equity equivalents".

The BBBEE Act was amended in 2014 to inter alia criminalise "fronting" (effectively misrepresenting BBBEE status or conduct that undermines or frustrates the achievement of the objectives of the Act). Contraventions may result in fines (in the case of enterprises, fines of up to 10% of its annual turnover) and/or imprisonment for up to 10 years. In addition, the guilty person will be prohibited from contracting or transacting any business with any organ of State and/or public entity and will be entered into the National Treasury's register of tender defaulters. Any contract or authorisation awarded due to false information on BBBEE status may be cancelled by an organ of state or public entity. A BBBEE Commission has been established with wide powers to investigate complaints relating to BBBEE and "fronting".

The so called "generic" Codes (which apply to firms in sectors not covered by sector specific Codes) set out BBBEE targets and quite complex methods of measuring BBBEE which are currently based on seven elements, namely ownership, management, employment equity (affirmative action), skills development, enterprise development, preferential procurement and socio economic development (corporate social investment). A firm's BBBEE rating is measured against its performance in each of the seven elements. However a firm with a total annual turnover under R5 million (so called Exempt Micro Enterprises) is deemed to have a level four BBBEE status (level one being the highest status out of nine levels) and firms with a total annual turnover of between R5 million and R35 million (so called Qualifying Small Enterprises) may select their best scores in four of the seven elements to calculate their BBBEE rating.

Significant amendments to the "generic" Codes will take effect from 1 May 2015. The amendments include reducing the previous seven BBBEE elements to five (namely ownership, management control, skills development, enterprise and supplier development and socio economic development) and changing certain methods for calculating BBBEE scores (including that the number of BBBEE points required to achieve a particular BBBEE rating have been increased). Stricter BBBEE measurement criteria apply under the amendments and the implications for business are serious as many firms will lose their current BBBEE rating unless they take steps to comply with the amended targets and methodology in the Codes. Three "priority sectors" have been identified, namely ownership, skills development and the enterprise and supplier development elements. Failure to meet certain minimum requirements for these "priority sectors" will result in the automatic downgrading of the firm's BBBEE rating by one level. The thresholds for Exempt Micro Enterprises and Qualifying Small Enterprises have been increased. An Exempt Micro Enterprise is now defined as a firm with a total annual turnover under R10 million and Qualifying Small Enterprises are firms with total annual turnover of between R10 million and R50 million. Qualifying Small Enterprises will be measured having regard to all and not some of the elements. Exempt Micro Enterprises and Qualifying Small Enterprises that are 100% black owned are deemed to have a level one BBBEE rating (the highest possible rating) and those that are 51% black owned are deemed to have a level two BBBEE rating. The amendments also make it clear that codes for specific sectors of the economy (and not the "generic" codes) must be used for firms in a sector covered by a sector code.

The amendments to the BBBEE Act and "generic" Codes indicate a tougher Government policy to promoting BBBEE.

Forms of Business

- Private or public limited liability profit company
- Close corporation (a separate "member managed" legal entity with no board of directors which was intended to facilitate small/medium sized businesses)
- External company (a branch of a foreign company conducting business or non profit activities in South Africa)
- Partnership (including a limited partnership)
- Trading trust
- Sole trader
- Co-operatives.

Pursuant to the Companies Act, no new close corporations may be formed. Close corporations existing before the Act came into effect on 1 May 2011 are however permitted to continue to exist and conduct business and may be converted into companies.

Formation of a Company

Companies, close corporations and external companies must be registered with the Companies and Intellectual Property Commission (CIPC) in Pretoria. External companies must be registered within 20 business days of commencing business or non profit activities in South Africa.

It is common to acquire a "shelf company" (ie an already incorporated company which has never traded) as an alternative to incorporating a new company with CIPC. The incorporation process involves reserving the company's name with CIPC, submitting certain prescribed forms and documents and paying certain prescribed fees to CIPC. Directors need not be South African residents and there are no minimum share capital requirements. The public officer of the company (the contact person for the tax authorities) must be a South African resident. CIPC has been experiencing serious delays (in some cases up to several months) and inefficiencies in incorporating new companies and updating its records of existing companies. It is however taking steps to resolve these problems.

A business generally has to register for various tax purposes (including Value Added Tax and as a taxpayer), for the purposes of the skills development levy and with the Unemployment Insurance Fund. Business licences are required for certain activities (for example liquor sales). In 2013, the Government published a draft Bill for public comment which would require all businesses to have a licence issued by the local authority. The Government is considering the comments received.

Exchange Controls

The exchange control regime is administered by the Financial Surveillance Department of the South African Reserve Bank (SARB) and various "authorised dealers" appointed by SARB (which include the main commercial banks).

There are no exchange control restrictions on non-residents who may freely transfer capital in and out of South Africa. However certain exchange controls exist for South African residents, some of which may impact on non-residents (see below). South African subsidiaries and external companies (branch offices of a foreign company) are treated as residents and are accordingly subject to the exchange control regulations. Non-resident shareholders in a resident company should have their share certificates endorsed "non-resident". Endorsement is however generally a formality (proof of payment of the purchase or subscription price into South Africa is required) and facilitates dividend payments by the resident company, as well as the remittance of sale proceeds, to the non-resident shareholder.

South Africa, Lesotho, Namibia and Swaziland have no exchange control restrictions between them by virtue of their membership of the Common Monetary Area.

All payments by residents to non-residents involve exchange control procedures and/or approvals. Payments for imported goods do not generally raise any issues. Resident companies (including external companies) may generally freely remit dividends and branch profits to non-residents provided that they are made out of trading profits and available funds. Auditors' certificates and other documents may have to be submitted. The acquisition by residents of assets outside the Common Monetary Area is also regulated to a greater or lesser degree.

Exchange control approval (some of which may be given by an authorised dealer rather than an application having to be made to SARB) is required for:

- a loan by a non-resident to a South African resident. SARB will generally not permit an interest rate exceeding the local prime bank overdraft rate for loans by non-resident shareholders to their local subsidiaries but may allow an interest rate of up to 3% above the prime rate for loans by other non-residents
- payment of management, services and other fees by a resident to a non-resident. The criterion used to assess these payments is whether they are "arm's length"
- payment of royalties, licence and similar fees to non-residents for the right to use know-how, patents, trademarks, copyright or other intellectual property. Approval will generally be given for royalties of 2% to 4% of turnover for manufactured goods and 2% to 6% of turnover for capital goods
- the sale of South African intellectual property to a non-resident.

Taxation

Income tax (including capital gains tax) is levied on the worldwide income of South African residents subject to certain exemptions. Non-residents are however only taxed on their South African sourced income. There is no provision for group taxation.

The standard corporate tax rate is 28% for resident companies, close corporations and external companies. As dividends are subject to a withholding tax on dividends at the rate of 15% (reduced where appropriate by a double tax agreement), foreign investors may prefer operating through external companies. Special rules apply for gold mining companies, long-term insurance companies, small business corporations and micro businesses. Individuals pay tax on a sliding scale with a maximum rate of 41%. Trusts pay tax at 41% of income retained and not awarded to beneficiaries.

Foreign dividends paid to residents may be subject to income tax at a maximum effective rate of 15%.

There is a withholding tax of 15% of gross royalty payments to non-residents although double tax treaties may provide relief in appropriate cases.

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A 15% withholding tax on interest paid to non residents became effective on 1 March 2015 subject to certain exemptions (including Government debt and listed debt interests) and relief under a relevant double tax agreement.

A 15% withholding tax will also be levied on service fees paid to non-residents, with effect from 1 January 2016, but only where such fees are derived from a South African source.

Value added tax is levied at 14% (certain exemptions and zero ratings apply).

Capital gains tax is levied at an effective rate of 18.7% for all companies. Non-residents are usually not liable for this tax.

There are a number of other specific taxes and duties including donations tax (20%), estate duty (20%), transfer duty on the transfer of immovable property (unless subject to VAT), securities transfer tax and a skills development levy.

There are various capital allowances and deductions as well as rules regulating transfer pricing and thin capitalisation.

South Africa has double taxation agreements with more than 70 countries including the Netherlands, Canada, India, Indonesia, Iran, Italy, Japan, Malawi, the Peoples Republic of China, Singapore, Taiwan, Tunisia, Uganda, Zambia, Ireland, Pakistan, Russia, Sweden, Norway, United Kingdom, Germany, USA, Korea, Israel, France, Lesotho, Botswana, Mauritius, Namibia, and Zimbabwe. There are also about ten tax information and exchange agreements in force, with more to follow, especially with low-tax or no-tax jurisdictions.

Regulatory Environment

The Competition Commission, Competition Tribunal and Competition Appeal Court deal with merger control, restrictive business practices and abuses and price discrimination by dominant firms. Several cartels have been successfully prosecuted by the Competition Commission with the imposition of severe financial penalties. The Commission has a cartel leniency policy and has published penalty guidelines for public comment. An amendment to the Competition Act provides for the criminalisation of cartel conduct but has not yet taken effect.

The Takeover Regulation Panel regulates acquisitions and takeovers of all public companies, state owned companies and certain private companies. The Companies Act sets out the fiduciary duties of directors, corporate governance rules, mergers, amalgamations, public offers, schemes of arrangement, significant protections for minority shareholders and "business rescue" (similar to the USA's Chapter 11).

The JSE Limited is the largest securities exchange in Africa and has regulations governing companies listed on it. The Financial Services Board supervises the activities of financial institutions and financial service providers. Banks are regulated by the Registrar of Banks. Telecommunications, broadcasting, medical schemes, short and long term insurance, pension funds, medicines and pharmaceuticals, gambling and lotteries are regulated under separate legislation and regulators. There is also environmental legislation which imposes personal liability on directors of contravening firms in certain circumstances.

The Consumer Protection Act and National Consumer Commission provides significant protection for consumers (defined as individuals and entities with turnover or assets under R2 million) and franchisees. The National Credit Act also protects consumers by regulating the extension of credit and enforcement of debts in certain circumstances. The Promotion of Access to Information Act allows access to Government and private firm information in certain circumstances. Personal data protection legislation is currently before Parliament.

There are strict anti-corruption laws as well as "know your client" information gathering requirements under the Financial Intelligence Centre Act which established the Financial Intelligence Centre to help combat money-laundering.

Intellectual Property

Protection is provided by statute and common law for patents, trademarks, copyright, designs and other intellectual property. There are public registries for trademarks, designs and patents and South Africa is a signatory to the Berne and Paris Conventions and the Patent Cooperation Treaty and is a member of the World Intellectual Property Organisation (WIPO). The Department of Trade and Industry issued a draft national policy on intellectual property for public comment in September 2013 which includes suggestions for strengthening patentability criteria, allowing patents to be opposed before they are granted and recommending a patent examination system. The Government has also proposed changes to protect South Africa's traditional and indigenous knowledge.

Tariffs and Trade

Exports mainly comprise gold, diamonds, platinum, other metals and minerals, machinery and equipment and certain agricultural products. Imports mainly comprise machinery and equipment, chemicals, petroleum products, scientific instruments and certain foodstuffs. China is currently South Africa's largest individual trading partner (for both imports and exports) although the member states of the European Union together are a larger trading partner than China. Other major export partners are Japan, Germany, UK, USA and the Netherlands. Other major import partners are Germany, USA, UK, Japan and Saudi Arabia (oil).

Import tariffs and direct controls such as import permits exist. There is free and virtually unimpeded exchange of goods between member states of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa and Swaziland).

South Africa has concluded a trade agreement with the European Union (EU) for a Free Trade Area (FTA) between South Africa and the EU. Negotiations are underway to establish separate FTAs with the USA, the MERCOSUR countries (Argentina, Brazil, Uruguay and Paraguay), India, Nigeria and China. Discussions are also underway between SADC, the East African Community and the Common Market for Eastern and Southern African (COMESA) to lower trade barriers and establish a FTA which would stretch from South Africa to Egypt. SADC and the European Union are also negotiating an Economic Partnership Agreement.

