

LEX AFRICA

Guide to Doing Business in Africa



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ESTABLISHED 1993

2012

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Guide to Doing Business in Africa
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ANGOLA

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Country Information

Angola has a population of approximately 17.3 million people (2009). The average age is 18. The population is mainly concentrated in Luanda (the capital), Benguela, Huambo, Lubango, Lobito and Malange. The official language is Portuguese. Umbundo, Kimbundu, Kikongo and Tchokwé are also spoken. The official currency is the Kwanza (Kz).

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 voted into power are elected president and vice president respectively. The Popular Movement for the Liberation of Angola (MPLA) has 191 seats in parliament. The largest opposition party, National Union for the Total Independence of Angola (UNITA), has 16 seats. The remaining 13 seats are divided amongst three political parties.

Economic Indicators

Economic indicators are prepared by the Portugal-Angola Chamber of Commerce and Industry. The sources of the indicators include Angola's National Bank, the Ministry of Finance of the Republic of Angola and the International Monetary Fund (IMF).

Latest GDP Figures (2011)

Gross domestic product (GDP): US\$ 91.3 billion

GDP by economic sector:

- Agriculture, Forest and Fishing: 12.2%
- Oil and Gas: 42.1%
- Diamonds: 1.0%
- Transformation Industry: 8.1%
- Electricity and Water: 0.2%
- Construction: 6.4%
- Commerce: 6.4%
- Non-transactional services: 8.3%.

Inflation Rate: 12% annual average.

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Investment Climate

Private Investment by national or foreign investors has been promoted by the Government in the following sectors deemed

strategic for the development of the country's economy:

- Agriculture and livestock
- Construction, building and related services
- Energy and water
- Infrastructure development and management
- Hotel, catering and tourism
- Manufacturing
- Transport
- Health and education.

The following activities are exclusively reserved for the State:

- Military equipment distribution and sales
- Angolan National Bank related activities
- Issuing currency
- Airports and ports ownership and management.

The State, as the major shareholder, controls postal services and telecommunication. The following activities are reserved for the State and may only be conducted through concession contracts: sanitation, production and distribution of electricity for public consumption, water treatment, abstraction and distribution, port and airport transport services, rail and regular passenger transport services, additional postal and telecommunication services and infrastructure outside the basic network.

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

A Government agency, the Angola National Private Investment Agency (PINA), assists in promoting private investment. Regardless of nationality, investors who wish to undertake investment projects in Angola using foreign financial resources, materials and equipment, require prior approval from PINA.

Foreign investors who have obtained PINA approval may remit their profits to their countries of origin. Investors are however required to obtain authorization for each remittance from Angola's National Bank by submitting proof of compliance with all tax obligations.

An "Angolanisation" policy has been implemented by the State in respect of private investment. This entails the preferential treatment of Angolan businessmen and requires companies to maintain a ratio of 70% local workers to 30% foreign workers.

Foreigners wishing to invest in Angola may:

- establish a foreign company representative office;
- establish a foreign company branch. A branch has no separate juridical personality and the "holding" company is responsible for the branch's activities in Angola;
- establish a new company under Angolan law. A minimum of two members is required;
- acquire shares in an existing Angolan company;
- conclude a consortium or association with an Angolan company.

A representative office:

- may not conclude contracts in its own name but can rent/establish only one office and can hire a maximum of 6 workers (or 8 in exceptional circumstances);
- minimum investment amount - US\$60 000, which is returned when the Representative Office closes;
- requires approval by the Angolan National Bank;

- administrative expenses - approximately US\$10 000.

The following applies to a branch, a new company, an acquisition of shares and a consortium/association:

- minimum investment amount – USD 1 000 000 to allow the repatriation of dividends or USD 500 000 (which does not confer the right to repatriate dividends);
- required approvals - Private Investment National Agency (PINA) for investment projects up to USD 10 000 and the President for investment projects equal to or greater than USD 10 000. Approval is usually granted within approximately 4 months;
- administrative expenses differ according to each project and the amount of the company's share capital.

Formation of a Company

Registration of a company can only be effected if (i) the company has been incorporated by public deed, (ii) the articles of association of the company have been published in the Angolan Official Gazette and (iii) commercial, tax and statistical registrations have been effected. A certificate of commercial registration is issued when all the legal requirements have been fulfilled. The approval of PINA is required for the establishment of any company with a foreign shareholding.

Exchange Controls

Foreign exchange regulations in force in Angola distinguish between goods, current accounts and capital transactions and are applicable to all payments or transfers made by foreign residents to non residents.

Taxation

Resident companies are taxed on their worldwide income at a rate of 35%.

The branch of a non resident company is taxed only on Angolan revenues at 35%.

Companies conducting agricultural or similar activities are taxed at 20%.

Tax with regard to certain technical and construction services is paid through withholding 5.25% and 3.5% respectively.

Special tax regimes apply to companies in the petroleum and mining sectors.

Dividends paid by an Angolan resident company are subject to tax at 10% and interest paid by a resident company is subject to tax at 15%. Royalties paid by an Angolan resident company are taxed at 10%. In some cases the rate can be reduced to 5%.

Personal income tax is payable by individuals regardless of their residency or nationality on their Angolan income on a sliding scale at a maximum rate of 17%.

Angola has not concluded any double taxation agreements.

In 2010 a programme for the revision of the tax system (known as PERT) was initiated and has led to changes to stamp duties, consumption tax and taxes on real estate.

Import/Export

In 2006 Angola approved a Customs Code and in 2008 a Customs

Tariff of Import and Export Duties. The importation of goods into Angola is generally made without restriction. Products such as explosives, roulette tables, playing cards, weapons and ammunition require prior authorisation. Customs duties range between 2% and 30% of the Cost, Insurance and Freight (CIF) price of the imported products, depending on the type of product and whether they are essential, useful or luxury items.

Exemptions may be granted to investors by the Finance Ministry and by the Customs General Directorate, when the imported materials and equipment are used for private investment projects approved by PINA or by the President.

Legal System

Angola has a codified legal system which guarantees equal treatment of Angolans and foreigners. The Angolan judicial system comprises the Supreme Court and Municipal Courts established throughout Angola's provinces. The Constitutional Court, focussing mainly on electoral dispute issues, was established in 2008. After formal recognition by the Supreme Court, foreign judgments and arbitral awards may be enforced in Angola.

Angola subscribes to the United Nations Commission on International Trade Law (UNCITRAL) arbitration model. There is as yet no institutionalized arbitration centre in Angola. Angola is not a party to the New York Convention. An agreement of 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 Industrial Property. In order to give more extensive protection for intellectual property, the Intellectual Property Law is currently under review.

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 (including insurance activities). The Angolan National Bank regulates banking institutions. Other financial institutions are regulated by the Capital Bank Commission or the Insurance Supervision Office. 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 transport infrastructure and in the development of railways. Water and electricity production and distribution are part of the Government's goals to improve the wellbeing of the population. The Government supports and incentivises projects in agriculture, cattle farming and forestry.

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) and the World Intellectual Property Organization (WIPO) and adheres to WIPO's code of

international classification of patent and trademark registration.

Angola has approved the Paris Convention for the Protection of Industrial Property and has signed bilateral investment treaties with Portugal, South Africa, the United Kingdom, Italy and Germany, which are pending ratification. 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) and has signed customs cooperation agreements with Portugal and São Tomé and Príncipe. Discussions are currently under way on treaties with South Africa, the Community of Portuguese Language Countries (CPLP), Namibia, Zambia and the Democratic Republic of the Congo.

Membership of International & Regional Organizations

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

Labour Relations

Indefinite duration work contracts are most common. 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.

After the initiation of disciplinary proceedings by the employer, Angolan law allows dismissal for just cause without compensation. In the case of unfair dismissal, the worker has the right to receive compensation and the dismissal must be preceded by notice.

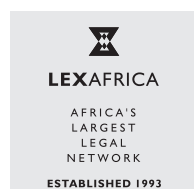
Foreigners who wish to work in Angola require an employment contract (or an offer of employment) and a valid work or investor visa.

Significant Country Issues for Investors to Consider

Certain assurances are given under Angolan law to the private investor:

- in the case of expropriation, the investor will be entitled to effective and fair compensation;
- if there is a change in the economic or political system which results in nationalisation, investors will receive immediate monetary compensation;
- protection of intellectual property rights, licenses, bank, commercial and trade secrets;
- recourse to the courts to defend and enforce rights.

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 offered by Angola's Consular Services, depending on the purpose of the entry. Angola has signed a treaty with Portugal in September 2011 facilitating the issue of visas for the nationals of both countries.



BOTSWANA

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Country Information

Botswana is a landlocked country with a population of 2 038 288. 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) increased by 12.4% in the second quarter of 2011 from 4.2% in the same quarter of 2010. The increase mainly resulted from the construction and mining sectors, which increased by 28.3% and 23.7% respectively.

Inflation Rate

The average year on year annual inflation rate as at October 2011 was 8.8% compared with 8.2% in 2009.

Investment Climate

Botswana is a stable democracy with an open economy. Implementation of the 2002 Southern African Customs Union (SACU) Agreement and the Southern African Development Community (SADC) Free Trade Area (launched in 2008) 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. Liberalization of tariffs on the remaining 15% of goods (considered to be sensitive products) is expected to be completed in 2012. 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) was established to operate a one-stop investor service centre to assist investors with permits, licences, utilities connections, land and provide assistance with other regulatory issues.

BEDIA continues to seek export markets for locally produced goods and to promote investment opportunities in Botswana. BEDIA has selected niche industries such as manufacturing of textiles and garments, jewellery, tannery and leather products, glass and IT products, as these can be undertaken using locally

available raw materials. BEDIA procures factory shells and land to accommodate investors in such industries.

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. Two shareholders are required and one may be a nominee for the other. 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 and 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 capital of foreign loans is 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 a foreign currency without converting that foreign currency into Botswana Pula and the proceeds of such Botswana securities may be received 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. A long awaited simplification of the tax system which involves the abolition of the two-tier corporate tax system came into effect on 1 July 2011 and introduced a single corporate tax system with a flat tax rate of 22%, effective from the 2012 tax year.

The 2011 tax year will be the last year that companies may generate any Additional Company Tax (ACT). The single corporate tax rate of 22% (with no set off of withholding tax on dividends against corporate tax) will apply in respect of the 2012 tax year and all future tax years. All ACT must be utilised before 30 June 2011, after which any unutilised ACT will fall away.

The corporate tax rate for non resident companies has been increased from 25% to 30%. This means that it will now be more tax efficient for foreign investors to operate in Botswana through a subsidiary as opposed to a branch or external company.

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 authorities.

Withholding Tax

Withholding tax has been reduced from 15% to 7.5% on all dividends paid from 1 July 2011.

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 such rent is not claimed or will not be claimed as a business expenditure 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 such 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 such fund is subject to withholding tax at 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 36 000 Pula 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.