South Africa has benefited from the USA's African Growth and Opportunity Act (AGOA) which allows certain South African products to enter the USA duty free (it is currently unclear whether AGOA will be extended by the USA after its review in 2015). An agreement has been concluded between the members of the Southern African Development Community (SADC) (South Africa, Angola, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe) providing for the liberalisation of trade and lowering of tariff barriers with the ultimate establishment of a FTA.

Investment Incentives

There are Government programs to support research and development, black owned and small/medium sized businesses, export market research, trade missions and other export marketing initiatives, feasibility studies, manufacturing projects and certain industry specific incentives (eg in the motor manufacturing, tourism and film industries).

South Africa has implemented a "headquarter company" regime to incentivise firms to use South Africa to hold investments in other African countries (or elsewhere). There are certain relatively complicated requirements to qualify including:

- the company must be incorporated or have its place of effective management in South Africa in each year, each shareholder must hold 10% or more of the equity shares and voting rights in the company (ie the maximum number of shareholders is 10)
- in each year 80% or more of the cost of the total assets of the company must be attributable to an interest in equity and/or a loan to a foreign company in which the headquarter company has at least 10% of the equity and voting rights and/or intellectual property that is licensed to such a foreign company
- in any year and if the gross income exceeds R5 million, at least 50% of the gross income of the company must comprise rental, dividends, interest, royalty or a service fee payable by such foreign company or comprise the proceeds from a disposal of an interest therein.

The headquarter company will be subject to tax on its worldwide income (like other South African residents) but its shareholders will not be subject to dividends tax on any dividend declared by it. Dividends paid by the company to its shareholders will be exempt from income tax in their hands. Similarly dividends received by the headquarter company are exempt from tax where it holds at least 10% of the equity and voting rights in the foreign company. The withholding tax on interest, which applies from 1 July 2013, will also not apply to interest paid by a headquarter company to a non-resident lender.

Transfer pricing and thin capitalisation rules do not apply to:

- loans by the headquarter company to investees (if it holds at least 10% of the equity and voting rights in the investee)
- loans from non-residents that are on-lent by the headquarter company to such investees
- intellectual property licensed to the headquarter company and licensed by it to such investees
- interest on loans and royalties on intellectual property licensed from a non-resident may be deducted by the headquarter company to the extent that it earns interest and royalties respectively from a non-resident company in which it has at least a 10% shareholding/voting rights. Other benefits include an exemption from capital gains tax on sales of shares held by the headquarter company, as well as shares in the headquarter company.

If a South African incorporated company is used as a headquarter company, the company may also be registered with the exchange control authorities as a headquarter company under the exchange control rules (which are very similar to the tax rules) and such registration will result in exemption of the headquarter company from the exchange control rules.

The headquarter company will have to make an annual election to be a headquarter company for tax purposes and must also submit an annual report (which will not be onerous or lengthy) to the Treasury.

Industrial Development Zones have been established at the ports of East London and Coega (near Port Elizabeth) in the Eastern Cape Province and Richards Bay in KwaZulu Natal. Zones have been proclaimed at OR Tambo International Airport in Johannesburg and the port of Saldanha north of Cape Town in the Western Cape. The Government has prepared legislation for special economic zones to provide a coordinated legal framework for the zones and which will have various incentives for firms to establish themselves in the zones.

Financing at reduced interest rates may be obtained from the State owned Industrial Development Corporation (IDC). Financing and other assistance is also available to small and medium sized businesses from the State owned Khula Enterprise Finance and Small Enterprise Development Agency. South Africa has been admitted to the European Community Investment Partner program. Projects may also obtain financing from the Development Bank of Southern Africa. Various foreign funders and donors including the World Bank, International Finance Corporation (IFC), Commonwealth Development Corporation and USAID have a presence in South Africa.

Legal System

The legal system is based on Roman Dutch common law with important influences from English law. The Constitution is the supreme law and entrenches basic freedoms, human rights and the independence of the judiciary. The court system comprises lower Magistrates Courts and the High Courts. Administrative decisions may be reviewed by the courts. Constitutional matters are dealt with by the Constitutional Court which is empowered to strike down legislation which conflicts with the Constitution. Appeals on non-constitutional matters are heard by the Supreme Court of Appeal in Bloemfontein. Foreign judgements and arbitral awards may be enforced in South Africa.

South Africa has signed the New York Convention and (although its 1965 Arbitration Act needs reform) arbitration has become popular especially for commercial disputes. A local independent body, the Arbitration Foundation of Southern Africa (AFSA), has established a good reputation and track record. AFSA has also been involved in the establishment of Africa ADR, an alternative dispute resolution body for African commercial disputes which provides a cheaper local alternative to arbitrations outside Africa under for example the rules of the International Chamber of Commerce (ICC) and London Court of International Arbitration (LCIA). A new International Arbitration Act is pending which is intended to establish South Africa as an African dispute resolution forum.

Membership of International and Regional Organisations

South Africa is a member of the Southern African Customs Union (SACU), Common Monetary Area (CMA), Southern African Development Community (SADC), World Bank, International Monetary Fund (IMF), African Union (AU) and its New Partnership for African Development (NEPAD) program, the United Nations and its agencies, the World Trade Organisation (WTO), the British Commonwealth, the G20, IBSA (India, Brazil and South Africa) and BRICS (Brazil, Russia, India, China and South Africa).

Labour Relations

There are several statutes regulating labour relations, basic conditions of employment and occupational health and safety and protecting the rights of employees. The Employment Equity Act promotes affirmative action for black people, women of all races and people with disabilities. Employers pay skills levies (equal to a percentage of the value of their payrolls) under the Skills Development Levies Act. A Commission for Conciliation, Mediation and Arbitration (CCMA), Labour Court and Labour Appeal Court deals with labour disputes. Expatriates require work permits.

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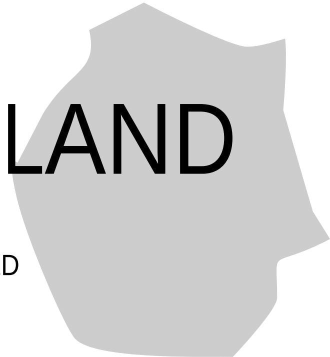
SWAZILAND



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Country Information
Swaziland has a population of approximately 1.2 million.

Political System
Swaziland is a constitutional monarchy with the Parliament and Senate partly elected through an intricate process and partly appointed by the monarch.

Economic Indicators
In terms of an agreement between Swaziland, South Africa, Lesotho and Namibia, Swaziland is part of a Common Monetary Area which allows for the free flow of funds between the four countries. The Swazi Lilangeni (Emalangeni is the plural) is pegged (one to one) to the South African Rand.

Inflation Rate
The inflation rate mirrors that of South Africa.

Forms of Business
- Private or public limited liability company
- External company (i.e. a branch of a foreign company)
- Partnership
- Trading trust
- Sole trader.

Formation of a Company
Companies, trusts and external companies must be registered with the company authorities in Mbabane. Prior to commencing operations, a trading licence from the Ministry of Commerce and Enterprise is required and the firm must thereafter register for tax, value added tax (if its turnover will exceed 500 000 Emalangeni per annum), workmen's compensation, graded tax and Swaziland National Provident Fund. Business licences are required for most activities.

Regulatory Framework
The Swaziland Stock Exchange has regulations governing dealings in securities listed on it which are in line with those of the Johannesburg Stock Exchange. Various sectors such as banking, insurance, communications and micro lending are regulated by statutorily appointed regulators.

Exchange Controls
Although exchange controls exist, South Africa, Lesotho, Namibia and Swaziland have no exchange control restrictions between them (and the flow of funds and payments between them is unrestricted) by virtue of their membership of the Common Monetary Area (CMA). Swaziland is a member of the Southern African Customs Union (SACU) together with South Africa, Lesotho, Botswana and Namibia.

Taxation
Tax is levied on income from actual and deemed Swaziland sources. The corporate tax rate is 30%. Withholding tax is 15% of dividend payments to non-resident shareholders. Value Added Tax (VAT) is 14%. There is no capital gains tax or tax on dividends or distributions paid to residents.

Swaziland has double tax agreements with various countries in Africa including South Africa.

Import/Export
Import tariffs and direct controls such as import permits exist. There is virtually unimpeded exchange of goods between member states of the Southern African Customs Union. In addition Swaziland is party to several preferential trade agreements in Africa, Europe and the United States and there are many export incentives available to genuine exporters.

Legal System
The Swazi legal system and the judiciary are independent and follow the principles of Roman Dutch law.

Intellectual Property
Protection is provided by statute and the constitution. There are public registries for trademarks and patents. Swaziland is a signatory to the Berne and Paris Conventions.

Financial Services/Insurance
All the major South African commercial banks are represented in Swaziland. Major South African insurance companies are also well represented.

Key Strategic Growth Initiatives by Government/Private Sector
There are major drives for growth in the fields of tourism, game parks, gold and diamond mining, coal power generation. A new international airport

has just been commissioned at Sikuphe.

Membership of International and Regional Organisations

Swaziland is a member of the Southern African Development Community (SADC), United Nations (UN), the Common Market for Eastern and Southern African (COMESA), World Bank, International Finance Corporation (IFC), African Union (AU) and other regional and international organisations.

Road and Transport

Swaziland has a good road haulage and rail system. Maputo in Mozambique is the closest port. There are plans to upgrade the railway network system which will include a new railway line from Lothair in South Africa to the industrial hub in Matsapha.

Water

There is a joint venture with South Africa for water supply in the Komati River Basin Authority. Swaziland has a number of water storage dams. The Swaziland Water and Agricultural Development Enterprise Limited (SWADE) is a statutory body set up to facilitate amongst other things, the erection of storage dams and the monitoring and usage of water.

Energy

Most energy is purchased from South Africa and Mozambique. A fair amount of energy is produced locally but not enough to sustain demand. Swaziland plans to augment its energy requirements using its own coal supplies. Swazi sugar mills produce a limited amount of energy for their own use.

Telecommunications

There is a landline and GSM cellular operator in Swaziland.

Trade and Industry

Swazi industry is focussed mainly on textiles.

Mining

Swaziland has coal, iron ore, diamonds and gold deposits. Mining is an exciting emerging sector. The Minerals Management Board oversees the grant of prospecting and mining rights. Iron ore and diamond mining rights have been granted and prospecting licences for coal and tin have been granted.

Agriculture

Swaziland is the eighth largest sugar producer in the world. The country also has a thriving timber and pulp industry.

Trade and Investment

Swaziland welcomes foreign investment and most business activities are open to foreign investors. Revenue and original capital investment can be repatriated subject to the consent of the Central Bank of Swaziland. The Swaziland Investment Promotion Agency (SIPA) is a statutory body that has specifically been set up to deal with all aspects of investment. SIPA advises investors on how to set up a business and all aspects relating to authorisations, registrations for tax and other issues. Their advice and assistance is usually quite helpful and any potential investor would do well to make contact with them.

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Incentives

The following are the main incentives to investors in Swaziland:

- machinery imported into the country for the purposes of setting up businesses is exempt from value added tax
- the labour market in Swaziland is competitive with other Southern African countries
- non-Swazi citizens are able (to an extent) to purchase immovable property and investors who purchase property in the Matsapha Industrial Area are exempt from applying for and obtaining the consent of the Land Speculation Control Board
- a development approval order may be obtained in terms of which businesses may be granted additional tax concessions such as reduced corporate tax and an exemption on withholding tax on dividends to non-resident shareholders.

Labour Relations

There are well established labour laws and an efficient Industrial Court. The laws recognise full freedom of association and there are organised labour unions in existence.

Treaties and Bilateral Agreements

Swaziland is a signatory to most United Nations (UN) treaties and is a member of the World Bank, the International Monetary Fund (IMF), African Union (AU), Southern African Customs Union (SACU) and Southern African Development Community (SADC). It has bilateral tax agreements with a number of African countries.