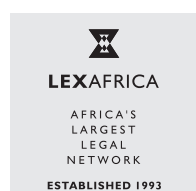
Capital Gains Tax

Tax is payable on capital gains at the income tax rate of the particular tax payer in respect of:

- immovable property as to 100% of the gain, which is calculated by deducting from the sale price the cost of acquisition and the cost of any improvements. A prescribed escalator factor is applied to such costs;
- other movable property, including shares in a company, as to 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 however not payable on the sale of shares in a public company as defined in the Income Tax Act.

Double Taxation Agreements



Botswana has double taxation agreements with South Africa, United Kingdom, Zimbabwe, Seychelles, Sweden, Mauritius, France, Lesotho, Swaziland, Barbados and Russia.

VAT

Value Added Tax (VAT) is levied at 12% and came into effect on 1 April 2010.

Import/Export Incentives/Support

The Botswana Export Development and Investment Authority (BEDIA) 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.

Legislation has been introduced which renders the writing of cheques against insufficient funds an offence. Arrangements have been made linking all ATMs in the country via the VISA switching network.

Anti-money laundering legislation was adopted in 2003 in terms of which every financial organisation is required to effect anti-money laundering measures. Non-bank financial services are regulated by the Non-Bank Financial Institutions Regulatory Authority.

Key Strategic Growth Initiatives by Government/Private Sectors

The Government accepts 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 has been 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 (like SACU and SADC) allowing preferential or limited duty free trade.

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.

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).

Road and Transport

Major road projects are continuing. The Government has signed a bilateral Road Transport Agreement with Zimbabwe. A Corridor Planning Committee involving Botswana, Namibia and South Africa promotes the utilisation of the Trans-Kalahari Highway and the Walvis Bay port.

Water

While water has constantly met the World Health Organization (WHO) and Botswana Bureau of Standards (BOBS) quality standards, it is an expensive and scarce resource. Three major dams (namely Dikgatlong, Thune and Lotsane) with capacities of 400 million m³, 90 million m³ and 40 million m³, respectively, are being constructed in order to alleviate the water shortage for domestic and industrial consumption.

Energy

The country continues to meet its energy demands through imports of electricity, of which more than 70% is from South Africa. In order to improve the supply situation and energy security, a project to expand the existing Morupule Power Station by 600 MW (Phase I) is ongoing and is expected to be completed in 2012/13. Since the amendment of the Electricity Supply Act, there has been increased interest from private investors in power generation.

Telecommunications

A fixed line service is provided by Botswana Telecommunications Corporation (BTC) which is 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 demands for information based services, web hosting, data centres, call centres, global financial services and software research and development. The Botswana Telecommunications Authority (BTA) has adopted a very liberal licensing strategy.

Botswana Stock Exchange (BSE)

The Botswana Stock Exchange (BSE) has introduced an Exchange Traded Fund (ETF) in an effort to provide an investment vehicle to investors. The first ETF to be listed is a Gold ETF in the form of the NewGold ETF which is primarily listed on the Johannesburg Stock Exchange (JSE) and dual listed on the BSE. The BSE continues to be one of the best performing exchanges in the world.

Trade and Industry

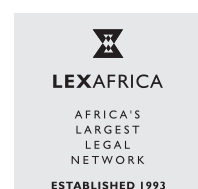
A review of the Industrial Development Policy and the Industrial Development Act is expected to provide a simplified and efficient business licensing process and the registration of micro businesses. In addition, implementation of the Directive on the use of Locally Manufactured Goods and Services will be reviewed with a view to evaluating previous performance and suggesting appropriate measures that will assist both local manufacturers and service providers to increase their output for the domestic and export markets.

The Local Enterprise Authority (LEA) embraces business "incubation" as a tool for enhancing the development of entrepreneurship. In October 2006, the Botswana Export Development and Investment Authority (BEDIA) embarked on an export development programme with a view to building the capacity of local firms to export to world markets.

The Citizen Entrepreneurial Development Agency (CEDA) was incorporated as a company limited by guarantee on 12 April 2001 and commenced operations in June 2001. It was established to introduce the professional management of Government financial assistance programs and coordinate the implementation of different projects providing similar programs.

Information and Communications Technology

The current development of an e-governance programme as part of the national Information and Communications Technology (ICT) Policy, is intended to provide a platform for effective and efficient provision of services locally and internationally.



Government is undertaking a study to develop ICT and the internal reticulation regulations for buildings to ensure standards for ICT cabling and provision of wireless communications in all buildings. Botswana started the process of charting a strategy to transform terrestrial broadcasting from analogue to digital in November 2008. The transformation is expected to be completed by December 2013.

Mining

Botswana is renowned for its diamonds (which contribute over a third of Botswana's gross domestic product (GDP) and about 5% of its tax revenues) and also has deposits of copper, nickel, cobalt, gold and soda ash which are currently being mined or developed.

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 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).

Agriculture

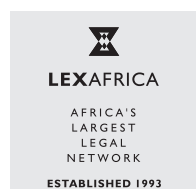
The livestock industry continues to be affected by persistent outbreaks of diseases, particularly foot-and-mouth disease (FMD). However, the successful completion of a new FMD laboratory in 2010 enabled the Botswana Vaccine Institute (BVI) to increase its FMD vaccines production capacity and this will greatly assist in removing current technical barriers to trade and make it possible for Botswana beef to be eligible for export to the European Union.

The ISPAAD (Integrated Support Program for Arable Agriculture and Development) is aimed at addressing challenges faced by farmers and low productivity. It provides subsidised seeds for farming, potable water, cluster fencing for farms and fertilizer.

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 the recent past, while the number of trade disputes has risen, disruption to the economy due to industrial action has been limited. 2011 however saw the largest ever strike by Government employees over salary increases. As

a result teachers were classified as essential services and thus prevented from striking in future. This has been met with strong disapproval from labour movements and trade unions.



BURKINA FASO

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Country Information

Formerly called the Republic of Upper Volta, Burkina Faso is a landlocked country located 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 16.7 million (2011), 19% 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 111 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.

Latest GDP Figures

GDP per capita: US\$639

GDP: US\$ 9.612 billion.

Inflation Rate (consumer prices)

2% (2011 estimate).

Investment Climate

Like many other African states, the mining sector 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.

There is a Chamber of Commerce which conducts feasibility studies and helps develop business links. There are also three large commercial banks with correspondent relationships with American 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'intérêt économique (economic interest grouping), a société à responsabilité limitée (limited liability company) and a société anonyme (specific limited liability company). However the following business vehicles 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 CFA10 000 000 (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) is administered by one or more directors called "gérants". The minimum share capital required is at least CFA1 000 000 (approx. US \$2 100). 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);
- have the declaration of capital subscription notarized 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 in this procedure is 7 working days. However because CEFORE forwards the documents to the relevant authorities, in practice it takes longer. Publication can be done directly on the CEFORE website (www.me.bf) for a fee of CFA10 000 (approx. US\$21). Costs for completing the formalities for the incorporation are CFA 47 500 (approx. US\$96).

Exchange Controls

Foreign investors are entitled to transfer any

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funds connected with 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 Economic Community of West African States (ECOWAS). 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).

Furthermore, 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

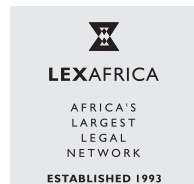
Imports account for US\$ 1.81 billion of the economy and consist mainly of machinery, agricultural products, electrical goods and petroleum. Exports account for US\$ 629 million and consist mainly of agricultural goods, cotton, livestock and shea butter. Gold is also an important export.

Monetary Policy

Burkina Faso's monetary policy is largely based upon liberalisation. In addition, 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 and customary law. At the top of the judicial system is the Supreme Court. Beneath it are courts of appeal at Ouagadougou and Bobo-Dioulasso. Tribunals in Ouagadougou, Bobo-Dioulasso, Ouahigouya, and Fada N'Gourma deal with cases involving civil, criminal, and commercial law, and a court at Ouagadougou specializes in common law. Courts of appeal are in the capital, Ouagadougou. Following the 1983 coup, tribunals were created to try former government officials for corruption and mismanagement. In addition to the courts described above, traditional courts at the village level apply customary law in cases involving divorce and inheritance. 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 based on a uniform system of protection (in addition to provisions included in international conventions to which member states have acceded).

Financial Services/Insurance

The insurance market was liberalized in 1978. Ten insurance companies are now operating in Burkina Faso and 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 carried out substantial reforms in the banking, financial and private sectors, which 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 joined 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) 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.

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.

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 now runs 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 2004 Joint Monitoring Program Report, potable water coverage increased from 39% in 1990 to 51% in 2002, and sanitation coverage decreased from 13% to 12% during the same period.

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 like 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 —an 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. The National Grid Group, a leading international electricity and telecommunications organization, only covers 4% of the population. Sonabel, the national electric company, produced 305 million kilowatt hours (kWh) in 1997, of which two-thirds was thermally produced and one-third was 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 neighboring countries. Although the government is not planning Sonabel's privatization, the market will be liberalized 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: 167 000 (2009)

Telephones mobile cellular: 3,299 million (2009)

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.

Internet use is also low, with only 89 users per 10 000 inhabitants in 2009, and just over 178 000 users. The sector is beginning to improve 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 unfavorable 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 harbor 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.

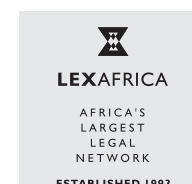
Trade and Investment

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, Commerce and Mines approves all new investments on the recommendation of the National Investment Commission.

With regard to trade, a local agent/distributor is not required by law 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.



CAMEROON

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Country Information

Cameroon, located in the Gulf of Guinea, has a population of about 18 million inhabitants. It has a surface area of about 475 000 square kilometres and is a member of the Economic Community of Central African states, known under its French acronym as CEMAC. The country is bilingual, with English and French as official languages. Situated at the meeting point between West and Central Africa, Cameroon is a melting pot of cultures and peoples, bringing together more than 200 ethnic groups. Its rich cultural variety has earned it the description "Africa in miniature". Cameroon's varied climate and abundant rainfall favour agricultural activity, livestock breeding and fishing. These activities form the backbone of the economy and have made Cameroon one of the principal food producing countries in Central Africa and enabled it to be food self sufficient. It also has a dense forest with very many tree species covering over some 20 million hectares. The country also has many mineral resources (oil, gas, bauxite, iron ore, cobalt, gold, etc.). Cameroon has three main ports (Douala, Limbe and Kribi), and three international airports (Douala, Yaounde and Garoua).

Its main export products include cocoa, coffee, timber, aluminium, banana, cotton, rubber, palm oil, pineapples and tea. Cameroon is also a petroleum producer.

Cameroon also has vast hydroelectric potential which has enabled the construction of hydroelectric dams. The country also boasts a good telephone network, and increasingly modernised road and railway networks.

Economic Indicators (2010 estimates)

Gross domestic product (GDP): US\$ 25.042 billion

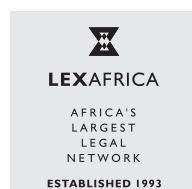
GDP per capita pp is US\$ 2 218.

Inflation Rate

The inflation rate was 3% in 2011.

Political system

In the early 1990s, Cameroon adopted a liberal multiparty and democratic system. Many parties are registered and five of them are represented in the National Assembly. These are the CPDM, NUDP, SDF, UDC and MP. The CPDM is the party in power and has governed the country for almost 30 years.