TANZANIA

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Country Information
The United Republic of Tanzania, the largest country in East Africa was formed in April 1964 from the Union of Tanganyika and Zanzibar, which were granted independence in 1961 and 1963, respectively. The country has an area of over 945,200 km² and a population of approximately 45 million drawn from a wide diversity of tribal groups. The Tanzanian mainland covers 945 087 km² and Zanzibar 1 658 km². According to the 2012 Population and Housing Census for the United Republic of Tanzania (2012 Tanzania Population and Housing Census, National Bureau of Statistics) the official population of Tanzania is 44 928 923 of which 43 625 354 reside on the Tanzanian mainland and 1303 569 in Zanzibar. The capital city is Dodoma (legislative) while Dar es Salaam is the major commercial city. Other Metropolitan centers are Arusha, Mwanza, Mbeya, Mtwara and Kilimanjaro.

Political System
The country is a unitary republic of two states based on a multiparty parliamentary democracy. The two states are the Republic of Tanzania and the Revolutionary Republic of Zanzibar (together forming the United Republic of Tanzania). All state authority in Tanzania is exercised and controlled by the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar.

Latest GDP Figures
In October 2014 the Government released revised estimates of Tanzania's Gross Domestic Product (GDP) for the base year 2007. The revision was aimed at enhancing the quality of National Accounts estimates to better portray the economic activities in the country and ensure international comparability by using concepts, definitions and methods described in the UN System of National Accounts 1993 (SNA 1993) and (partly) the 2008 SNA. The revised GDP at market price is estimated at 70 Trillion Tanzanian Shillings for 2013 (after revision) with a growth rate of 6.9 % for the second quarter in 2014. The contributions of various sectors to GDP include agriculture 31.7%, Wholesale and Trade 10.6%, Construction 9.3%, Manufacturing 6.9%, Mining 4.3%, Transport 4.0% and Hotels and Restaurants 1.3%.

Inflation Rate
The average inflation rate for the third quarter of 2014 was 6.6 % and according to a press release on January 8th, 2015 by the Bureau of Statistics inflation rate fell to 4.8% in December 2014.

Investment Climate
The Tanzanian Government has a favorable policy towards foreign direct investment (FDI) and has made significant efforts to encourage FDI. Generally, foreign investors receive the same treatment as local investors. The Tanzania Investment Act No 26 of 1997 (the "TIC Act") makes provisions for more favourable conditions for investors. The TIC Act establishes the Tanzania Investment Centre (TIC) as the Government agency with the objectives of promoting and facilitating investment. Benefits available under the TIC Act include the guaranteed repatriation of profits and proceeds of sale of investment, a guarantee against expropriation, guaranteed minimum quotas of up to five expatriate employees and certain tax benefits. The TIC Act applies to all businesses other than mining and oil exploration and exploitation. However, the benefits in relation to the guaranteed repatriation of dividends and capital and the guarantee against expropriation available under the TIC Act are also extended to investors in mining and oil exploration and exploitation. In addition, The Constitution of the United Republic of Tanzania guarantees the right to private ownership of property and State protection of that property and forbids the nationalisation of private property without due process that guarantees fair and speedy compensation. Similar incentives are offered to investors in Zanzibar through the Zanzibar Investment Promotion Agency (ZIPA).

All land in Tanzania is public land vested in the President who grants rights of occupancy for specific periods of 33 years, 66 years and 99 years. There is a Central Land Registry in which all land titles are registered. One copy of the title deed is kept at the Land Registry, the other copy being in the possession of the owner. Any mortgages, charges or similar third party rights against the property or the transfer of the right of occupancy are endorsed on the two copies of the title deeds as proof of their existence. There are Zonal Land Registries which are administratively answerable to the Central Land Registry. The Commissioner for Lands is the principal administrative officer and

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advisor to the Government with respect to land matters and he/she is a Presidential appointee.

Investments on the Dar es Salaam Stock Exchange (the DSE) are open to foreign investors but the injection of foreign capital is capped at 60% of the listed shares. However, in the case of a public issue and with prior written approval of the Capital Markets and Securities Authority, an issuer may allot securities in excess of the prescribed limit to residents of the East African Community and foreign investors, in that order of priority, if Tanzanians do not take up the securities.

Forms of Business

Principal forms of business organisation are a sole proprietor, partnership, company and registered branch of a foreign company.

Formation of Companies

Limited liability companies and branches must be registered with the Business Registration and Licensing Agency (BRELA). Partnerships and sole traders (if trading in names other than their own) have to be registered with BRELA.

A foreign investor can set up a place of business in Tanzania by either registering a branch of a foreign company or by incorporating a local company. A company can be incorporated as an independent entity or a subsidiary of a parent company which is incorporated in a foreign jurisdiction. Companies may be 100 percent foreign owned except in certain sectors such as telecommunications, TV and radio stations and certain small scale mining licenses which are restricted to citizens of Tanzania or require a specified percentage of local participation.

Business licenses must be obtained for all forms of business undertaken for gain. Certain businesses like banks, insurance companies, contractors, tour operators, hotels and professionals must have specific sector licenses issued by the respective regulatory authorities in addition to business licenses.

Exchange Controls

Tanzania enjoys a liberal foreign exchange control regime where residents can establish and maintain foreign currency bank accounts with local banks with limited regulation of international transfers. However, the Bank of Tanzania regulates the establishment of foreign currency accounts abroad and dealings relating to gold.

Taxation

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The Income Tax Act 2004 regulates the assessment and collection of revenues. Other tax statutes include the Value Added Tax Act, Revised Edition 2006, the East African Community Customs Management Act, 2004 and the Stamp Duty Act, Revised Edition 2006. The main taxes are:

- corporate income tax - 30% (25% for newly listed companies for three years)
- individual income tax - maximum rate of 30%
- VAT - 18%
- tax on the disposal of an investment by an individual resident - 10% on local assets and 30% on overseas assets
- tax on the disposal of an investment by an individual non-resident – 20% on local assets and 30% on overseas assets
- tax on the disposal of an investment by corporates (both resident and non-resident) - 30%
- stamp duty on conveyancing - 1%.

There are various capital deductions on buildings, plant and machinery, agriculture or livestock farming, manufacturing and tourism, mining prospecting as well as oil and gas exploration.

Tanzania has double taxation treaties currently in force with Canada, Denmark, Finland, Italy, Norway, South Africa, Sweden and Zambia. Agreements with Kenya and Uganda are signed but awaiting ratification.

Monetary Policy

Tanzania's monetary policy is formulated by the Bank of Tanzania using instruments such as the Refinancing Policy, Minimum Reserve Policy, Open Market Policy, foreign exchange interventions and others. The attainment of monetary policy objectives is facilitated by a continued application of market oriented policies in the financial sector, the public sector, the industrial sector, the agricultural sector and the external payments regulatory regime.

Legal System

Tanzania's legal system is sourced from English common law, statutes, case law, Islamic law and customary law. English common law applies only in the absence of statutory law and where commercial law has been enacted, the common law does not apply. Islamic law is applied only in matters of marriage and succession to Tanzanians of Islamic faith while customary law applies generally to matters of ancestral land ownership and inheritance.

The judicial system is made up of the Court of Appeal of Tanzania which extends to Zanzibar, the High Court of Tanzania, Courts of Resident Magistrates, District Courts, Primary Courts and special tribunals. Zanzibar has its own High Court and subordinate courts. A Commercial Court was established as a division of the High Court of Tanzania in 1999 to quickly decide commercial disputes.

Tanzania has supportive business and commercial laws, such as the law guaranteeing private property rights (which is also enshrined in the constitution), laws authorising business enterprises (the Companies Act, 2002 and the Business Names Registration Act), laws governing contracts, the sale of goods, leases, payment and credit instruments, secured transactions, bankruptcy and unfair trade practices, among others.

Intellectual Property

The Copyright and Neighboring Rights Act No. 7 of 1999 provides for the protection of copyright and other rights in literary, artistic works, folklore and other related matters.

The Trade and Service Marks Act No. 12 of 1986 provides for the registration and protection of trade and service marks and related matters.

The Patent (Registration) Act No. 1 of 1987 provides for the protection of inventions and innovation for the facilitation of the acquisition of technology on fair terms through the grant and regulation of patents, utility certificates and innovation certificates.

Banking

The Bank of Tanzania is responsible for establishing conducive monetary policies to ensure low and stable inflation.

The Banking and Financial Institutions Act No.5 of 2006 (BFIA) consolidates the law relating to banking and aims to harmonize the operations of all financial institutions in Tanzania, to foster sound banking activities, regulate credit operations and provide for other matters incidental to or connected with those purposes.

Insurance

The Insurance Act No.10 of 2009 came into force on 1 July 2009 and established the Tanzania Insurance Regulatory Authority (TIRA) which is vested with the powers to regulate the insurance market in Tanzania and promote and maintain an efficient, fair, safe and stable insurance market for the benefit and protection of insurance policyholders.

Key Strategic Growth Initiatives by Government/Private Sector

The National Strategy for Growth and Poverty Reduction (NSGRP) has identified Private Sector Development (PSD) as an important source of Tanzania's economic growth. The strategy stipulates that domestic firms including Small and Medium sized Enterprises (SMEs) will be supported and encouraged to be innovative, pay attention to product development, quality and superior marketing strategies that make them competitive and capable of responding to global market conditions.

Public Private Partnerships

The Public Private Partnership Act No. 19 of 2010 became effective on 18 June 2010. Its main purpose is to promote private sector participation in the provision of public services through public private partnership projects involving investment capital, managerial skills and technology.

Economic Empowerment

The Government of Tanzania has implemented the National Economic Empowerment Policy of 2004 by providing (through various funds and programs) soft loans and advice on forming cooperatives (SACCOS) and Village Community Banks (VICOBA) in order to promote income generation, employment and poverty reduction.

The Government continues to promote the National Economic Empowerment Policy to citizens to enable them to understand it and participate effectively in its implementation. It provides training to entrepreneurs, advice on savings and investments and conducts studies aimed at developing entrepreneurship skills as well as initiating and improving economic activities. In addition, the Government will also continue to promote the participation of people in development activities through the Tanzania Social Action Fund (TASAF).

In line with the National Economic Empowerment Policy, the National Economic Empowerment Act No. 16 of 2004 has been enacted in order to establish the National Economic Empowerment Council for the promotion and facilitation of ownership of income generating activities and assets by Tanzanians, to provide a legal and Institutional framework for the Council, to establish the national Economic Empowerment Fund and to provide for the control of the financial affairs of the Council and the Fund and other incidental matters.

Treaties and Bilateral Agreements

Tanzania has entered into bilateral treaties for the promotion and protection of Foreign Direct Investment (FDI) with Denmark, Finland, Germany, India, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom and Zambia.

Tanzania is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the Centre for Settlement of Investment Disputes (ICSID) and Multilateral Investment Guarantee Agency (MIGA). In addition, Tanzanian courts will uphold the judgments of foreign courts or foreign arbitral awards on a reciprocal basis. Tanzania has reciprocal enforcement of judgments agreements with the United Kingdom, Swaziland, Zimbabwe, Somalia, Seychelles, Zambia, New South Wales, Mauritius, Sri Lanka, Botswana and Lesotho.

Membership of International and Regional Organisations

Tanzania is a member of the United Nations Organisation, the African Union, the East African Community (EAC) and the Southern African Development

Community (SADC).

Road and Transport

Transport in Tanzania is mainly by road supplemented by a series of railway networks. Tanzania's road network is currently of better quality with tarred roads connecting all major regions across the country.

Tanzania has an abundance of coastal and lake waterways around its borders. The active ports are Dar es Salaam, Tanga, and Mtwara. There are also the minor ports of Kilwa, Lindi and Mafia on the Indian Ocean.

Water

Tanzania has sufficient water resources to meet most of its present needs. They include surface and underground sources.

Energy and Gas

Electricity generation, transmission and distribution in Tanzania are provided through the Tanzania Electric Supply Company (TANESCO). Although electricity generation and distribution has been liberalised, TANESCO (a 100% Government owned entity) is responsible for 98% of the electricity supply. Biomass-based fuels particularly fuel-wood (charcoal and firewood) accounts for more than 90% of the primary energy supply. Commercial energy sources i.e., petroleum and electricity, account for about 8% and 1.2% respectively of the primary energy used. Coal, solar and wind account for less than 1% of energy used.

Telecommunications

Tanzania has the second largest telecommunications market in East Africa after Kenya. Tele-density has risen from 1% in 2001 to 61% in September 2013 representing a subscriber base of 27 395 650 million mobile subscribers.

The Electronic and Postal Communications Act No. 3 of 2010 came into force on 20 March 2010. It sets out the procedure for regulating the communications industry and requires the registration of all detachable SIM cards and built-in SIM card mobile telephones. The objective is to enhance national security, to protect consumers from misuse of communication services and to enable consumers to be identified when they use value-added services such as mobile money transfers (another mobile service which is growing steadily). The Act also requires existing licensees of network facilities, network services, application services or content services to offer their shares to the public and subsequently list on the Dar es Salaam stock exchange within three years from the commencement of the statute. The listing of such shares must however comply with the listing requirements of the Capital Markets and Securities Authority. Regulations governing the listing of mobile company operators have not yet been issued.

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Agriculture

Agriculture is the most important sector of the economy, accounting for over 20% of the Gross Domestic Product (GDP). Coffee, tea, sisal, cotton and tobacco are the principal exports accounting for as much as 50% of total exports. Mining, tourism, transportation, manufacturing and fishing are playing an increasingly important role in the economy. Agriculture is still dominated by subsistence farming. Food crops make up about 85% of the sector with livestock accounting for 3%. Major food crops include cassava, millet, maize, sorghum, rice, wheat, pulses (mainly beans) potatoes, bananas and plantains. Tanzania has good arable land and the production of more food than required in 2014 is partly responsible for the low inflation figure of 6.8% by the end of December 2014.

Tourism

There has been a significant increase in tourism with arrival numbers exceeding one million tourists per year. Popular tourist destinations include the Ngorongoro Carter, the popular Kilimanjaro, Serengeti and Lake Manyara national parks and Zanzibar. Southern tourist destinations are also becoming popular including the Selous Game Reserve and the Ruaha and Katavi national parks. Smaller national parks include Mikumi, Gombe and Tarangire. Tanzania's national parks and reserves constitute about 25% of Tanzania's land area.

Mining

Mining is an important sector of the economy. Tanzania is Africa's third largest gold producer after South Africa and Ghana and is estimated to have gold reserves of more than 1000 tones. Until 2012, mining constituted up to 60% of Tanzania's export revenue of which about 47% came from gold alone. Tanzania boasts a variety of other minerals including tanzanite, silver, copper, diamonds, rubies, sapphires, base metals, platinum, coal, uranium, agro-minerals, chemicals, graphite and other industrial minerals including soda ash, kaolin, granites, marble and quartzite. Salt is found along the coast and inland lakes, along with vermiculites, limestone, silica sands, phosphate, gypsum and mica.

On 23 April 2010 the Mining Act No.14 of 2010 came into force and made substantial amendments to the laws relating to prospecting, mining, processing and dealing in minerals, the grant, renewal and termination of mineral rights and the payment of royalties, fees and other charges. The Mining Act 2010 increased the tenure of a prospecting licence from 7 to 9 years.

Oil and Gas

Tanzania is increasingly drawing attention as a leading destination in terms of oil and natural gas exploration in East Africa. In 2012 and 2013 Tanzania led the region in new discoveries of natural gas with 43.1 trillion cubic feet of proven natural gas reserves in August 2013. Following these discoveries there is increased expectation of an oil find but the Government is currently focused on natural gas and its exploitation. Commercial opportunities in exploration include bidding for blocs advertised by the Ministry of Energy and Minerals from time to time, the direct application for blocks, farming into existing Production and Sharing Agreements (PSAs), power generation and upstream services as well as material and services suppliers to this growing sector. There are active downstream activities in relation to natural gas and oil. Open areas being promoted by the Tanzania Petroleum Development Corporation (TPDC) include the Rufiji basin, inland rift basins of Lake Tanganyika, Lake Rukwa, Lake Nyasa and the Ruhuhu Karoo basin.

A major natural gas pipeline from the natural gas fields in Mtwara to Dar es Salaam (the main commercial capital) has been constructed by the Government and is due to start transporting gas in February 2015. This will increase access to natural gas by industries, offices and homes.

TOGO

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Aquereburu & Partners is a multidisciplinary law firm founded in 1985.

The firm specialises in taxation, commercial law, maritime law, transportation law, company law, banking and finance, environmental law, insurance law, labour law, criminal litigation and civil rights, liability law, due diligence, intellectual property law, mergers and acquisitions, international investments, litigation and arbitration, OHADA and WAEMU law, real estate and construction law, aviation law, technology, media and telecommunications.

The firm has received ISO Certification since August 2005 and has been acknowledged at national and international level as a leading law firm in Togo including being nominated by Chambers Global as the leading law firm in Togo for 2014. Amongst other awards, the firm won the WAEMU (West African Economic and Monetary Union) Excellency prize in category B in 2010.

Country Information

Covering 56 725 square kilometers and with a population of approximately 6.5 million in 2013, Togo is one of the smallest African states. Although Togo is not a big country in size, it is recognized for its diverse landscapes: sandy beaches with coconut trees in the south, green hills and valleys and small mountains in the centre and arid plains and savannah with baobab trees in the north.

A former colony of France (after being a German protectorate), Togo achieved independence on 27 April 1960. The official language is French although many Togolese speak English. Ewe, Mina, Kabyè are the most commonly used local languages.

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The official currency is the CFA Franc which is shared with seven other countries of WAEMU (the West African Economic and Monetary Union) being Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger and Senegal.

The major cities are Lomé (the capital city), Sokodé, Kara, Kpalimé, Atakpamé, Dapaong and Aného.

Political System

Togo has a semi-presidential democratic political system headed by a president (who is elected by popular vote for a term of five years) and a Prime Minister (who is the head of government). Its current president is Faure Essosimna Gnassingbe. Togo's parliament comprises 91 members elected by direct suffrage and secret ballot for terms of five years.

Following the last presidential and parliamentary elections, the party Union pour le République (UNIR) obtained the majority, followed by the Alliance Nationale pour le Changement (ANC).

Economic Indicators

Gross domestic product (GDP): US$ 4.814 billion in 2013
GDP growth: 5.6%
Inflation rate: 1.8% (2013)
Growth rate of the population: 3% (2010)
Literacy rate: 51%
Average life expectancy: 57.03 years (2011).

Investment Climate

Togo has an ideal geographical location and infrastructure to serve as a regional commercial and trade centre in West Africa.

Togo has enormous potential and recent political and institutional reforms have contributed to increasing local and foreign investment. After fifteen years (1990-2005) of stagnation and socio-political unrest, the country has since 2007 stabilised and enjoyed continuous growth. Government policies have supported all sectors of the economy and created a relatively stable macroeconomic framework.

Key sectors of Togo's economy include the agricultural sector (coffee, cocoa and cotton) food processing, hotels and tourism, housing and real estate, general trade, transportation, telecommunications, banking and insurance.

Togo has important mineral deposits including phosphates, limestone, platinum, bauxite and iron.

Togo has a modernized road network, a deep water port with a depth of 16m capable of receiving large ships and two world-class airports at Lomé and Niamtougou. In order to increase the flow of air traffic to Togo, a new airport is being built in Lome.

Togo has two public universities and several vocational schools that train specialists in various fields.

The business climate has improved due to various Government measures such as:

- the Centre des Formalités des Entreprises which allows the incorporation of a company in twenty four hours
- a "one stop shop" for foreign trade matters
- an agency for the promotion of investment in special economic zones
- the Centre de Gestion Agrée which administers certain tax incentives including a discount of 30% on business tax and the repayment of VAT when collected
- the Agence Nationale pour la Promotion et la Garantie de Financement (ANPGF), a national agency for the promotion and financing of small and medium-size businesses and institutions
- the Arbitration Court of Togo. This dispute settlement mechanism is enhanced by the ability of litigants to bring their dispute before the Common Court of Justice and Arbitration (CCJA) of the Organization for the Harmonization of Business Law in Africa (OHADA), the Court of Arbitration of the International Chamber of Commerce and the International Centre for Settlement of Investment Disputes (ICSID).

The business environment in Togo is supported by several tax and tariff exemptions under the Investment Code, the law on special economic zones, the Mining Code and the Tax Code including:

- exemption from customs duties, VAT and company tax on new materials and equipment
- implementation of the payroll tax at a reduced rate of 2%
- reduction of property tax and business tax at 30%
- corporate tax on profits in the special economic zone at reduced rates ranging from 0 to 20%
- payroll tax of the special economic zone at a reduced rate of 2%
- exemption from tax on dividends for the first five years in the special economic zone
- exemption during the life of the company from any customs tax relating to the import of hardware and operating equipment, raw materials and consumables, as well as the export of goods manufactured in the special economic zone.

These incentives allowed Togo to gain five places in the rankings of the Doing Business 2013 Report by the World Bank.

Formation of a Company

The formation of a company in Togo is done by the Centre des Formalités des Entreprises (CFE). Founded on 28 November 2008, CFE operates as a "one stop shop" for all procedures relating to the formation, modification and dissolution of companies. It is now possible to complete such procedures in less than twenty-four hours.

The procedure for forming a company in Togo is the following:

- establishment and registration of the company's statutes and lodging the required declarations and documents
- installation authorisation
- company registration
- publication in the RCCM (Registre du Commerce et du Crédit Mobilier)
- publication of the notice of the company's formation in a local newspaper.

Taxation

The rate of corporate tax is 29% of taxable income.

A flat-rate minimum tax on turnover is paid when the tax on taxable income is lower than that generated on turnover. The rate is 1% of business turnover but it cannot be lower than fifty thousand FCFA.

The rate of Value Added Tax (VAT) is 18% and is payable on, among others, sales, exchanges and services. There are several VAT exemptions for example for the retail trade if turnover does not exceed 30 000 000 FCFA, for the import, production and sale of books, fertilizers, for the social bracket of water or electricity consumption, some agricultural products, transactions carried out by public utility organizations and businesses and transactions subject to another tax such as those carried out by insurance and reinsurance companies, banks and carriers.

Other taxes include:

- real estate tax on buildings equal to 15% of the cadastral net value of the real estate
- real estate tax on vacant land of 2% of the market value of the land after deduction of 50% of that value
- changes, divisions and field registration of land are taxed at the rate of 9% for urban land and 8% for rural land
- a withholding tax of 10% is payable on dividends paid to both individual and corporate shareholders.

Togo has signed a double taxation agreement with countries such as France and the UEMOA or WAEMU states (namely Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger and Senegal).

Intellectual Property

Togo is party to the Agreement Revising the Bangui Agreement of 2 March 1977 which came into force on 28 February 2001. Togo is accordingly a member of the African Intellectual Property Organization (OAPI) which includes 16 African States.

Togo has ratified most international

conventions and treaties on intellectual property and copyright including:

- Agreement No. 79-12 of 1 August 1979 on the establishment of an African Industrial Property Organization signed in Lomé on 24 February 1978 and ratified in March 1979
- World Industrial Property Organization Treaty on Copyright (WCT) signed in Geneva on 20 December 1996
- Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of their Phonograms signed in Geneva on 29 October 1971
- Universal Convention on Copyright revised in Paris on 24 July 1971
- Berne Convention for the Protection of Literary and Artistic Works signed in Paris on 24 July 1971 and ratified on 6 January 1975
- Lisbon Arrangement for the Protection of Labels of Origin of 31 October 1958 and the International Registration revised at Stockholm on 24 July 1971 (ratified on 6 January 1975).

In Togo as elsewhere in the OAPI zone, intellectual property protection covers all forms of intellectual property including trade names, inventions patents, brands, copyright, artistic works, trademarks for goods or services, utility models, designs and plant varieties.

The African Intellectual Property Organization (OAPI), whose headquarters is in Yaoundé Cameroon, is the central agency for the protection of intellectual property in the OAPI zone. Any application for protection of intellectual property can be either sent directly to OAPI by the holder or to the National Institute of Industrial Property (INPIT) which is the liaison office of OAPI in Togo and will send the request to the OAPI.