Forms of Business

The following business vehicles are available:

- Private companies
- Sleeping partnerships
- Private limited companies
- Public limited or stock companies
- Joint ventures
- De facto partnerships
- The economic interest group
- Branches of a foreign company.

Each has particular characteristics relating to its creation and registration with the Trade and Personal Property Trade register, its membership and object and financial issues. The most popular vehicles used by investors are private limited companies, stock companies and branches.

Private Limited Companies

A private limited company (SARL) must have a minimum share capital of one million CFA francs (FCFA). The minimum nominal value of shares is 5 000 FCFA. The company can be set up within 10 days and there is no requirement for local shareholders. It may be created by one shareholder and the capital must be fully paid up upon incorporation of the company.

The management of the company is simple and generally handled by the manager (gérant) and the general assembly of shareholders respectively. A constituent general assembly is required where the company has benefited from a contribution in kind.

The manager may either be appointed in the company's articles of association or by the general assembly of shareholders. The appointment of external auditors is not required except where the company meets one of the following requirements:

- a share capital above FCFA 10 million;
- an annual turnover of more than FCFA 250 million; or
- a permanent workforce of more than 50 persons.

The management of private limited companies is flexible given that there is no board of directors and few statutory regulatory requirements.

Stock companies

A stock company (Société Anonyme) must have a minimum share capital of FCFA10 million or FCFA100 million where the company will be listed. The minimal nominal value of shares is FCFA10 000. It may be set up within two weeks and there is no requirement for local shareholders. The share capital need not be fully paid up upon incorporation - only 25% of the share capital must be paid up upon incorporation and the rest is payable within three years or before any capital increase. A stock company may be created with one shareholder. There are two types of stock companies, namely stock companies without a board of directors and stock companies with a board of directors.

A board of directors is not required where the stock company does not have more than two shareholders and the management and control of the company will then be in the hands of a General Administrator (Administrateur Général).

A board of directors is required where the stock company has

three or more shareholders. The board of directors must be made up of at least 3 and not more than 12 members. Non shareholders may be appointed to the board provided they do not exceed one third of the members. The management of the company is exercised by a general manager, who can also act as the chairman of the board.

The appointment of auditors is mandatory.

Branches of a Foreign Company

Branch offices are popularly used by investors in the petroleum sector. There is no minimum capital requirement to incorporate a branch. A branch has no legal personality distinct from its parent company even though it is registered in the trade registry. It is however treated as a fully incorporated separate entity for tax purposes.

The branch can be operated for a maximum period of two years after which it must be converted into a fully incorporated entity. It is however possible to operate as a branch beyond such two-year period with the approval of the Ministry of Commerce.

Investment Climate and Incentives

The Investment Code is structured to encourage and stimulate productive investment in Cameroon. It provides certain general guarantees such as non-discrimination between enterprises owned by nationals and foreigners and forbids expropriation or nationalisation without just and equitable prior compensation determined by an independent third party.

The Investment Code also provides for specific benefits, which depend on the regime under which an enterprise qualifies. There are essentially five regimes: the basic regime, the small and medium sized enterprises regime, the strategic enterprises regime, the industrial free trade zone regime and the reinvestment regime.

The most important investment incentives are tax based. Some of these incentives include import duty exemptions, exemptions from export duties, tax reductions and tax holidays while other tax incentives include the carrying forward of depreciation and losses and the exclusion of reinvested capital gains from taxable income for a period of three years. Local industries fulfilling certain conditions are protected to enable them to enter the domestic market.

The government has enacted competition laws meant to protect foreign investors.

Exchange Controls

Cameroon is a member of the African Financial Community (Communauté Financière Africaine) (CFA). Along with the other members of the CFA, its currency is the CFA franc which is linked to the Euro at a fixed exchange rate. Members of the CFA are required by international agreement to apply exchange control regulations modeled on those of France. The CFA agreement guarantees the availability of foreign exchange and the unlimited convertibility of the CFA franc into Euro at the fixed rate. This provides considerable monetary stability, simplifies multinational transactions and is an incentive for investments. Transfers within the CFA zone are not restricted, but those exceeding FCFA1 000 000 must be declared (although such declarations are a formality and simple to do).

Inward direct investments require prior declaration. At the time that an inward direct investment is declared, confirmation should be obtained from the Ministry of Finance and Budget that the usual guarantees for the repatriation of capital and profits will apply. These guarantees are usually granted as a matter of course and it is not difficult to transfer funds out of the country, provided that the proper forms have been filed and taxes paid.

Transfers of funds outside the CFA zone for settlement of imports should be declared for statistical purposes. The transfer of an amount in excess of 5 million FCFA must be domiciled with an authorised intermediary, namely, a bank. Transfers in settlement of imports in excess of 100 million FCFA require producing an import licence, the related shipping documents and commercial invoices to the department responsible for exchange controls.

Expatriate employees may apply for authorisation to repatriate part of their earnings on a regular basis. Employees may repatriate 20% of their net salary if they are single or reside in Cameroon with their family. If their family and dependants live outside the CFA zone, permission may be obtained to repatriate up to 50% of net earnings and any savings made in Cameroon may be repatriated when the employee is about to leave Cameroon.

Taxation of Resident Entities

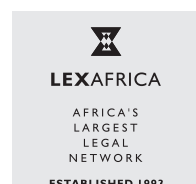
Resident entities are assessed on income earned from operations in Cameroon or from transactions carried out in Cameroon. A commercial entity is resident in Cameroon if its registered office or centre of activity or management is in Cameroon or if it has resident employees in Cameroon who render services to its customers.

Company tax is currently levied at the rate of 35%. In addition, a local surcharge of 10% of the company tax is payable, which brings the effective rate to 38.5%. Special rates can be approved as part of investment incentive regimes.

A minimum company tax is payable annually equal to 1% of the turnover of the company. A local surcharge of 10% is also payable, bringing the effective rate to 1.1% of turnover. This tax is payable when the operations of the company result in a taxable loss, or when 1.1% of turnover is more than 38.5% of taxable profits. The 1.1% minimum company tax is payable each month on the turnover realised in the preceding month. Tax treatment of losses include the carrying forward of losses for up to four years although losses of one entity may not be transferred to another entity including a subsidiary and in the case of a corporate reorganisation.

Taxation of Non-Resident Entities

Non-resident entities are taxable only on income derived from Cameroon. Tax is levied at the same rate and in accordance with the same rules applicable to resident entities (see above). However, non-resident companies that carry out drilling, exploration, and other work for oil companies and that do not have permanent establishments in Cameroon may elect to pay a special 15% tax on their turnover rather than the company tax. A non-resident entity has to appoint a solvent representative in Cameroon for tax purposes. If a representative is not appointed, the resident taxpayer who entered into a service contract with the non-resident taxpayer is jointly liable with the non-resident taxpayer



for the payment of taxes and the discharge of other tax obligations arising from the service contract.

Tax Treatment of Groups of Companies

Cameroon tax laws contain no special provisions for groups of companies. A company is always treated as an independent entity, and it is not possible for companies, however related, to combine their results for tax purposes. Special rules do however limit the taxable portion (for company tax purposes) of a dividend paid by a subsidiary to its parent company to 10% if certain conditions are met (see section on Dividends).

Tax Treatment of Branches and Subsidiaries

The profits of a branch or a subsidiary of a non-resident company are subject to company tax in the same manner as those of a resident company. Subject to the provisions of applicable international conventions, the profits of branches of non-resident companies and those that do not have their head office in Cameroon are deemed to be distributed at the end of each tax year to non-resident persons. Such profits are subject to a dividend withholding tax at the rate of 16.5% (which is the same rate that applies to dividends paid abroad).

Corporate Assessments and Payments

The tax year runs from 1 January to 31 December each year and a company's financial year, for official purposes, must correspond to the tax year. A return showing the company's results for the financial year must be filed by 15 March each year, along with any supporting documents requested by the tax authorities. The tax authorities may adjust the results shown in the return. The taxpayer has the right to respond to the adjustments and has recourse to the courts if an agreement cannot be reached with the tax authorities.

Dividends

Dividends received by a resident company from a resident or non-resident company are subject to company tax but the recipient company has the right to set off any Cameroon tax withheld from the dividend against its company tax liability. In the case of the dividend received from a non-resident company, foreign tax paid on the dividend is not creditable against Cameroon company tax unless a double tax treaty provides for such credit. The treatment of dividends received by corporate shareholders depends on whether the shareholder has at least a 25% shareholding in the company, the head office of the shareholder and the company are located in Cameroon or another Central African Economic and Monetary Union (Communauté Economique et Monétaire d'Afrique Centrale) (CEMAC) state and the shares remain registered in the name of the shareholder for at least two consecutive years. In this situation, only 10% of the net dividend received is subject to tax. If the dividend paid is disclosed in the financial statements of the company in the same year that the receipt of the dividend is disclosed in the financial statements of the shareholder, the withholding tax paid by the company is set off against the withholding tax payable by the shareholder on any dividend distributions subsequently made by that shareholder.

Capital Gains

Capital gains are treated as ordinary business income and are taxed at normal company tax rates. However, a capital gain realised on the disposal of a fixed asset in the course of trading is excluded from income for a period

of three years if the taxpayer reinvests the gain in new fixed assets for the business. A capital gain resulting from the gratuitous allocation of shares, founders' shares or debentures on the merger of limited liability companies or limited partnerships with share capital is also excluded, provided that the company arising from the merger has its registered office in Cameroon or another CEMAC state. Moreover, on the assignment, transfer or cessation of a company within five years following its creation or purchase, net capital gains will be assessed at only half their value. If such an event takes place more than five years after the company is formed or purchased, the net capital gains will be assessed at a third of their value.

Withholding Tax on Imports and Selling price

A withholding tax of 1% of the total customs value of goods imported or 1% of the selling price of purchases made is levied. The withholding tax on the selling price of purchases is levied at the rate of 5% for non-registered taxpayers.

Tax Treatment of Individuals

Individuals resident in Cameroon are taxable on their worldwide income. Non-residents are taxable only on income of Cameroon origin. A person is deemed to be resident in Cameroon if the individual has a place of abode, a principal place of residence or a centre of business activity in the country. Any person who spends more than six months (or 183 days) in any tax year in Cameroon is expected to file a tax return. A person is considered to be a non-resident if the individual does not have a principal place of abode or centre of business in Cameroon and has not been physically present in the country for more than 183 days. In most cases, a non-resident's tax liability is settled by withholding taxes levied on its income.

Personal Assessments and Payments

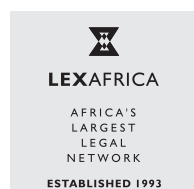
Individual taxpayers must file tax returns each year by 15 March. However, taxpayers who derive income only from employment and/or from securities and whose taxes are withheld at source are exempted from the obligation to file a tax return. The procedures for payment of personal income tax vary according to the type of income. Payment of personal income tax on income from salaries, wages, pensions and annuities is made by withholding at source. Income from securities and, in some cases, income from real estate is also withheld at source. Any excess tax withheld can be refunded after the annual return is filed. Personal income tax on other income is assessed after submission of the return and must be paid within fifteen days following the issue of the notice of assessment. The taxpayer is directly responsible for paying income tax on the following types of income: industrial and commercial profits, professional earnings, agricultural profits, and income from real estate.