For the protection of artistic and literary works, the Bureau Togolais de Droit d'auteur (BUTODRA) (Togolese Office of Copyright) is the national agency that deals with the rights of authors and combats the illegal reproduction of works without the permission of the author. BUTODRA also contributes to the promotion of literary works.

Labour Relations

Labour law in Togo is governed by the Labour Code of 13 December 2006 and the inter-professional collective agreement of Togo of 20 December 2011.

In terms of the common law system, employment contracts are usually permanent. Fixed-terms contract are the exception and may continue for four years, including renewals.

The existence of an employment relationship is determined (in the absence of a written contract and despite any qualifications by the contracting parties) taking into account the actual facts and circumstances of the performance of the relevant services. In the absence of a written contract, the contract is treated as a permanent contract.

Foreigners can only have a fixed-term contract for a maximum duration of four years unless an exemption is granted by the Minister of Labour.

All Togolese employees must be registered with the National Social Security Fund for retirement contributions. The retirement age in the private and semi-public sectors in Togo is 60 years.

The working week in Togo should not exceed forty hours or eight hours per day. Any overtime can be performed at the request of the employer or his proxy and is subject to a salary increase depending on whether or not it is performed at night.

An employment contract may be terminated in Togo for several reasons namely expiry (for a fixed-term contract), the employee's death, dismissal for gross negligence or serious offence (for permanent or fixed-term contracts) or dismissals for economic/operational reasons or breach of contract.

In terms of the Labour Code, any employee may freely join an applicable trade union of his choice.

The Government has tried to combat unemployment through the establishment of l'Agence Nationale pour la Promotion de l'Emploi (ANPE) (the National Employment Agency), the Programme de Promotion de Volontariat National au Togo (PROVONAT) (the National Volunteer Promotion Programme in Togo), the Fonds d'Appui à l'Initiative Economique de Jeunes (FAIEJ) (Economic Support Fund for Youth Initiative) and the Programme d'Appui au Développement à la Base (PRADEB) (Support Program for grassroots Development).

Membership of International and Regional Organisation

Togo is a member of among others the following organizations United Nations (UN), the World Bank, the International Monetary Fund (IMF), International Trade Organization (ITO), International Labour Organization (ILO), World Health Organization (WHO), the West African Economic and Monetary Union (WAEMU/UEMOA), the Economic Community of West African States (ECOWAS), the Organization for the Harmonization of Business Law in Africa (OHADA) and the Inter-African Conference on Insurance Markets (CIMA).

Key Sectors

Agriculture

Togo is a basically an agricultural country and agriculture involves 60% of the workforce and contributes to 41.4% of GDP. Togo is 25% cultivated and almost has complete food self-sufficiency.

Food production is focused on corn, beans, millet, sorghum, rice, yams and cassava. Cotton is the main industrial crop and the most important export crop. Togo also cultivates coffee, cocoa and shea. Livestock focuses on poultry, sheep, pigs and cattle.

In order to increase the profitability of the agricultural sector, the Government has implemented a technical assistance program for agriculture since March 2006.

Tourism and Hotels
Togo has many tourist attractions. Cities such as the capital city Lomé, Aneho and Baguida are located near beautiful beaches. Other tourist attractions exist both in Lomé and in the rest of the country including the market in Lomé, Lake Togo where it is possible to sail and water ski, Agou Mountain, Kpimé waterfall, Aledjo gorge, the reserve of Fazao Malfacassa with elephants, buffalo, antelope, primates and birds, the slave fort of Agbodrafo, the voodoo fetishes of Togoville, the rainforest and craftsmen of Kpalimé, the Aklowa waterfall of Badou, the weavers of Sokode, the mountains of Kabyè, the Sarakawa park of Kara and the Koutammakou landscape of Kande (a UNESCO world heritage site).

Legal and Judicial System in Togo
The Togolese legal system is based on a romano-germanic civil law system. Although it remains somewhat influenced by African customary law, it is basically modeled on French civil law.

The court system consists of the Magistrate's Courts situated all over the country and above them, the Courts of Appeal of Lomé and Kara. There are also Administrative Courts and an Administrative Appeal Court. The Supreme Court of Togo decides matters of law only and comprises two Chambers, one Administrative, the other Judicial. The highest court for commercial litigation is the Common Court of Justice and Arbitration, based in Ivory Coast.

The Magistrates Courts and the Court of Appeal decide civil, commercial, penal and social matters whereas the Administrative Courts decide cases related to administrative matters.

The legal system is based on a hierarchy of standards. The top position in this hierarchy is the Togolese Constitution. Next comes institutional acts, general law principles, ordinary acts, case law, regulations, administrative acts and private agreements and, finally, customary law.

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The Firm has been consistently and internationally recognised year after year as the number one law firm in Uganda by: (1) Chambers and Partners: Global Guide to the World's Leading Lawyers, (2) IFLR 1000 – The Guide to the World's Leading Financial Law Firms and (3) PLC Which Lawyer, the benchmark league tables for lawyers around the world. Several of our Partners have received international recognition as leading lawyers in Uganda in these publications and our two senior Partners are the only lawyers in East Africa to be elevated to the category of "Senior Statesmen" by Chambers and Partners Global Guide to the World's Leading Lawyers: 2008-10 editions in East Africa.

Country Information
The total area of Uganda is about 241 000 square kilometres of which about 44 000 are covered by fresh water bodies. Its population is approximately 37.58 million. The official language is English. Swahili and Luganda are also spoken.

The capital city and seat of Government is Kampala. Other major towns include Entebbe and Jinja, the second industrial town of Uganda and the source of the river Nile.

Political System
A multiparty democracy since 2006.

Latest GDP Figures
USD 21.49 billion.

Inflation Rate
1.3%.

Investment Climate
Uganda strongly encourages private investment, both foreign and domestic. The Government has pursued a steady policy of improving the investment climate by reducing bureaucracy, streamlining the legal framework, fighting corruption and stabilising the economy. The last point in particular has become a trademark for Uganda. Few Sub-Saharan economies have come close to Uganda's success in stabilising their economies and stimulating growth. Although the country remains poor, foreign investors are unlikely to find a more dynamic economic environment in Africa. Although small, the Ugandan market is growing.

The Government of Uganda's strategy with respect to macroeconomic policy is to modernise the economy by relying on markets and the efforts of private entrepreneurs, while the Government provides the necessary legal, policy and physical infrastructure for private investments to flourish. This strategy has been endorsed by donors and is already showing positive results. The central objective is to provide sustainable, rapid and broad-based growth by guaranteeing security, the rule of law and structural reform.

Uganda's fiscal incentive package provides for generous capital recovery terms, particularly for investors whose projects entail significant investment in plant and machinery and whose investments are medium/long term.

In addition, Uganda offers a zero rate of import duty on plant and machinery as well as a uniform corporate tax of 30%. Provisions allow for assessed losses arising out of company operations (including the loss from the investment allowance) to be carried forward. Such losses are allowed as a deduction in determining the tax payer's chargeable income in the following year of income. Uganda also has a fully liberalised foreign exchange regime with no restrictions on the movement of capital in and out of the country.

With the discovery of oil there are many opportunities in industries related to oil in the upstream, midstream and downstream markets.

Forms of Business
- Private or public limited liability company
- Foreign company (i.e. a branch of a foreign company)
- Partnership
- Trusts
- Sole trader.

Formation of a Company
Companies, both local and foreign must be registered. A local company is one which is incorporated and registered in Uganda or a company whose major shareholding is held by Ugandans and the majority of its business is conducted in Uganda. Foreign companies and branch offices are required to register as foreign companies.

Requirements for incorporation of a local company
A local company is one that is incorporated and registered

in Uganda. The information required for the incorporation of a local company is as follows:

- the proposed name of the Company's business and the proposed principal place of business. For new companies that do not have a registered office, the offices of their Advocates can act as the initial offices of the company
- the full names, address, age, nationality, position and other occupations of all members. The statutory minimum number of members required for a limited liability company is one
- the primary or principal objectives of the company. This is a requirement because legally a company cannot engage in any business that is outside the scope of its Memorandum of Association. This requirement is however going to change with the commencement of the new Companies Act
- the share capital of the company and the capital contribution of each member to the company. The official stamp duty is set at 0.5% of the nominal share capital. Normally we recommend that the initial share capital is only One Million Uganda Shillings (Ushs) (about USD 600) as this significantly reduces the cost of incorporation by minimising stamp duty. The share capital can be increased as and when the requirement arises
- the name of at least two directors of the company. Other directors can be appointed in due course by company resolutions.

Registration of a foreign company

Foreign companies establishing a place of business in Uganda are required to register as foreign companies in terms of the Uganda Companies Act. The information required for registering a foreign company is as follows:

- several certified copies of a company's Memorandum and Articles of Association
- a complete list of all the directors and the secretary of the company, their names, postal addresses, nationalities and business occupations
- a statement of all subsisting charges created by the company
- a list of the shareholders of the company
- a letter from the Registrar of Companies in the company's home country confirming that the company is registered in the home country
- the name and postal address of someone resident in Uganda authorised to accept on behalf of the company service of court process and any notices required to be served on the company
- the full address of the principal/registered office of the company
- official registration and processing fees.

Visa requirements

Under Ugandan immigration regulations, the requirement to obtain a visa to visit Uganda varies according to the visitor's country of origin. Ugandan visa policy is based on the principle of reciprocity i.e all countries that require visas for Ugandans are also subject to visa requirements in Uganda.

Visitors from the following countries do not require visas: East African citizens and nationals of COMESA member countries, Angola, Comoros, Eritrea, Kenya, Malawi, Mauritius, Madagascar, Rwanda, Seychelles, Swaziland, Tanzania, Zambia, Zimbabwe, Antigua, Vanuatu, Cyprus, Tonga, St. Vincent and The Grenadines, Solomon Islands, Singapore, Sierra Leon, Malta, Lesotho, Jamaica, Grenada, Gambia, Fiji, Belize, Barbados, Bahamas, Italy (only diplomatic passports).

Visitors from other countries must obtain visas from Uganda's diplomatic and consular missions abroad. Visas can also be obtained on arrival at Entebbe Airport or any other entry point in cases where foreign nationals cannot access a Uganda diplomatic and consular mission abroad, provided one satisfies the entry requirements. It is however advisable to get a visa before embarking on a trip to Uganda to avoid unnecessary paperwork at point of entry.

The following visa fees are charged:

Single entry	US$50
Transit Visa	US$50
Multiple Entry (6-12 months)	US$100
Multiple entry (24 months)	US$150
Multiple entry (36 months)	US$200
Student Visa	US$100
East African Tourist Visa (3 months multiple entry for Kenya, Rwanda and Uganda)	US$100.

Categories of Taxes in Uganda

Both direct and indirect taxes apply in Uganda. Direct taxes are levied on individual and corporate income. Indirect taxes are levied on certain transactions such as the sale and purchase of land, goods and services.

Taxation of Individuals

Income tax is calculated on the individual's net assessable income after making allowance for deductible expenses. The sources of assessable income for individuals include employment, business and property. The annual income threshold is Ushs 2 820 000 (approx. US$1 000) below which no income tax is chargeable for an individual).

Different tax rates apply depending on whether the individual is a resident or non-resident of Uganda for tax purposes.

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Income Tax Annual Rates for Residents

Taxable Income (Ugandan Shillings (Ushs) per annum)	Rate (%)
0 – 2 820 000	Nil
Exceeding 2 820 000– but not exceeding 4 020 000	10% of the amount by which chargeable income exceeds Ushs 2 820 000.
Exceeding 4 020,000– but not exceeding 4 920 000	Ushs 120 000 plus 20% of the amount by which chargeable Income exceeds Ushs 4 020 000.
Over 4 920 000	(a) Ushs 300 000 plus 30% of the amount by which chargeable income exceeds Ushs 4 920 000 (b) Where the chargeable income of an individual exceeds Ushs 120 000 000 an additional 10% is charged on the amount by which chargeable income exceeds Ushs 120 000 000.

Income Tax Annual Rates for Non-Residents

Taxable Income (Ushs per annum)	Rate (%)
0—4 020 000	10%
Exceeding 4 020 000 but not exceeding 4 920 000	Ushs 402 000 plus 20% of the amount by which chargeable Income exceeds Ushs 4 020 000.
Over 4 920 000	a) Ushs 582 000 plus 30% of the amount by which chargeable income exceeds Ushs 4 920 000 (b) Where the chargeable income of an individual exceeds Ushs 120 000 000, an additional 10% is charged on the amount by which chargeable income exceeds Ushs 120 000 000.

Pay as You Earn (PAYE) Tax and Taxation of Employment Benefits

PAYE is not a separate tax. It is an instalment income tax system under which employers are required to deduct tax instalments from their employees' salary or other employment income. The instalments so deducted are remitted to the Uganda Revenue Authority (URA) and based on the PAYE tax return lodged by the employer. The employee offsets the total amount deducted from the individual employee against the employees' tax liability at the end of the tax year. Every employer must therefore register for PAYE as well as be familiar with the rules relating to filing of PAYE returns and the computation of PAYE.

Taxation of Companies and other Business Entities

A corporate tax is levied on companies, partnerships and sole proprietorships. Any income arising out of any trade, profession, vocation or adventure in the nature of trade is taxable under special rules applicable to business entities unless otherwise specified as being exempt under the tax code.

The income of all companies accruing or derived from Uganda is taxable. A company is liable to pay tax separately from its shareholders. The sources of a company's income on which tax can be levied include profits and gains from any business carried on for whatever period of time. Other sources include dividends from shares in other companies and interest from the use of the company's property.

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Taxation of Partnerships

Income Tax Rate	Rate
Resident and Non Resident Companies	30%
Branch tax	30%
Branch profit Remittance tax	15%
Capital Gains tax	30%
Mining Companies	25-45%

Income tax assessments for a partnership can be made either in respect of the individual partners or in the partnership's name. The profits of a partnership, including a firm carrying on a trade or profession, are taxable at a rate of 30%.

Taxation of Sole Proprietorships

A sole proprietor is taxed in the same way as an individual.

Taxation of Trusts

The income tax rate applicable to trusts is 30% of the chargeable trust income for the relevant year of income. A trust is exempt from income tax where income of the trust is paid directly to the beneficiary without passing through the hands of the trustee or where a trustee relies on the argument that a share or part of the assessable income accrues or arises for the benefit of the beneficiary.

Value Added Tax (VAT)

VAT is a consumer expenditure tax. It is payable by individuals, corporate entities and other businesses and enterprises alike. The business sales turnover threshold for VAT is Ushs 50 000 000 (approx. US$18 000) per year or Ushs 12 500 000(approx. US$4 500) per three consecutive months. Individuals and firms whose business sales turnover is below the thresholds are not required to register for VAT. Individuals and firms with business sales turnover of above the thresholds must register for VAT. It does not matter whether the business is profitable or not. All VAT registered persons are entitled to an input tax credit i.e. a refund of the VAT spent on all the inputs (raw materials) used to generate income by the business.

Stamp Duty

Stamp duty is a direct tax levied on specified documents and transactions under the Stamps Act. These include legal documents and transfers and specified agreements.

Taxation of Rental Income

Rental income of an individual is segregated from other income and is taxed at a rate of 20% of gross rental income in excess of Ushs 2 820 000 per year.

Withholding Tax

Dividends and interest are subject to a withholding tax of 15% for both residents and non-residents. However interest paid abroad by a resident in respect of debentures issued by a foreign company for the purposes of raising loan capital to carry out business in Uganda is exempt. A 6% withholding tax is imposed on any payment to a person in Uganda from the Government of Uganda, a Government institution, a local authority, any company controlled by the Government of Uganda or any person designated in a notice issued by the Minister of Finance of an amount in aggregate exceeding one million Ugandan shillings for the supply of goods or materials of any kind or any service. The Minister of Finance has powers to exempt companies from paying withholding tax.

In addition non-residents are subject to 15% withholding taxes on royalties, management fees, entertainers and sports personnel income, natural resource payments and equipment leases on income earned from Uganda.

Key Industry Sectors

- The following investment opportunities are available:
- Uganda has a burgeoning oil sector. Uganda has approximately 3.5 billion barrels of oil and 350 billion cubic feet of gas in the Albertine Grabben region in the western part of the country. There are many opportunities in ancillary industries
- agriculture is one of the leading sectors. Uganda is one of the leading producers of coffee and bananas and a major producer of cereals, tea, vegetables and fruits
- Uganda's energy consumption is still greater than its production resulting in many areas having insufficient power
- Uganda has many high mineral potential areas which are inadequately explored. Minerals such as limestone for cement, gold, tin, tungsten are available for mining
- fish farming is one of Uganda's leading foreign exchange earners. Opportunities include the processing of canned fish, aquaculture and fish leather processing
- building and construction industry. Given the rate at which the Ugandan population is increasing, there is a need for affordable housing. Opportunities include the provision of low cost housing in urban and semi-urban areas, housing and mortgage finance and construction equipment and building materials
- foods and beverages. Opportunities are available mainly in the utilisation of local agricultural raw materials to manufacture agro-processed products with export potential. Additional opportunities exist for support industries to the sector for example in packaging, value added processing and cold storage at export points
- there are opportunities in the information and communication technology sector. Uganda has a supportive regulatory framework for developing ICT infrastructure
- opportunities in the tourism sector include tour operations, water sports and related activities, accommodation, conferences and incentives travel, national park concessions, privatisation and joint ventures with existing players
- there is great potential in the following financial services areas: merchant banking, development banking, commercial banking, discount houses, insurance services, leasing, mortgage financing, building societies, micro-financing services and specialised training institutions.

Intellectual Property

Protection of patents, certain trademarks, design and copyrights is provided for by Statute.

Trademark Application Requirements

- A signed power of attorney
- Ten prints of the trademark
- The list of goods to be covered by the application.
- Full name(s), trading style, legal status, description and street address of the applicant.

Patent Application Requirements

- A signed power of attorney
- A signed application form
- Specification, claims, abstract and drawings, if any
- A deed of assignment, if the inventor is not the applicant
- The priority document, if priority is to be claimed.

International Treaties: Uganda subscribes to the Paris Convention for the protection of Industrial Property, the Convention Establishing the World Intellectual Property Organisation (WIPO) and the African Regional Industrial Protection Organisation (ARIPO).

Legal System

The Uganda legal system is based on English common law with a written Constitution which guarantees basic human rights. The Supreme Court of Appeal is the highest court. The High Court of Uganda has unlimited original jurisdiction to hear and determine any proceedings under any law.

International Organisations and Agreements

Membership of international organisations includes the Common Market for Eastern and Southern Africa (COMESA), the Preferential Trade Area, the East African Community and the Commission for East African Co-operation (which comprises Kenya, Uganda and Tanzania).

Uganda has, in addition to double taxation agreements, signed bilateral trade and investment promotion agreements with the United Kingdom, Italy, Kenya, Tanzania, South Africa, Egypt, India, China, Germany and the Netherlands.

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Telecommunications

There are currently ten mobile operators in the country including Uganda Telecom Limited (UTL), Mobile Telephone Network Uganda (MTN Uganda), Orange Telecom and Airtel Uganda. Fax and email access is widely available throughout Kampala and other major towns.

Labour Relations

There are several labour laws including the Employment Act and the Workers' Compensation Act. The local labour force is plentiful and trade unions are not yet strong although collective bargaining agreements are in force with some companies.

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ZAMBIA

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Country Information
Zambia has a population of 13 4 million (2012). Lusaka is the capital city. Other major cities include Kitwe, Ndola and Livingstone.

Gross Domestic Product (GDP)
GDP is expected to grow by more than 6.5% in 2014 with a real GDP growth of 7% targeted for 2015.

Inflation Rate
Inflation was contained within single digits over the first nine months to stand at 7.8% in September 2014. The Government is targeting inflation of less than 7% by the end of 2015.

Political System
Zambia has a multiparty democracy. It is a unitary state headed by a President who is elected by universal suffrage for a term of five years. He chooses his cabinet from Parliament. All laws are subject to the Constitution which contains all the fundamental freedoms of a modern democracy.

Investment Climate
Zambia has one of the most liberal business environments in Southern Africa and encourages private investment in all major productive sectors including agriculture, mining, manufacturing, tourism and energy. It has introduced new economic policy measures and liberalised trade and investment conditions. Export processing zones have been established and applications for zoning are being encouraged. All exchange controls were abolished in 1994.

Investment opportunities exist in various sectors including textile mills, collieries, services, fertiliser and chemicals manufacturing. Zambia also has opportunities for investment in agro-industry and the tourism industry.

Investment incentives are available depending on the category in which the investor falls. Five categories of investors are recognized depending on the size of their investment within a particular industry. The Government provides incentives in terms of the Zambia Development Agency Act in the form of allowances, exemptions and concessions aimed at increasing levels of investment and international trade as well as increased domestic trade.

Zambia's active participation in the Southern Africa Development Community (SADC) Trade Protocol (with fourteen African countries) as well as the Common Market for Eastern and Southern Africa (COMESA) with nineteen African member states, offers preferential tariff access to a total market of over 380 million people.

As a member of COMESA, Zambia has moved ahead of other member states in adopting tariff reductions of up to 80% on most trade commodities. Zambia has also entered into bilateral trade agreements with South Africa and Zimbabwe.

Zambia has a stable political climate which promotes security and stability for investors. Having eight neighbouring countries makes it a focal point for the export of manufacturing and agricultural commodities within the region. By virtue of its central location Zambia is a communications hub with road networks that connect it with the surrounding countries and the various ports within the region. The Government is also working towards turning Zambia into an information and communication technology (ICT) hub for the region. To achieve this, it has set out various objectives, including a commitment to improving ICT infrastructure through the development of an optic fibre infrastructure backbone to facilitate internet broadband connectivity through the establishment of community telecenters, particularly in rural areas.

Forms of Business
The following forms of enterprise may be established under statute and common law.

Statute
- Company limited by shares
- Company limited by guarantee
- Unlimited liability company
- Statutory corporations
- Societies generally
- Co-operative societies.

Common Law
- Agencies, licences and distributors
- Partnerships
- Trusts
- Business Names
- Franchises.

Formation of a Company
The incorporation of a company is

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effected through the Companies Registry. The operation of certain businesses may require licences from one or more licensing authority depending on the sector including telecommunications, mining, oil marketing and professional services (such as accounting, valuation and architecture). Establishing a business in Zambia involves the following:

- check name for uniqueness at the Patents and Companies Registration Agency (PACRA)
- open a bank account
- register the company at PACRA
- register with the local Zambia Revenue Authority (ZRA) office (direct tax division) to obtain a tax payer's identification number
- file a VAT registration form with ZRA to obtain a VAT tax number
- register with the National Pension Scheme Authority for Social Security
- register the company with the Workers Compensation Control Board if the company is engaged in the business of construction, manufacturing or other industrial works
- register with ZRA for "Pay As You Earn" tax payments on behalf of employees
- obtain a trading license and a fire certificate from the local council.

Exchange Controls

The Bank of Zambia does not apply any exchange controls. The exchange rates are determined entirely by market forces of supply and demand for foreign currency and there are no restrictions on externalising profits, dividends or royalties.

Securities

The Lusaka Stock Exchange (LuSE) was established with preparatory technical assistance from the International Finance Corporation (IFC) and the World Bank in 1993. The Exchange opened on 21 February 1994. The formation of LuSE was part of the Government's economic reform program aimed at developing the financial and capital market in order to support and enhance private sector initiatives. It was also expected to attract foreign portfolio investment and recognition of Zambia and the region as an emerging capital market with potentially high investment returns. Another important role of LuSE was to facilitate the divestiture of Government ownership in parastatals and create a broad shareholding ownership by the citizenry through a fair and transparent process. The LuSE has made great strides and is now not only a platform for trading shares and bonds but also a means of raising capital. During 2014, trading activity on the LuSE increased, reflecting improved investor sentiment and participation. Market capitalisation increased by 8% to ZMW62.9 billion while the All-Share index rose by 17% to 6,620.9 by the end of September 2014.

Taxation

Residents and non-residents are taxed on income sourced in Zambia as well as certain types of foreign income.