Value Added Tax (VAT)

Cameroon introduced Value Added Tax (VAT) from 1 January 1999. It is levied on all commercial transactions and activities except those that are specifically exempted. All exports of taxable products and similar transactions are assessed at 0%. All other transactions are assessed at the rate of 19.25%. Late payment of VAT attracts interest at the rate of 1.5% per month up to a maximum of 50% of the principal VAT liability. Fines are levied for various omissions in discharging VAT obligations.

Business Licence Tax (known in French as Patente).

Business enterprises must pay an annual business licence tax which is calculated according to a scale based on the annual



turnover of each business. There are seven categories with turnovers ranging from FCFA5 million to FCFA15 million in category seven and turnover of over FCFA2 billion in category 1. The tax payable is calculated by applying the stipulated rate applicable to each category. The actual rate is fixed by the local authorities in the area where the business is established and must fall within a range stipulated by the General Tax Code.

Deductions

Tax deductions are allowed for reasonable expenditure incurred in performing activities that produce assessable income. Expenditure considered either excessive or unnecessary for the reasonable needs of the business will be disallowed to that extent.

Depreciation

Depreciation is calculated using the straight-line method. Generally, all tangible fixed assets, new and used, owned by the company for business purposes and whose value diminishes with time or when in use are depreciable. Rates depend on the useful life of the asset but may not exceed those allowed by the General Tax Code. Intangible assets are depreciated at rates varying from 20% to 50%. Goodwill, however, is not depreciable. The rates for tangible fixed assets range from 5% to 33.33% and, to be deductible, depreciation must be recorded in the books of account. Depreciation deferred during earlier periods of trading at a loss may be carried forward indefinitely. For depreciation purposes, an asset's cost is reduced by the amount of any investment allowance granted by the Ministry of Finance under a reinvestment program.

Management Fees

Head office expenses and remuneration for technical, financial, or accounting assistance are deductible up to 10% of taxable profits before the deduction of the expenses concerned. For construction companies, the limit is 5% of turnover and, for approved design bureaus (Bureaux d'études), 15% of turnover. However, this limit does not apply to technical assistance costs relating to the erection of factory plant and machinery.

Taxes

Taxes such as business licence tax and stamp duties are generally deductible but company tax paid is not an allowable deduction. Compromise payments, fines, confiscations, or penalties imposed as a result of a breach of any legal, economic, or tax provision are also not deductible.

Start-up Costs

Costs connected with the organisation or setting up of a company may be deducted. They must be written off within the first five years of the company's existence.

Bad and Doubtful Debts

Bad debts are deductible but only specific provisions for doubtful debts are deductible. However, if the debt provided for is subsequently recovered, the provision is added back to the results of the year in which recovery was made and it is subject to tax.

Rents

Rental payments are deductible in full, provided that they are reasonable. However, any rentals paid to a shareholder with at least a 10% shareholding in the company and who is involved in its management (or any rents paid to such a member's spouse or

children) may be deducted only if paid for premises rented to the company for its business use.

Social Insurance and Housing Loan and Employment Fund Contributions

Employers and employees contribute monthly to the National Social Insurance Fund and the Housing Loan and Employment Fund. For the Housing Loan and Employment Fund, employees contribute 1% of their gross salaries and employers contribute 2.5% of the total amount of employees' salaries and fringe benefits. For the National Social Insurance Fund, employees contribute 2.8% of basic pay plus allowances up to FCFA 300 000 per month. Employers contribute 11.2% of basic pay, allowances and benefits up to FCFA 300 000 per month per employee in addition to 1.75%, 2.5% or 5% of total salaries depending on the risk category of activities performed by employees.

Registration, Stamp and Other Duties

Generally, all legal documents must be stamped and registered. All acts that record contractual obligations of transfers of leases of property are usually subject to ad valorem registration duties ranging from 1% to 15%. On the formation of a company and any subsequent capital increase, a duty of between 2% and 0.25% applies, depending on the amount of capital. Fixed stamp duties are levied on motor vehicle licenses, advertising materials, passports, visas and bills of lading.

Land and Landed Property Acquisition

A non-resident wishing to invest in Cameroon may sign lease agreements or purchase land except in border areas. Deeds of sale of land involving foreigners are valid and enforceable subject to the approval of the Minister of Lands.

Labour Relations

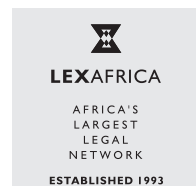
Labour relations are regulated by Law N° 92/007 of 14 August 1992 which instituted the Labour Code. This Code is supplemented by several ministerial orders and also collective agreements regulating the particular sector of activity.

An employer will usually have the freedom to hire any person of his choice. The law also gives the employer the right to dismiss any employee at any time for good reason. Workers under probation can be dismissed at any time without good reason before the end of the probation period. The minimum period of probation is 15 days and the maximum period is 4 months depending on the worker's professional category.

Compensation following the termination of employment will largely depend on the ground of termination. Workers terminated during their period of probation are not entitled to any compensation except salary accrued up to the date of termination. A worker who is terminated for grievous misconduct is not entitled to compensation except salary accrued up to the date of termination and accrued leave pay.

A worker whose services are terminated for reasons other than grievous misconduct will be entitled to the following compensation:

- accrued salary up to the date of termination;
- accrued leave pay;
- salary in lieu of notice ranging from one month's salary to four months depending on the worker's professional



category;

- termination benefits ranging from 25% to 55% of the average monthly salary.

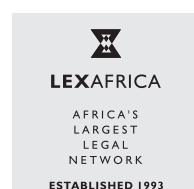
Where the termination is found by a court to be wrongful, the employer will be required to pay damages in addition to the above. The amount of damages shall not be less than the equivalent of three months salary.

There are many job placement agencies in Cameroon that can facilitate the outsourcing of labour and the recruitment of both permanent and temporary staff.

Expatriate Staff and Families

Although the government will encourage companies doing business in Cameroon to give as much priority to Cameroonians as possible if they have the required qualifications, foreigners are permitted to work in Cameroon. A foreigner who comes to Cameroon for an assignment not exceeding six months will not require a work permit. Applications for work permits must be directed to the Ministry of Labour.

In Cameroon there are different categories of foreigners including private visitors, tourists, missionaries, businessmen, investors and medical expatriates. The conditions for obtaining entry visas, residence permits and long term residence identity cards are laid down by Decree. All resident foreigners above the age of 18 must have residence permits. Resident foreigners include contractors or consultants (businesspeople fall under this category), private employees, interns on longer stays, students, family members of the worker and refugees. They should have entry visas valid for 6 months issued by the Cameroonian diplomatic mission in their country of origin which can be obtained after 48 hours once the application and supporting documents have been submitted. Residence permits are issued by the competent immigration services on presentation of the required documents and payment of the required charges. The applicants must present valid passports with corresponding visas. The permits have a validity period of 2 years renewable on justification. Foreigners whose residence permits have been renewed for a third consecutive time or who have completely settled in Cameroon and plan to reside there permanently may apply for resident identity cards. These cards are issued after assessment of supporting documents and are issued for a period of 10 years.



CENTRAL AFRICAN REPUBLIC

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Country Information

The Central African Republic (CAR) is a landlocked and sparsely populated country in Central Africa. Situated about 805 km north of the equator, the Central African Republic is a landlocked nation bordered by Cameroon, Chad, the Sudan, the Democratic Republic of the Congo and the Republic of Congo. It covers a land area of 622 984 square kilometres and Bangui is the capital city. The Central African population has a marked ethnic diversity. In 2010, the population was estimated at about 4 844 927 and is predominantly rural (57%). The two major areas with high population concentrations are in the south and central west. Languages: French (official), Sango (national).

During the rainy season much of the southeast is impassable as several rivers overflow into the Unaba, a tributary of the Congo River. Large parts of the northern and eastern regions have been set aside for nature conservation. There are two major ethnic groups: the river peoples (Yakima and Mabaka) and the savannah peoples (such as the Sara). Sango is widely spoken and used in broadcasting. More than two-thirds of the total population are Christians, though many still profess traditional ethnic beliefs.

Political System

The President is elected for a maximum of two 6-year terms. There is a bicameral legislature consisting of a 109 member National Assembly, elected for 5 years, and a nominated Economic and Regional Council. In presidential elections in early 2011, the incumbent François Bozizé (National Convergence Kwa Na Kwa) was reelected with 64.4% of the vote.

Economic Indicators (2009 estimates)

GDP: US\$2.006 billion
GDP per capita: US\$700 (2010 estimate)
GDP (PPP): US\$3.327 billion
GDP per capita (PPP): US\$750.

Inflation Rate

1.5% (2010 estimate).

Investment Climate

The laws in the CAR guarantee equal treatment of foreign investors from expropriation and nationalisation. Foreign investments are mainly concentrated in the mining sector, which has been developing since the enactment and implementation of a new mining code in 2009.

There are no relevant restrictions on foreign investments. However, it would be useful to have a local business partner in CAR. Investors are also protected from political interference. Capital, profits and dividends may be freely transferred up to CFA 500 000 (approximately US\$1 050) but a higher amount requires the prior authorization of the Ministry of Finance.

Business start-ups have been simplified by establishing a "one-stop shop" that merged four procedures into one. The Government has recently attracted foreign participation in the underdeveloped telecommunications sector by removing restrictions on cellular services.

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 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'intérêt économique (economic interest grouping), a société à responsabilité limitée (limited liability company) and a société anonyme (specific limited liability company).

However, 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 10 000 000 (approximately US\$21 000). Share transfers to a third party are unrestricted unless otherwise stated by the company's statutes which may require either the consent of the board of directors or of the general assembly of shareholders;
- a société à responsabilité limitée (SARL) is administered by one or more directors called "gérants". The minimum share capital required is at least CFA 1 000 000 (approximately US\$2 100). Share transfers are regulated by the company's statutes and may be performed freely between shareholders but share transfers to third parties require the prior consent of the majority of shareholders;
- Joint ventures are often performed in the mining sector.

The Central African Republic was one of OHADA's first member countries to officially submit comments on the organization's proposed legal reforms. The country's first set of revisions was adopted by OHADA's Council of Ministers at the end of 2010. The enactment of this legislation is seen as a major step toward sustainable economic growth in the region and complements the efforts of the Government to improve its business environment.

Formation of a Company

The processes and estimated times to incorporate a company are:

- conduct a criminal record check at the National Tribunal in respect of the first company directors;
- deposit the legally required initial capital in a bank and obtain deposit evidence (1 day);
- procurement of the Residence Certificate (1 day);
- all required documents are filed at the public notary's office for notarization (within three days);
- register company at the Guichet Unique de Formalités des Entreprises (GUFÉ) (within five days);
- advertise the company formation in a national daily newspaper;
- notify authorities of hiring of employees (within one day);


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NETWORK
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- obtain a business license (within seven days).

Exchange Controls

Foreign exchange transactions are controlled by the Ministry of Finance which may in some cases delegate its powers pertaining to overseas operations to certified intermediaries (i.e. commercial banks).

The Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) provides that overseas fund transfers are subject to the payment of a 0.50 % commission to a certified intermediary (i.e. a bank). The opening of foreign accounts in FCFA for the benefit of non-residents is free in the CEMAC. Almost all foreign exchange transactions need to be performed before certified intermediaries which have to verify the compliance of documents with applicable laws.

Taxation

The following mandatory taxes are payable by companies:

- corporate income tax based on turnover is paid at 40% (statutory tax rate);
- taxes on financial transactions are 2.5% per cheque;
- social security contributions are 15.8% of gross salaries;
- apprenticeship tax for more than 60 employees is 2% of gross salaries;
- stamp duty (fixed fee);
- Value Added Tax (VAT) with a 19% rate;
- property taxes (15%).

Imports/Exports

Most imported products are food, textiles, petroleum products, machinery and electrical equipment. Exported goods include diamonds, timber, tobacco, coffee, cotton and bananas. A declaration needs to be submitted on imports and exports to the Ministry of Commerce and/or the Ministry of Finance. Exemptions are awarded for specific products such as those coming from member countries of the Central African Economic and Monetary Union (CEMAC).

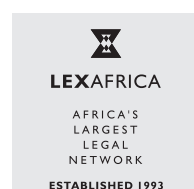
Monetary Policy

The Banque des Etats de l'Afrique Centrale (BEAC) seeks to ensure monetary stability. To that end, instruments have been put in place to manage interest rates and require credit institutions to reserve funds to manage the money supply.

Legal System

The legal system is based on the French civil law system. There are several criminal and civil courts as well as a court of appeals in Bangui. The highest court is the Supreme Court in Bangui, whose members are appointed by the President. There are also provisions for a High Court of Justice, a body of nine judges created to try political cases against the President, members of Congress and Government ministers, which has however never been convened.

A constitutional court consists of nine judges appointed for nine-year terms (three by the President, three by the National Assembly and three by fellow judges) and assists the Supreme Court and the High Court of Justice. There are also courts of appeal, criminal courts, several lower tribunals and a military tribunal. The legal system is loosely based on that of France, with some traditional courts still operating on the local (subprefecture) level.



Intellectual Property

CAR is a member of the African Intellectual Property Organization, which protects several intellectual property rights within its member countries such as patents, utility models, trademarks, industrial designs, trade names, geographical indications, copyright, unfair competition, circuit layouts and plant variety rights.

Key Strategic Growth Initiatives by Government/Private Sector

The Government has initiated a programme of economic reform, including the privatization of some sectors associated with the International Monetary Fund called the "Extended Structure Adjustment Facility".

Treaties and Bilateral Agreements

CAR is party to the treaty establishing the Economic Community of Central African States (ECCAS) and the New York Convention on the recognition and enforcement of Foreign Arbitral Awards. It has acceded to the Kyoto Protocol on climate change.

Membership of International & Regional Organisations

The CAR is a member of the African Union (AU) and accordingly part of its New Partnership for Africa's Development (NEPAD) program. The World Bank has assisted CAR with its foreign debts. CAR is also a member of the Communauté Economique des Etats de l'Afrique Centrale (CEEAC) and CFA Franc Zone.

Road and Transport

The CAR has no railroads and only 600 kilometres of the 25 000 kilometres of roads are paved. Dirt roads are poorly maintained and deteriorate in the rainy season. No organised public transport is available because the country's poor infrastructure drives up the cost, thereby discouraging commerce and investment. The country relies on waterways (the Ubangi and other rivers) for communication and commerce. About five-sevenths of foreign trade is shipped by river. There are about 4 400 miles (7 000 km) of inland waterways, though only some two-fifths of these are navigable. The Ubangi-middle Congo route is the main international transportation link with the outside world. This course is navigable most of the year from Bangui to Brazzaville, Congo, and from there goods are shipped by rail to Congo's Atlantic port of Pointe-Noire.

Energy

The country's waterfalls are sources of hydroelectric power, and dams located on the Mbali Lim River northwest of Bangui produce about four-fifths of the country's electricity.

Telecommunications

Legislation liberalising the telecommunications sector in the CAR was passed in January 1996 and has, to date, resulted in competition in mobile communications and the entry of several value-added service providers.

The proposed regulatory body, Agence de Régulation des Télécommunications (ART), formed by the Telecommunications Act, is not operational and regulatory duties are presently handled by the Ministry of Posts, Telecommunications and New Technologies.

The company, Société Centrafricaine de Télécommunications (Socatel), was established after the integration of the Société Centrafricaine des Télécommunications Internationales (Socati) and the Direction Générale des Télécommunications (DGT) in 1990. In 1995, the Government sold 40% of Socatel to France Cable and Radio (FCR).

In 1995, Socatel introduced the CAR's first mobile network based on the AMPS system called Caratel. In 1996, Socatel partnered with FCR and various local partners to establish a mobile and value-added service company called Telecom Plus, which provides data communications services (X.25), internet access and mobile services using GSM technology. Socatel remains the country's leading telecommunications and internet service provider.

The third network is operated by Telecel Centrafrique and uses AMPS Technology and was launched in 1996. I-Com Africa, an American company, has received a licence to operate a mobile network.

In terms of wider accessibility, Groupe Spécial Mobile (GSM) coverage was, until 2005, only limited to the capital city of Bangui, but has since then expanded as far as Berberati in the western CAR. At present, there are two GSM-900 mobile operators, Telecel CAR and Nationlink Telecom RCA.

A private telecommunications company now runs a domestic Internet and e-mail service. Few Central Africans have home access to such services, but many urban dwellers obtain limited access at cyber cafés.

Key Industry Sectors

Important constraints to economic development include the CAR's landlocked position, a poor transportation system, a largely unskilled work force, and a legacy of misdirected macroeconomic policies. Factional fighting between the Government and its opponents remains a drag on economic revitalisation. Distribution of income is extraordinarily unequal.

Trade and Industry

Industry primarily consists of diamond mining, breweries and sawmills. Even though there is a strong interest in American goods, US exporters face tough competition from France with which the CAR has maintained strong commercial ties. Importers of consumer items and personal vehicles have expressed an interest in US goods, but logistical problems tend to impede sales and distribution. The US, Japan and Iran are significant suppliers of products such as processed foods, pharmaceuticals, consumer goods, industrial products, vehicles, and petroleum products. Other important trading partners are Canada and Italy.

CAR relies heavily on its exports, of which the most important are timber, diamonds, cotton, and coffee. Belgium is the country's leading trading partner, buying most of its diamond exports. France is also an important partner, purchasing most of the coffee and tobacco produced. Imports include foodstuffs, chemicals, machinery, transport equipment and petroleum.

Information and Communications Technology

Although information and technology usage in the CAR is still one of the lowest in the world, the presence of multiple mobile-cellular service providers has created a fairly competitive atmosphere. Most fixed-line and mobile-cellular telephone services are concentrated in Bangui, and the network consists principally of microwave radio relay and low-capacity, low-powered radiotelephone communication.

Mining

CAR has rich but largely unexploited natural resources in the form of diamonds, gold, uranium and other minerals. There may be oil deposits along the country's northern border with Chad. Diamonds are the only one of these mineral resources currently

being developed and in 2002, diamond exports made up close to 50% of the CAR's export earnings. Mining largely involves alluvial diamonds and gold, together contributing about 4% of the nation's gross domestic product.

About 80 000 autonomous artisanal miners form the base for the mining activity in the country. Mining companies, in order to optimise their investment, often let such miners exploit large pieces of land within their properties. The artisanal miners sell their production to about 160 certified collecting agents who, in turn, sell this production to two purchasing offices located in Bangui.

The CAR's iron ore potential could soon be realised following announcements by Asquith Resources over the discovery of a potentially massive high grade luma iron deposit on its Bambari permit. Initial grab samples have yielded iron contents in excess of 66% iron, with low trace elements.

Lack of infrastructure coupled with the fact that the country is landlocked has hindered development. The CAR has approximately 400 000 km² of highly prospective Precambrian terrane that has not yet been explored properly.

Agriculture

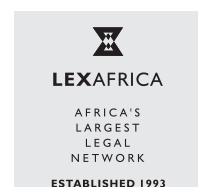
The agricultural sector contributes more than half of the gross domestic product (GDP) and employs an estimated 80% of the labour force. Key primary food crops include bananas, cocoa beans, coffee and sugar cane. Meat products range from beef, chicken, goat meat and mutton to pork. The CAR is almost self-sufficient in food and has the potential of becoming a net exporter. Export crops are cotton, coffee, cattle and tobacco.

Most Central Africans rely on farming for their livelihoods growing cassava (manioc), corn (maize), millet, sorghum, rice, squashes and peanuts (groundnuts) for their own consumption. Cash crops such as cotton and coffee, introduced by French plantation owners, are produced largely on small landholdings. Agricultural diversification and vegetable exports have been encouraged by the Government. Although Central Africans have for some time cultivated sugarcane and oil palms on a small scale, the country has lately undertaken efforts to grow both crops on large, mechanized plantations.

Tropical rainforest covers a significant part of the Central African Republic, mainly in the southwest, and timber exports are a vital source of foreign exchange. Heavy reliance on international commodities markets, however, has rendered the country's economy extremely vulnerable to price fluctuations.

Labour Relations

CAR is one of the poorest countries in the world and its population is largely unskilled. The labour law has not been updated for some time and dates back to 1961.



CHAD

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Country Information

Chad is a landlocked country in north central Africa measuring 1 284 634 square kilometres (roughly three times the size of California). It is bordered by Libya, Sudan, the Central African Republic, Niger, Cameroon and Nigeria. Most of its ethnically and linguistically diverse population lives in the south. The capital city of N'Djamena, situated at the confluence of the Chari and Logone Rivers has a population of about one million.

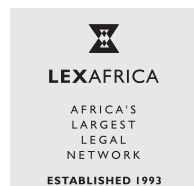
Chad has a population of 11 274 106 divided between 200 distinct groups. It is estimated to be growing at an annual rate of 2.6%. More than half the population (55%) is Muslim, the rest is divided between Christianity (35%) and animist (10%). 43% of the population is over the age of 18. Women represent 53% of the total population. The official languages are French and Arabic. The urban population is 27% of the total population (2008) and the rate of urbanization is 4.7% (2005-10 estimate). The population of N'Djamena is 828 000 (2010 estimate). The languages are French and Arabic (official), Sara (in the south), Sango and more than 120 indigenous Chadian languages and dialects. There are 200 distinct ethnic groups. Approximately 1 000 French citizens live in Chad. About 80% of the Chadian population is rural. The currency is FCFA.

Natural resources: Petroleum, natron (sodium carbonate), kaolin, gold, bauxite, tin, tungsten, titanium and iron ore.