Resident companies pay corporation tax at a rate of 35% but mining companies are subject to a rate of 30% if the income of the mining company does not exceed 8% of the gross sales of the company. If the income of the company exceeds 8% of the gross sales of the company, then the corporate tax will depend on the assessable income. Banks pay tax at a rate of 35%. Electronic communication businesses pay tax at 35% for the first 250 million Kwacha and 40% above 250 million Kwacha.

Generally, dividends are subject to tax at the rate of 15% but the rate is 0% for dividends paid to individuals by a company listed on the Lusaka Stock Exchange. 0% tax is payable on management or consultancy fees paid to a resident.

The standard rate of tax with respect to interest is 15% but the rate is 20% with respect to interest payments made to a non-resident contractor by a person developing or operating a Multi Facility Economic Zone (MFEZ) or an Industrial Park.

The standard rate of tax with respect to the payment of royalties is 15% if the recipient is a resident and 20% for a payment to non-residents. The standard rate of tax for rent from a source within Zambia is 15%. However there is a 6% mineral royalty tax on companies mining industrial minerals.

Value Added Tax is payable at a standard rate of 16% (certain supplies are zero rated or exempt).

There are double tax treaties with Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Kenya, Netherlands, Norway, South Africa, Mauritius, Seychelles, Sweden, Switzerland, Tanzania, Uganda, the United Kingdom, Canada, China and Romania.

Following the 2015 budget announcement, the following are some of the main tax changes likely to affect some sectors of business in Zambia in 2015:

- a reduction of customs duty on aviation fuel from 5% to 0%
- the introduction of a mineral royalty of 8% on underground mines and 20% on open cast mining operation. This will be partially offset by the planned elimination of revenues from corporate income tax following the abolition of profits-based taxes for mining companies
- an increase in the presumptive tax payable by public service vehicle operators by 100%
- an increase in excise duty on un-natured spirits of alcoholic content of 80% or higher from zero percent to 125%. This measure will only apply to importers

who are not licensed to manufacture such products. Licenced manufacturers will continue to account for excise duty at the point of sale of the manufactured potable spirits at the current rate of 60%
- an increase in the customs duty on explosives to 25% from 15%
- an increase in the excise duty on roofing sheets to 30% from 25%
- an increase in the customs duty on refined edible oil to 2.20 Kwacha per kilogram from 0.85 kwacha per kilogram
- a proposed corporate income tax rate of 30% on profits earned from processing purchased mineral ores, concentrates and any other semi-processed minerals currently taxed as income from mining operations.

The Government further plans to rationalise the tax system by:
- providing for the taxation of income earned by a business resident in Zambia and arising from the carriage of persons, mail, livestock or any other goods shipped or loaded outside Zambia to other destinations outside Zambia. The intention is to prevent double taxation
- restricting the deduction of bad and doubtful debts incurred by banks and other financial institutions in determining taxable income but only to the extent that such debts are not secured
- introducing a penalty of 5000 penalty units for the submission of multiple declarations for the same transaction and providing for deregistration after the third such offence.

Import/Export
Zambia's main export commodities include cobalt, compressor lubricants, copper, cotton, fresh flowers, electric appliances and parts, hardwood, lead products, mineral products and lime. Its main imports include capital goods, chemical products, crude oil, fertilisers, petroleum products and raw materials.

Legal System
Zambia has a dual legal system. It applies local laws and English common law concurrently. English law (which includes statutes in force in England on 17 August 1911), common law and doctrines of equity are applied as long as it is in substantive conformity with local laws. Where there is a conflict between local laws and English law, local laws prevail. There are also specific English statutes passed after 17 August 1911 which apply.

International treaties to which Zambia is party do not automatically apply. Parliament has to enact enabling legislation in order for an international treaty to have force in Zambia.

Intellectual Property
Intellectual property rights are protected. Statutes cover patents, trademarks, registered designs, merchandise marks, article works and copyright. The statutes incorporate the provisions of various relevant international conventions such as the Berne Convention.

Financial Services/Insurance
The Banking and Financial Services Act regulates banking and financial services and provides safeguards for investors and customers. The Central Bank enforces regulatory requirements. The Insurance sector is regulated under the Insurance Act.

Key Strategic Growth Initiatives by Government/Private Sector
In 2004 the Government introduced the Private Sector Growth Initiative to reform and create an appropriate environment for a vibrant private sector. Growth in the private sector has further been enhanced by the Government through Public-Private Partnerships (PPP). Most construction, including the rehabilitation and maintenance of infrastructure, is being contracted to the private sector.

Treaties and Bilateral Agreements
Zambia has signed bilateral reciprocal promotional and protection of investment protocols with most COMESA and SADC member states. In November 2001 COMESA signed a Trade and Investment Framework Agreement with the United States. On 2 October 2000, Zambia became a beneficiary of the African Growth and Opportunity Act (AGOA). Zambia signed the Eastern and Southern Africa (ESA) interim Economic Partnership Agreement (IEPA) with the European Union on 30 September 2008. The provisions of the trade in goods chapter and related annexes of the ESA IEPA now apply to Zambia.

Membership of International and Regional Organisations
Zambia is a member of 44 international and regional organizations, including the United Nations, World Trade Organization, African Union, COMESA and SADC.

Economic Developments
Currently the main drivers of economic growth are mining, construction, wholesale and retail trade, real estate and business services, manufacturing, tourism and agriculture.

Reforms made in the past decade include the abolition of exchange controls, the deregulation of interest and foreign exchange rates, the removal of price controls and consumer subsidies, the reform of land tenure, the reduction of tariffs, a privatisation programme for many state-owned enterprises and the strengthening of financial markets

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through merchant banking and the stock exchange. After tax profits, dividends and capital may be repatriated without restriction.

Road and Transport

Zambia's road network consists of about 21000km of main, trunk and district roads, 16000km of urban and feeder roads, and 30000km of ungazetted roads. Roads between the important centres are mostly paved and in good condition. Gravel roads connect smaller towns to the major highways. Road communications within Zambia and with neighbouring countries to the north, east and south are good.

Recently the Government launched a 27 trillion Kwacha roads project dubbed the 'Link Zambia-8000' to connect outlying areas of Zambia to all of the ten provinces. The project will be implemented over a five-year period. The Government also introduced the pave Zambia 2000 and Lusaka 400 projects to upgrade urban township roads. The Government is also operationalising a road tolling programme as an innovative and self-financing mechanism for sustainable road rehabilitation and maintenance.

In an effort to improve the railway network and reduce the heavy load on the roads, the Government took over the management of the main railway system in Zambia with the intention of developing and rehabilitating its infrastructure. Progress has been made in rehabilitating four major rail networks and the refurbishing of livestock wagons and passenger coaches. This has resulted in an improved service that has attracted over 7 600 passengers per week. The volume of cargo transported has increased to over 400 000 tonnes during the second half of 2014 from about 280 000 tonnes during the same period in 2013.

The key railway lines run from Livingstone on the border with Zimbabwe through Lusaka and the Copperbelt into the Democratic Republic of the Congo and Angola. The Tanzania-Zambia railway extends from Kapiri Mposhi to Dar es Salaam in Tanzania. The Livingstone route runs through Zimbabwe to the ports of Durban and Cape Town in South Africa. Operations on the Chipata-M'chinji railway line have commenced and will enhance regional trade through the Nacala Corridor to Mozambique.

The country's major international airport is the Kenneth Kaunda International Airport in Lusaka and this is serviced regularly by a number of international airlines. Local airlines service regional routes in central and southern Africa and domestic charter companies support air travel within Zambia.

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Energy

Zambia's energy sector is endowed with enormous resources which include coal, hydropower, woodlands and forests as well as other renewable energy forms such as solar and wind. There has been a steady increase of investment in the energy sector especially with respect to power generation. Hydroelectric plants account for 92% of the total installed capacity and 99% of the total electricity generated in the country.

A total of 360 megawatts power has just been brought on stream with the completion of the Kariba North Bank hydro power extension project. Another 120 megawatts at the Itezhi-Tezhi Hydro Power Plant and 300 megawatts of thermal power in Sinazongwe are being developed by the private sector and will come on stream next year to further enhance Zambia's power generation capacity. The Government has pledged to continue the extension and rehabilitation works on transmission and distribution networks under the Power Rehabilitation Project. The 750 megawatts Kafue Gorge Lower Project, including two 330kv transmission lines, is back on course following the strengthening of the governance structure for the project in line with international good practice.

The Government's policy in the petroleum sector is to ensure a stable supply of fuel in all parts of the country. To this end, the Government has embarked on a nationwide program of building provincial fuel depots. One fuel depot has been commissioned, with two others expected to be completed in 2015. The Government is identifying additional sites in the remaining provinces. The Government is also reviewing the petroleum supply chain and financing options to reduce costs. The Government has embarked on discussions at a bilateral level with oil producing countries for the supply of crude and finished products to streamline procurement

Telecommunications

Domestic and international telecommunications infrastructure is well established. Telecommunications are regulated by the Zambia Information and Communication Technology Authority (ZICTA). There are cellular phone services available through ZICTA and a number of other privately-owned companies. A microwave network carries telecommunications from Lusaka to all provincial capitals in the country.

Trade and Industry

Metals currently dominate Zambia's exports. However, in an effort to diversify the economy away from copper, the Government has directed its efforts at increasing non-traditional exports by an annual target rate of 20%. These include horticultural, floricultural and other agricultural products, processed foods, manufactured products, gemstones and processed metal products.

Recognising that small and medium sized enterprises (SMEs) hold the greatest potential for job creation, the Government has continued to further enhance medium to long term financing for SMEs by supporting initiatives such as the Alternative Investment Market launched by the Lusaka Stock Exchange. Such initiatives will allow SMEs to raise funds from the stock market at an affordable cost and tap into technical and managerial skills through new equity partners.

The Government has also granted a number of tax concessions over the past three years to spur growth in the manufacturing sector. The Government remains committed to the growth of the manufacturing sector through the promotion of Multi-Facility Economic Zones (MFEZ) and industrial parks such as those at Chambishi, Lusaka South, Lusaka East and Lumwana. The MFEZs and industrial parks are expected to house heavy and light industries including copper smelting, copper cable and other copper related products, agro processing, the manufacture of household appliances, bars, wires, electric cables, motor parts and explosives, horticulture, fisheries, and processing activities as well as the provision of services such as conference facilities and hotel accommodation. Construction of the MFEZ and industrial parks is expected to be completed by 2017.

Information and Communications Technology

Investments in this sector have increased since the Government launched its information and communications technology policy in 2007. More investments are expected in the sector when new optic fibre infrastructure is completed.

Mining

The Zambian economy has been heavily reliant on the mining of copper and cobalt and despite the positive steps taken to diversify the industrial and manufacturing base, this reliance remains. The other important metals produced have been zinc and lead. Zambia is internationally recognised as a major producer of copper and cobalt. Apart from copper, cobalt, lead and zinc, Zambia is endowed with reserves of gold, uranium, nickel, iron and manganese. Gemstone deposits include emeralds, amethysts, aquamarine, rubies, garnets and diamonds that are still unexploited.

In order to obtain maximum benefits from gemstones, the Government is promoting the domestic auctioning of gemstones to promote transparency and accountability in the sector. This is intended to support the diversification and growth of the sector (evidenced by gemstone sales of over US$50 million in the first eight months of 2014) and is expected to contribute to domestic revenue collection.

Agriculture

While the country's main economic driver continues to be copper, the Government has continued to expand the agricultural sector. The Government's strategic focus is to achieve food security and promote crop diversification as well as increase productivity and value addition. During the 2013/14 farming season, the country recorded a harvest of 3.35 million metric tonnes of maize, the highest tonnage ever achieved.

Zambia has excellent potential for development in the agricultural sector, being well endowed with good soil (60 million hectares of good arable land, of which only 15% is in use) and underground water. Climatic conditions are suited to a wide variety of crops including wheat, soya, beans, coffee, cotton, tobacco, sugar and paprika. Zambia also has prime livestock breeding areas with about ten million hectares of land available for ranching. It also has rich forestry reserves consisting mainly of pine and eucalyptus. More growth and investment is accordingly expected in the agricultural sector.

Annual national fish consumption currently stands at 130 000 metric tonnes. However, annual national production is 95 000 metric tonnes of which only 20 000 metric tonnes is from aquaculture and 75 000 metric tonnes is from rivers and lakes. The Government plans to undertake reforms that will ease the entry of citizens in the private sector into aquaculture production in order to meet the shortfall in the country's requirements and to increase exports.

Trade and Investment

The Government encourages foreign investment through the Zambia Development Agency (ZDA). The ZDA screens all investments for which incentives are requested and usually makes its decision within 30 days. Zambia also offers a competitive environment for trade by allowing a free market economy.

Labour Relations

The Constitution, the Industrial and Labour Relations Act, the Employment Act, the Minimum Wages and Conditions of Employment Act, the Employment of Young Persons and Children's Act and the Factories Act govern labour relations in Zambia. The legislative framework provides a guideline on labour related issues in the country, including trade unions and collective bargaining, laws against child labour, discrimination and safe work place practices.

ZIMBABWE

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Country Information
Zimbabwe is a landlocked country spanning 390 757 square kilometres. It has a population of approximately 12.97 million people. More than 60% of the population is based in rural areas.

Economic Indicators
The gross domestic product (GDP) for 2015 is forecast to be US$ 14.594 billion and the economy is forecast to grow by 3.2% in 2015.

Inflation Rate
The inflation rate in 2014 was about 1% and it is expected to be below 1% in 2015. Price decreases of -0.1% were registered for the year up to October 2014.

Investment Climate
Zimbabwe is actively trying to attract foreign direct investment as it emerges from more than ten years of rapid economic decline. Investment opportunities are opening up with the privatisation of some state owned enterprises in the iron and steel industry, road and rail transport, communications, agriculture, power supply and other sectors. The country is actively promoting bilateral investment agreements with other countries and it has already signed one such agreement with South Africa which protects investments from compulsory expropriation.

Indigenisation laws remain in place requiring that 51% of businesses should be owned by indigenous Zimbabwean persons. Government has watered down the law by leaving it to line ministries to negotiate a reasonable period for compliance with the law (previously there was one ministry responsible for ensuring compliance with the law).

All new investments must first be processed by the Zimbabwe Investment Authority (ZIA) and ZIA will forward the investment proposal to the responsible line ministry for negotiation on compliance with the indigenisation law. Government is also planning to operationalise ZIA as a "one stop shop" for all regulatory licences and permits to avoid bureaucratic delays by different authorities in approving investments.

There are many investment opportunities as a result of the country's emergence from years of economic decline and the near collapse of most industries. The country is trying to attract foreign capital to boost economic development. The Government of National Unity was replaced by a one party Government following elections in 2013. The new Government plans to implement the country's indigenisation policies requiring 51% indigenous ownership of all businesses above a certain threshold. The Government is however prepared to negotiate compliance mechanisms with investors and has indicated that it will be flexible.

Forms of Business
- Private business corporations
- Partnership
- Trading trust
- Co-operatives
- Multinational corporations
- Private limited liability companies
- Public liability companies
- Sole proprietorship
- Company limited by guarantee
- Joint venture.

Formation of Companies
Companies and Private Business Corporations are registered and regulated by the Companies Act (Chapter 24;03) and the Private Business Corporations Act (Chapter 24;11). Listed public companies are in addition regulated by the rules of the Zimbabwe Stock Exchange. There is a central registry of companies in Harare and a branch registry in Bulawayo. The registration process is often avoided by buying existing shelf companies from law firms.

Exchange Controls
Exchange control laws are in force but their implementation is currently suspended because the country is using the currencies of other countries (for example the US Dollar and the South African Rand). Dividend remittances in respect of projects approved by the Zimbabwe Investment Centre are allowed at 100% of current after-tax revenue profits. Capital remittances are blocked but capital may be remitted through 20 year Government bonds in terms of which capital is paid in 10 equal annual instalments at the end of years 11 to 20 and interest is payable half yearly at 4% per annum, tax free.

Taxation
The corporate tax rate is 25% plus a 3% levy. A levy of 5% is imposed on the net financial profits of registered banking

institutions. To encourage exports, a staggered lower corporate tax structure for exporting companies ranging from 15 to 20% will be introduced in 2015.

Value added tax (VAT) of 15% is levied on the sale of goods or services.

Profits earned from new projects by companies or individuals operating in designated growth point areas are taxed at 15% in the first year in which the operations commence and for four years thereafter.

Tax concessions are also applied to export manufacturing businesses established in designated export processing zones. Dividends paid by a Zimbabwean company to another Zimbabwean company are not taxable but dividends earned by non-residents in Zimbabwean companies are subject to a withholding tax of 15% in the case of stock exchange listed companies and 20% in the case of other companies.

Capital gains tax is levied on the sale of immovable property at the rate of 20%. The rate is 5% on immovable property acquired by the seller before February 2009. Capital gains tax on securities is 1%.

Double taxation agreements exist with Bulgaria, Canada, France, Germany, Malaysia, Mauritius, Netherlands, Norway, Poland, South Africa, Sweden and the United Kingdom.

Import/Export

Import controls exist. The Government has removed the import duty on equipment and raw materials meant for local industry to promote productivity. Duty on imported commercial motor vehicles has also been reduced to boost the transport and business sector. To encourage certain productive sectors of the economy, the Government will suspend duty on various inputs used in these industries.

Monetary Policy

Zimbabwe suspended the use of its local currency (the Zimbabwe Dollar) in February 2009 in a bid to restore economic stability and stem rampant inflation. Trade is now being conducted in the currencies of other countries (mainly the United States Dollar and the South African Rand). The move has stabilised the economic environment and reduced inflation to single digit figures. The Government has not yet demonetised the Zimbabwean dollar but plans to do so in 2015.

Legal System

The legal system is based on Roman-Dutch common law as modified by statute. Zimbabwe has a new Constitution which came into force in 2013. The highest court in the land is the Constitutional Court followed by the Supreme Court, the High Court and the Magistrate's Court. There are also specialised courts such as the Administrative Court and Labour Court.

Intellectual Property

Protection is provided by the Patents Act and Trademarks Act. There are public registries for trademarks, industrial designs and patents. Zimbabwe is a signatory to the Berne and Paris Conventions.

Financial Services/Insurance

There are several international and locally owned banks operating in the country. There are also several building societies established to provide mortgage finance. There are many insurance and reinsurance companies operating in Zimbabwe. The Government signed a memorandum of understanding with local banks in February 2013 in terms of which a cap was put on bank charges and interest rates. The maximum charge for cash withdrawals is 0.5% of the sum withdrawn subject to a minimum charge of US$2.50. All term deposits above US$1000 held for at least 30 days attract interest at the rate of at least 4% per annum. Pensioners above 60 years of age are exempt from bank charges.

Key Strategic Growth Initiatives by Government/Private Sector

The Government is making significant investments in infrastructural developments in power generation, road infrastructure (entailing the dualisation of major roads) and the construction of bridges. It is also working on upgrading airports and is committing significant funds towards these developments. The Government is actively seeking private partners in these areas. The Government moreover is actively promoting the beneficiation of minerals produced in Zimbabwe and the building of cross linkages in different sectors of the economy in order to promote economic growth and infrastructural development. The Government has introduced several tax incentives and disincentives to promote the local beneficiation of minerals.

Treaties and Bilateral Agreements

Zimbabwe signed a Bilateral Investment Promotion and Protection Agreement with South Africa in November 2009 and is actively seeking regional partners for similar agreements. Zimbabwe is a member of the Common Market for Eastern and Southern Africa (COMESA) Customs Union and Southern African Development Community (SADC) agreement on tariffs and trade. Zimbabwe has double tax avoidance treaties with Mauritius and Seychelles and wishes to enter into such agreements with other countries to promote the residence basis of taxation agreed amongst SADC countries in terms of the SADC Tax Convention.

Zimbabwe is participating in the Tripartite Free Trade Area (TFTA) negotiations on the liberalisation of trade in goods

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amongst COMESA, SADC and East Africa Community members. The main objective of the TFTA negotiations is to foster regional integration and create a large regional market comprising twenty six African countries.

Membership of International and Regional Organisations
Zimbabwe is a member of SADC, COMESA, the African Union, United Nations, World Bank and International Monetary Fund.

Road and Transport
The road and rail infrastructure has deteriorated significantly due to lack of investment by the Government. The country is actively working on upgrading the infrastructure by dualising roads and reviving and upgrading the rail network. A dedicated Authority called ZINARA was formed to spearhead the process and private sector partners are being sought by the Government.

Water
The Government is investing significant sums to support local authorities in the provision of water supplies and it has decentralised water services to local authorities. Water supplies are erratic in most cities and towns and many people resort to borehole water supply for domestic and commercial purposes. Potable water supply is also a persistent problem in rural areas during the dry seasons.

Energy
Energy supplies remain critically low and power shortages and cuts are affecting manufacturing industries, agriculture, commerce and domestic consumption. Power supplies are below 50% of the national demand. Private sector partners are being sought for independent power supplies while the Government is actively looking to develop alternative power supply sources. The Government is committing significant sums to upgrading existing power supply plants and building new ones. In the second half of 2013 the Government introduced the compulsory blending of fuel with ethanol by all petroleum companies. The ethanol is produced locally.

Telecommunications
The Government has committed over US$6 million to the State owned telecommunication corporation for the creation of a fibre optic link and further resources for the installation of new radio transmitters. Government is also promising to open up airwaves to new radio and television stations. Mobile telephone companies operating in Zimbabwe have rapidly expanded their ground coverage to virtually the entire country.

Key Industry Sectors
The main industry sectors are agriculture, mining, telecommunications, and financial services. There are huge opportunities in the manufacturing sector which is operating at less than 30% of its capacity.

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Trade and Industry
Industrial capacity utilisation averaged less than 30% in 2014 and the Government is projecting that the economy will grow by 3.2% in 2015 on the back of increased productivity in manufacturing, mining and agriculture. The main trading partner remains South Africa. The industrial sector however remains depressed due to a scarcity of capital on the local market, antiquated equipment and the absence of foreign direct investment and lines of credit from external sources.

Information and Communications Technology (ICT)
A ministry focusing specifically on ICT has been established. The Government has started investing in the creation of fibre optic networks but the levels of investments remain very low. Private sector players are required to complement the Government efforts. The mobile telephone and data companies in the country are expanding their fibre optic link networks.

Mining
Mining is becoming the largest contributor to the country's gross domestic product (GDP). In addition to the gold and chrome which the country has traditionally produced, platinum and diamonds are fairly recent discoveries which are dominating the sector. The Government plans to promulgate a new Diamond Act to regulate the mining and marketing of diamonds. The mining of diamonds is dominated by joint ventures between the private sector and state corporations. In addition a new Minerals Exploration Act will be enacted. The Government also plans to make substantial amendments to the Mines and Minerals Act to regulate among other things, the beneficiation of minerals locally. The focus is to ensure that the country derives economic benefit from the exploitation of minerals.

Agriculture
The country produces grain crops such as maize and wheat and also produces cotton, tobacco and sugarcane. In 2014 the country recorded substantial grain harvests but the sector is still hampered by the limited funding available. Farmers who benefited from the land reform programme at the turn of the century are dependent on Government and lending institutions for financial support and are largely hampered by the lack of collateral. Government is in the process of refining 99 year leases to make them bankable as collateral for loans.

Trade and Investment
The Government has set up several corporations to promote investment in industry. The Small and Medium Enterprises Development Corporation was set up to specifically assist the establishment of small businesses while a bank to support infrastructural development also exists. A central one-stop investment authority is being

established to promote foreign direct investment and remove bottlenecks in the regulatory system.

Labour Relations

Zimbabwe has a huge pool of labour with 80% of the population unemployed in the formal sector. Labour relations are regulated by a labour law with a dedicated court and other structures set up to deal exclusively with labour issues. The threshold for tax free bonuses is US$400. Tax free income was increased from US$250 to US$300 in 2015.