Political System

Chad is divided into 22 administrative regions. A strong executive branch headed by the president dominates the Chadian political system. The president has the power to appoint the prime minister and the Council of State (or cabinet), and exercises considerable influence over appointments of judges, generals, provincial officials and heads of Chad's parastatal firms (owned or controlled wholly or partly by the government).

According to the 1996 Constitution, National Assembly deputies (unicameral) are elected by universal suffrage for 4-year terms. Despite the Constitution's guarantee of judicial independence from the executive branch, the president names most key judicial officials. The Supreme Court comprises a chief justice, named by the president, and 15 councillors chosen by the president and National Assembly. Appointments are for life.



Latest GDP Figures

GDP: US\$8.6 billion

GDP per capita: US\$837

GDP (PPP): US\$17.36 billion

GDP per capita (PPP): US\$1 921.

Inflation Rate (2011)

3%.

Investment Climate

There are no restrictions on foreign investments in Chad. Foreign investors are afforded the same treatment as domestic ones. Foreign direct investment represents more than half the total capital invested in Chadian firms. France leads the way with an estimated 50% to 60% of the total. Other sources of foreign investment include Italy, Taiwan, the US, Japan, Saudi Arabia, Libya, the United Kingdom, South Korea, the Netherlands, Egypt and Sudan. In 2004 a consortium including Chevron, Exxon Mobil and Malaysia's Petronas completed a pipeline from the Doba basin to the coast of Cameroon.

There has been instability in the form of internal rebellions and conflict with neighbouring Sudan.

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 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'intérêt 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:

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- Joint ventures are also performed in the oil sector.

Formation of a Company

Below are the required procedures and costs (if any) needed to incorporate a company in Chad:

- opening a bank account, investing capital and receiving the evidence of deposit;
- checking the company's name and collecting the registration form of the company;
- notarization of the Articles of Association and Company Deeds;
- obtaining a medical certificate (charges FCFA 1 200 per copy);
- providing a background criminal record check (charges FCFA 1 500);
- registering a certified and signed copy of the company

registration form with the the Finance Ministry (charges 10% of the capital and FCFA1 000 per page);

- obtaining the Ministry of Industry and Commerce's administrative authorization;
- advertising the company formation in a national daily newspaper;
- registering the company with the Registry of Commerce and Real Estate;
- registering tax rolls;
- registering a statistics code;
- registering the company with the Ministry of Finance's central tax services;
- submitting an Internal Regulation Code;
- establishing the company seal (about FCFA18 000);
- social security registration.

It should take an estimated 75 days to complete these procedures.

Exchange Controls

With government approval, both residents and non-residents may hold foreign exchange accounts. The opening of foreign accounts in FCFA for the benefit of non-residents is free in the Central African Economic and Monetary Community (CEMAC).

Taxation

Company tax is 45% of corporate profits and 25% of rental properties income. A turnover tax of 15% applies to all services and products. Being a member of the Central African Customs and Economic Union (UDEAC), Chad has reformed its import and value-added taxes.

Imports/Exports

Since 2000, Chad has experienced a trade surplus. Cotton and crude oil are the most prominent export products for Chad's economy. The EU and the US are the largest trading partners in terms of cotton, accounting for almost 90% of Chad's exports. Machinery and heavy transportation equipment are the major import items. Chad also imports textile materials and food and consumer goods on a large scale. The European Union is the most significant partner for imports. Chad ranks 54 in the world in terms of total oil exports. Chad has approximately 1.5 billion bbl in oil reserves in 2009. This sector also attracts huge foreign investment. The biggest Chadian oil production unit is controlled by ExxonMobil. Before oil production began in Chad, cotton was the dominating export product. The Chad cotton industry has declined since 2000 due to a fall in the international cotton prices. However, the government is seeking foreign investment to revive the cotton industry in the country.

Monetary Policy

Chad is a member of the Central African Economic and Monetary Community (CEMAC) which was created in 1991 to improve economic and political cooperation in the region. Monetary stability remains under control but the government influences prices through state owned enterprises and regulation of key goods and services. The Bank of Central African States (BEAC) runs fiscal policies at the regional level. Its priorities are controlling inflation and keeping the CFA Franc pegged to the Euro. Chad has a cautious external debt policy and most of its loans are on very soft terms.

Legal System

Chad's legal system is based on French civil law, modified according to a variety of traditional and Islamic legal interpretations.

The judiciary comprises the Supreme Court, Court of Appeal, criminal courts, magistrate courts and a Tribunal. Besides the regular courts, the 1996 constitution established a Constitutional Council to control the conformity of laws and international treaties and agreements with the constitution, to entertain disputes arising from presidential and legislative elections and to monitor the lawfulness and proclaim the results of referendums. The constitution also provides for the institution of a High Court of Justice, which is able to try the president of the republic and members of the government in cases of high treason.

Chad also has an unofficial but widely accepted system of Islamic Sharia courts in the north and east, which have operated for a century or more. Civil courts often consider traditional law and community sentiment in decisions and the courts sometimes seek the advice of local leaders in considering evidence and rendering verdicts.

Intellectual Property

Chad is part of the African Regional Intellectual Property Organization (ARIPO), which amended the 1977 Bangui Protocol and sets out common procedures based on a uniform system of protection (in addition to provisions included in international conventions to which member states accede).

Financial Services/Insurance

The insurance sector in Chad is very small and dominated by a formerly state-owned insurance company. The Inter-African Conference on Insurance Markets (CIMA) regulates the sector. South African-based insurance companies, offering primarily Pan-African insurance products, and European insurance companies, also serve the insurance market.

Key Strategic Growth Initiatives by Government/Private Sector

The initiatives and objectives of the government are the expansion and improvement of the transportation and telecommunications networks, the expansion and diversification of agriculture (cotton, food crops) and the exploitation of oil and minerals like soda ash, rock salt, chromium, tungsten and titanium.

Treaties and Bilateral Agreements

International treaties are dealt with under title XIV (articles 217 to 221) of the Chadian constitution. International treaties are negotiated and ratified by the president but the ratification of some treaties needs the authorization of the Parliament. These include peace treaties, defence treaties, trade treaties, treaties relating to the use of the national territory or the exploitation of natural resources, agreements relating to international organisations, treaties involving state finances and treaties relating to the status of persons. Treaties involving the transfer, exchange and addition of territory need the consent of the people by a referendum. International treaties and agreements have to be compatible with the Constitution. Once a treaty is lawfully ratified and published, it is superior to national legislation.

Membership of International and Regional Organisations

Chad is a member of many international and regional organisations such as the World Bank, the United Nations (UN)), the African Union (AU) and its New Partnership for Africa's Development (NEPAD) programme, the Economic Community of Central African



States (ECCAS), the Central African Economic and Monetary Community (CEMAC) and the Central African Customs and Economic Union (UDEAC).

Agriculture

Agriculture provides employment for 80% of the country's labour force with most farming taking place at a subsistence level. Cotton and livestock are the two most important products —both earn significant foreign revenue for the country. The effective development of the agricultural sector is hampered by harsh environmental conditions and a lack of infrastructure.

Trade and Investment

Oil and mineral reserves (gold, natron and marble) have now attracted interest from investors. Spirulina, shea trees and sesame seed oil are potential areas of investments.

Labour Relations

According to the Africa 2010 survey, over 80 percent of the workforce is engaged in unpaid subsistence farming, herding and fishing. A unionized labour code has been drawn up in conjunction with the World Bank. Mandatory allowances for workers include transportation, health, indemnity, bonuses, and vacation pay.

Significant Issues for Investors to Consider

Chad is handicapped by its landlocked position. Trade, including exports and imports, must pass through Cameroon where corruption is a problem. Energy prices in Chad are among the highest in the world and variable rainfall causes frequent deficits in food production. Heavy taxes, corruption, and the lack of an independent judiciary have discouraged foreign investment.

Economic Developments

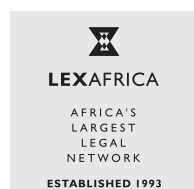
Chad's first oil company, Société des Hydrocarbures du Tchad, was formed in 2006 to give Chad greater control over its energy reserves. This was followed by tensions between the government and multinational oil firms like Chevron and Petronas over unpaid taxes. Both Libya and France have provided generators to increase the Chadian electricity supply.

Road and Transport

Transport infrastructure within Chad is generally poor, especially in the north and east of the country. There are no railways and river transport is limited to the south-west corner. Roads are mostly untarred and are likely to be impassable during the wet season, especially in the southern half of the country. In the north, roads are merely tracks across the desert and land mines continue to be a danger. Draft animals (horses, donkeys and camels) remain important in much of the country. There are 59 airports/airfields.

In 2004, Chad had 550 km of tarred roads and 33 133 km of untarred roads. With no railways of its own, Chad depends heavily on Cameroon's rail system for the transport of Chadian exports and imports to and from the seaport of Douala in Cameroon.

In terms of waterways, most rivers flow intermittently. On the Chari, between N'Djamena and Lake Chad, transportation is possible year round. Total waterways cover 4 800 km, of which 2 000 km are navigable all year round.



Water

Chad's cities face serious difficulties in municipal infrastructure: only 48% of urban residents have access to potable water and only 2% to basic sanitation.

Energy

Chad's energy sector has suffered from years of mismanagement by the parastatal Chad Water and Electric Society (STEE), which provides power for 15% of the capital's citizens and covers only 1.5% of the national population. Most Chadians burn biomass fuels such as wood and animal manure for power.

Telecommunications

The telecommunication system is basic and expensive, with fixed telephone services provided by the state telephone company Sotel Tchad. Only 14 000 fixed telephone lines serve all of Chad, one of the lowest telephone density rates in the world.

Trade and Industry

Chad's most important export products include cotton, cotton textiles and livestock. It exports these products to countries such as Nigeria, South Africa, Costa Rica, France, Portugal, Germany and Thailand. Foodstuffs still constitute most of the country's imports. Other imported products include machinery and transportation equipment and industrial goods.

Mining

The mining sector in Chad remains largely undeveloped although preliminary studies suggest that there is much potential. Highly promising areas for gold, bauxite, uranium, silver and alluvial diamonds have been identified. The 1995 Mining Code regulates the sector.

Oil

ExxonMobil leads a consortium of Chevron and Petronas that has invested US\$3.7 billion to develop oil reserves estimated at one billion barrels in southern Chad. Oil production began in 2003 with the completion of a pipeline (financed in part by the World Bank) that links the southern oilfields to terminals on the Atlantic coast of Cameroon. As a condition of its assistance, the World Bank insisted that 80% of oil revenues be spent on development projects. In January 2006 the World Bank suspended its loan programme when the Chadian government passed laws reducing this amount. On 14 July 2006, the World Bank and Chad signed a memorandum of understanding under which the Government of Chad commits 70% of its spending to priority poverty reduction programmes.

CÔTE D'IVOIRE

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Country Information

The Ivory Coast covers an area of 322 462 square kilometres and has a population of about 20 million inhabitants including foreign residents. As a former French colony, its official language is French and its currency is the CFA Franc (FCFA).

The population is mainly rural. There are five important ethnic groups:

- In the north the Senoufo group;
- In the north west the Malinké;
- In the west, the Mandé group and the Wê group;
- In the south-west and west, the Krou group;
- In the centre, the south and the east, the Akan group.

The north of the country is a grassy savannah, the centre is savannah and the south is forested. In the west there are mountains including Mont Nimba, the highest of the country (1 753m). The climate is essentially tropical, but in the north there are dry hot winds during November to February. In all the regions there are two seasons, a dry and rainy one.

Political System and Investment Environment

A civil war began in 2002 between the north and the south and led to serious political instability and economic dislocation. A disputed election in 2010 plunged the country into a political crisis which resulted in the removal of President Gbagdo and Mr Quattara becoming President. The security situation has improved and investors are slowly returning. Before the civil war, the country was one of the largest economies in West Africa with several large local firms (like SIR, Petroci, Port d'Abidjan, Port De San Pédro and Sotra) and multinational investors like Unilever-Côte d'Ivoire, Orange-Côte d'Ivoire, SGBCI-Côte d'Ivoire, BICICI, Nestlé-Côte d'Ivoire, GMA, Bolloré, Total-Côte d'Ivoire, Shell-Côte d'Ivoire, Bouygues and SAGA-Côte d'Ivoire.

Investment Incentives

In addition to investment incentives under the Investment Code of 1995, the following tax reforms have been introduced by the Government to promote investment:

- tax on profits is now 25% for legal entities and 20% for individuals instead of 35%;
- Value Added Tax (VAT) is fixed at the rate of 18%;
- individuals and legal entities which invest a part or all of their profits in the country, may obtain a remission of tax on those profits and these benefits have been extended to

commerce, services and mining. The rates of this tax remission have also been increased. For example, for any investment made in region A (Abidjan and surrounding towns), the rate has increased to 30% from 25%. In region B (the rest of the country) the rate has increased to 40% from 35%;

- a specific tax incentive scheme is planned for companies created from 1 January 2010 to 31 December 2012 and involved in agribusiness (especially cotton and cashew nuts) in the centre, north and western parts of the country (which were particularly badly affected by the civil war). These companies must be created, re-established or re-opened before 31 December 2012 to benefit from these incentives which include:
 - an exemption from VAT on equipment and on first replacement parts and an exemption until 2015 (which is reduced to 75 % for 2016 and 2017) from property tax, business tax, tax on industrial, commercial and agriculture or non-commercial profits and from payroll tax. The exemption from property tax is for 10 years for properties involved in producing, preserving, packaging and processing food and other agricultural products;
 - the constitutions of qualifying companies are exempt from stamp duties and interest on loans granted by associated companies are exempt from the tax on debt revenue until 2012;
 - credit granted by banks to these companies for their creation, re-opening and re-establishment are exempt from a specific tax on outstanding loans;
 - companies carrying on product purchasing operations are exempt from the tax on profits, VAT and business tax, if the value of their purchases do not exceed 15 % of total production.
- certain incentives (see below) are provided to biotechnology and information/communication technology firms in a free trade zone in Grand-Bassam.

Privatization

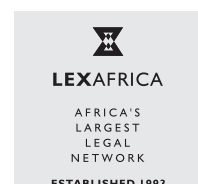
According to the law on privatization, the Government may transfer its rights in state owned companies to private individuals or entities by a bid process and under the control of a privatization committee. The privatization may be done through:

- transfer of assets;
- transfer of shares;
- renunciation of a pre-emptive right to subscribe for shares;
- share capital increases;
- mergers;
- dissolution or liquidation.

The Government may restrict the shareholdings of foreign transferees or local companies controlled by foreigners.

Forms of Business

- Partnership;
- Co-operatives;
- Private limited liability company;
- Private unlimited liability company;
- Public limited liability company;
- Sole proprietorship;
- Joint venture.



Formation of a Company

The Centre de Promotion des Investissements en Côte D'Ivoire (CEPICI) is a "one stop" body to assist investors with all administrative and tax procedures including the formation of a company. The formation of a company comprises the following stages:

- preparing the articles of association;
- signature of the articles of association by the shareholders;
- registration of the articles of association;
- filing the articles of association with a court registrar;
- filing a declaration of payment with a notary;
- social and tax registration;
- publication of the incorporation.

It takes about one month to comply with all these formalities.

Exchange Controls

Rule N° 09/1998/CM/UEMOA of the West African Economic and Monetary Union (WAEMU), also known in French as UEMOA, of which Ivory Coast is a member, requires that any foreign exchange transaction, fund movements and payments between a WAEMU member and a non WAEMU country must be done through the Central Bank of West African States (the BCEAO), post-offices or authorized agents. In addition, within WAEMU's area, the same restrictions apply to foreign exchange transactions, fund movements and payments between a resident and a non-resident as well as loan transactions, the issue and selling of stock and fixed assets and foreign currency cessions. However, the following payments are exempt:

- allowances to residents who travel abroad;
- any money transfer which does not exceed FCFA300 000;
- certain payments for example relating to the delivery of merchandise, salaries and fees, royalties, interests and dividends, dowries, estates and tax.

Taxation

Any company which undertakes activities in Ivory Coast must register with the tax authorities in order to obtain a tax payer identification.

Corporate tax on profits made in the Ivory Coast is levied at the rate of 25% for companies and 20% for individuals.

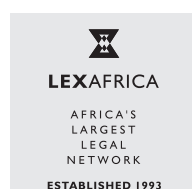
Business tax is paid by any person exercising a professional activity in the territory of the Ivory Coast. The tax is calculated having regard to turnover (0.5%) and the rental value of the business premises (18.5%).

Value Added Tax (VAT) is payable at the rate of 18% on all services and sales of goods provided and performed within the Ivory Coast as well as on imports.

Property tax is payable annually by the land owner.

Taxes are payable on salaries at the rate of 1.2% for local personnel and 10.4% for expatriates.

Stamp duties are paid with regard to the incorporation of companies depending on the company's share capital, namely until FCFA 5 billion, the rate is 0,6 % of the share capital and over FCFA 5 billion, the rate is 0,2 % of the share capital.



There is a tax on securities incomes (from 10% to 18 %) and a tax on debt revenues (from 1% to 18 %).

The general tax code provides a simplified tax regime for the oil sector. Several taxes such as the tax on industrial and commercial profits, the tax on securities, payroll taxes, general income tax and tax on insurance contracts are calculated at 10% of the firm's turnover.

Companies must register with the CNPS in order to acquire a social security number and pay monthly or quarterly employees' social security contributions. They must also pay contributions with regard to apprenticeships and the continuing training of employees to the FDFP.

Imports/Exports

Importers require permits and certificates from, and must be registered with, the Ministry of Trade. In addition and depending on the products imported, an importer may be required to obtain a certificate from the relevant ministry (e.g. the import of medicine requires a certificate from the Ministry of Health).

Permits and certificates are also required for export activities. For example, only authorized companies and cooperatives can export cocoa and coffee from the Ivory Coast.

Monetary Policy

As a member of the West Africa Economic and Monetary Union (WAEMU), the monetary policy of the Ivory Coast is defined by the central bank of WAEMU (the BCEAO). The CFA Franc has a fixed exchange rate with the Euro, namely 1 EURO = 655.957 CFA Franc.

Legal System

Like many former French colonies, the legal system is based on the French civil law model.

Intellectual Property

Patents, trademarks, commercial marks, design or patterns are protected by statute. The Ivory Coast is a member of the African Intellectual Property Organization (OAPI), a treaty relating to intellectual property protection between 15 (mainly Francophone) African countries. Registrations must be made in Yaoundé, Cameroon.

Financial Services/Insurance

Banks and financial institutions are governed by the rules of the West Africa Economic and Monetary Union (WAEMU) of which Ivory Coast is a member. They are regulated by WAEMU's Bank Commission. There are 20 banks in the Ivory Coast.

The insurance sector is expanding in the Ivory Coast. There are 21 life insurance companies and 11 accident, fire and various risks insurance companies. There are also re-insurance companies which carry out their activities through representation offices. There are about 60 insurance brokers.

Treaties and Bilateral Agreements

The following treaties and bilateral agreements have been signed by the Ivory Coast:

- bilateral conventions relating to double taxation signed with France, Germany, Belgium, Norway, Canada, United Kingdom, Italy, Switzerland and Tunisia;
- bilateral conventions relating to the mutual protection of

investments signed with Germany, Italy, Netherlands, Sweden, Switzerland, United Kingdom, USA, China and Qatar;

- the tax convention relating to double taxation of the West African Economic and Monetary Union (WAEMU or UEMOA in French) signed on 26 September 2008 which came into force on 1 January 2009;
- the protocol of Kyoto approved on 23 September 2007;
- the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal which came into force in 1992.

Membership of International and Regional Organisations

Ivory Coast a member of the World Bank, the International Monetary Fund (IMF), the African Union (AU), the United Nations (UN), the African Development Bank (ADB), the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS).

Economic development

The disputed November 2010 presidential election and resulting civil war caused serious economic dislocation. The Government has tried to ease the tax burden on businesses and is initiating policies to promote investor security and fight corruption to improve the business climate and promote economic growth.

Road and Transport

The road network is estimated at 85 000 km with only 6 500 km of paved road including 150 km of expressway. A project to extend the expressway to Yamoussoukro, the political capital, is in progress. Ivory Coast is linked to Burkina Faso by a railroad of 1 156 km. During 2011, the Government started a project to rehabilitate several roads to the economic capital, Abidjan. Several other projects for road rehabilitation and asphaltting are expected through the country. There are about 980km of waterways but these are not exploited. The country's main airports are Abidjan and Yamoussoukro. The airport of Bouaké has not been used in the last ten years due to the civil war. There are airfields in all the main towns.

Energy

Ivory Coast relies on petroleum, gas and electricity. Its reserves of petroleum and natural gas are estimated at 100 million barrels and 700 billion cubic meters respectively, with a daily production of 100 000 barrels and about 108 million cubic meters. Local demand for petroleum (25 000 barrels per day) and gas (108 million meters cubic) is covered and the balance is exported. The country produces electricity of about 5758 Gwh of which about 1 066.4 Gwh is exported. Energy products comprise about 28% of export revenues.

Telecommunications

Telecommunications are regulated under a specific code and by the regulator, the Agence desTélécommunications (ATCI). There has been significant growth (especially in mobile phones) and the political crisis since 2002 did not materially affect the sector. There are five mobile telephone operators (MTN, Orange, Atlantique Telecom, Comium Group and Green Network) which cover about 60% of the country. Other operators may be granted licenses. There are about six internet service providers and more than 400 000 internet users.

Trade and Industry

Ivorian industry represents 20% of the country's gross domestic

product (GDP) and employs about 13% of the population. It is characterized by a large number of small and medium sized enterprises. Ivorian industry is the most competitive of the WAEMU region and its main sectors are food products, petroleum, textiles, building and civil engineering, building materials and chemical engineering. Foreign trade is based on the export of raw materials (cocoa, coffee, cashew nuts, hevea, wood and petroleum).

Information and Communications Technology

The Government has established a free trade zone for biotechnology, information and communication technology in the former political capital Grand-Bassam. Through this project, the Government intends to increase access to information and communication technology. Initiatives have been taken to encourage companies to use the zone. They are granted exemption from custom duties and income tax for five years and VAT on their consumption of electricity, water and petroleum products. The tax on turnover is levied at the rate of 1% with the possibility of a 50% remission. The manager of the zone, VITIB, assists companies to establish themselves in the zone.

Mining

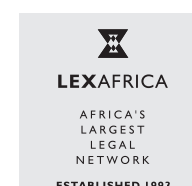
Ivory Coast has deposits of gold, iron, bauxite, nickel and cobalt. However, the contribution of the sector to Ivory Coast's gross domestic product is negligible and is estimated at only 1%. Most deposits are not exploited. Some administrative restrictions (for example complex permit procedures) constitute obstacles to investment in the sector. In addition the mining code of 1995 is considered to be obsolete. The import or export of gold from or to a foreign country requires the prior approval of the Minister of Finance.

Agriculture

Agriculture remains the key sector of the Ivorian economy. It employs about 60% of the population, provides 34% of the gross domestic product and represents about two-thirds of export revenue. The key products of the sector are the traditional export products, cocoa and coffee. Ivory Coast remains the largest cocoa exporter in the world and the 4th largest coffee exporter. In addition to these traditional export products, bananas, pineapples, cotton, cashew nuts, oil palm and hevea are produced together with a large variety of subsistence crops such as plantains, cassava, yams, potatoes and rice. The country is however not food self sufficient and must import some basic consumer products such as rice, meat, fish and dairy products.

Labour Relations

Labour relations are governed by the Labour Code of 1995 and collective bargaining agreements dated 1977 between employers and trade unions. There are two kinds of employment contract, a long-term contract and a fixed term one. Expatriates require a work permit. The law formally forbids discrimination on any basis (like religion, race and gender). The guaranteed minimum wage is FCFA 36 667. Companies are required to register their employees for social security.



REPUBLIQUE DEMOCRATIQUE DU CONGO (DRC)

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Forms of Business

- Private limited liability company
- Public limited liability company or Joint Stock Company
- Limited partnership
- General partnership
- Co-operative society
- Branch of foreign company.

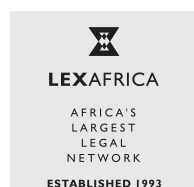
A foreign investor seeking to invest in the DRC can operate by either forming a Société Privée à Responsabilité Limitée (Limited Liability Share Partnership) (SPRL), a Société par Actions à Responsabilité Limitée (Joint Stock Company) (SARL) or a branch office of a foreign company. The most popular corporate form for small to medium investments is the SPRL which limits shareholder liability to the shareholder's capital contribution. Shares are only transferable between shareholders or to a shareholder's heir upon that shareholder's death. All other transfers are prohibited without the unanimous approval of the shareholders. There must be at least two shareholders who need not be residents of the DRC or natural persons.

SARLs are best suited for large investments. It must have a minimum of seven shareholders and is usually managed by a board of directors which delegates day-to-day managerial powers to a managing director. Like a SPRL, the shareholders of a SARL are only liable up to the amount of their respective capital contributions. The statutes of the SARL must be notarized and filed with the Commercial Court for incorporation.

Taxation

The general system of taxation in the DRC is based on the principle of territoriality and tax is accordingly levied on all income that is 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 activity 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 replaces turnover tax which is no longer applicable in the DRC.

Investment Climate and Exchange Control

DRC welcomes all foreign investment. The exchange control regulations currently in effect are very liberal and commercial banks are authorized, subject to relevant tax being paid, to freely transfer dividends, capital gains and 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.

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. DRC is a member of the World Intellectual Property Organization (WIPO).

Incentives

The DRC has promulgated a new 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 Code benefits 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 the following concessions and incentives:

- duty-free importation of all new plant machinery and equipment associated with the project as well as spare parts up to 10% of the Cost, Insurance and Freight (CIF) value of the equipment;
- free export 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 upon the location of the investment and may vary from three to five years.

Business Opportunities

There are opportunities for investment in the mining sector, petroleum, agricultural production, forestry exploitation, local manufacturing, infrastructure and tourism 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 has also recently adhered to the OHADA Treaty on Business Law which will govern the form of its business organisations and promote the rule of law by instituting the Common Court of Justice and Arbitration as the highest court of appeal with the power to overturn decisions by local courts.

EGYPT

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Country Information

Egypt has a total surface area of 1 001 450 square kilometres and a population of about 80 million.

Latest GDP Figures

1% (real exchange per annum).

Inflation Rate

10.5% (2010).

Investment Climate

The Egyptian government is generally positive towards foreign investment. One of the government's objectives is to expand private sector investment. The government is most interested in foreign investment for projects relating to the reclamation and cultivation of desert lands as well as industry, tourism, housing and other projects that require modern technologies, an increase in exports, decrease in imports or provides employment. However Law No 121 of 1982 stipulates that only Egyptians may be granted a license to import products into Egypt. No similar restriction applies to export licences. Recent political turmoil has however negatively affected the economy.

Investors interested in establishing a business in Egypt are subject to the following laws:

- Corporate Law
- Investment Law
- Capital Market law
- New Communities Law
- Desert Land Law.

Forms of Business

- Joint stock companies
- Limited liability companies
- Limited liability partnership by shares
- Partnership companies

- Limited liability partnership companies
- Sole proprietorship
- Branches of foreign corporation and representative offices.

All companies established in Egypt are governed by corporate law, the investment law and the capital market law. Qualifying foreign companies may receive incentives and guarantees granted by other laws.

The main types of companies under the corporate law are the joint stock company, the partnership limited by shares and the limited liability company.

Joint Stock Company

The joint stock company is a company where the capital is divided into shares of equal value. The liability of each shareholder is limited to the value of the shares it subscribes for and shareholders are not liable for the debts of the company except to the extent of the shares they subscribe. The joint stock company must have at least three founders who are jointly responsible for the obligations they undertake as founders. The founders are required to subscribe for shares in the issued capital of at least LE250 000 (LE is the local currency, the Egyptian pound) or 10% of the authorized share capital, whichever is the highest amount.

The share capital of a joint stock company is divided into nominal shares of equal values. A joint stock company which offers its shares for public subscription must have an issued shared capital of at least LE500 000. Other joint stock companies must have an issued capital of at least LE250 000.

The shares in a joint stock company constitute "negotiable" shares and shares "in kind". "Negotiable" shares constitute the negotiable portion of the company's share capital and a quarter of its nominal value must be fully paid up at the time of the company's foundation and the balance is payable within 5 years. Shares "in kind" are subject to the same rules as negotiable shares save that:

- their value must be fully paid up;
- they have to be evaluated correctly;
- they may not be transferred or "negotiated" before the expiry of two years from the foundation date of the company.

There is a distinction between "common shares" (which confer the same rights on each shareholder) and "preference shares" (which confer a preferential right to the company's profits). Multiple voting shares (which grants a shareholder more than one vote at the general assembly of shareholders) are also permitted.

The most distinctive feature of joint stock companies is that employees must participate in the management of the company. This is done by means of:

- representation on the board of directors (which will not exceed a third of the members of the board);
- a distribution of participation shares that allow workers to elect, through a special assembly, representatives to
 - the board of directors and the general meeting of shareholders;
 - a support administrative committee whose chairman attends meetings of the board of directors.

Partnership limited by Shares Company

This is a company with a capital which consists of one or more joint portions belonging to one or more joint partners and shares of equal value subscribed to by one or more "shareholder partners". The partner or joint partners have unlimited responsibility for the liability of the company, while the shareholder partner is only responsible to the extent of the value of the shares it subscribed for. The number of founding partners must be at least two and the issued capital must not be less than the limit determined by the executive regulations (currently LE250 000). Partnerships limited by shares companies are not allowed to undertake insurance business, banking or saving operations, receive deposits or invest funds on behalf of other parties. Employees must receive 10% of the company's profits (distributed through dividends) but this amount must not exceed their total annual income.

Limited Liability Company

The limited liability company is a company in which the number of shareholders does not exceed fifty. Each shareholder's liability is limited to his portion. There must be at least two shareholders. The public subscription and issuance of negotiable shares or bonds is prohibited and there are restrictions on the transfer of the shareholders' portions. The capital of the company may be any amount determined by the shareholders and distributed as equal shares but must be paid completely in advance before the foundation of the company. The shares are indivisible and the representation of the shares by negotiable bonds is not allowed. Every share will have a vote even if otherwise prescribed by the company's by-laws.

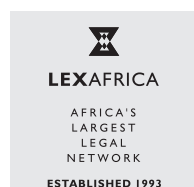
Taxation

A new unified corporate and income tax law was passed on 8 June 2005 and became effective 1 July 2005 for personal income. However, corporate income taxes started from 1 January 2006. The new law abolished the general income tax previously levied on individuals and imposed an annual tax on the net personal income of residents and non residents in Egypt. The total sum of net income consists of salaries and their equivalents, commercial or industrial activities, professional or non commercial activities and real-estate revenues. According to statistics released by the Ministry of Finance, only 2 million Egyptians filed their taxes by the end of March 2006. This compares to the 1 million that registered their income for the same period in 2005. Exemptions previously granted to companies and establishments however, continue to apply until they expire.

Taxes in Egypt may be divided into two categories, namely direct taxation of individual and legal entities on their income or profit and indirect taxation of goods, services and events. The Egyptian taxation framework is statutory based but many changes have been and continue to be made and it is recommended that up-to-date advice on recent and future changes to the tax law is obtained before establishing a business in Egypt.

A real property tax is payable by the owner of real property or the person who has a real right on real property like usufruct.

The rate of this tax varies depending on certain classifications set out in the statute.



Legal System

The legal system in Egypt is based on Islamic Sharia and a civil law system based on the

French codified legal system.

Intellectual Property

The legal regime regarding patents and trademarks is similar to that of England, and registered owners of intellectual property are protected by Egyptian law. Egypt is a signatory to the Paris Convention on the protection of intellectual property and the Madrid Agreement regarding the international registration of trademarks. Egypt is also a member of the World Intellectual Property Organization (WIPO).

Treaties and Bilateral Agreements

Egypt is a signatory state to the following:

- General Agreement on Tariffs and Trade (GATT);
- International Sale of Goods (CISG);
- Camp David Accords (Egypt Peace Treaty);
- Joint Defense and Economic Cooperation Treaty between the States of the Arab League;
- Convention on the Prevention of Double Taxation between USA and Egypt;
- Convention between the Egyptian government and the Kingdom of Saudi Arabia (for the transfer of sentenced persons).

Membership of International and Regional Organizations

Egypt is a member of the United Nations (UN), African Union (AU), International Atomic Energy Agency (IAEA), Conference on Disarmament (CD), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) and the World Bank.

Information and Communications Technology

Egypt's Communications and Information technology (CIT) sector is a leading global outsourcing destination ranked sixth on A.T. Kearney's 2009 Global Services Location Index. This puts Egypt ahead of competitors including the Czech Republic, the UAE, Poland, Canada, Australia and Ireland.

In 2008/09, the CIT sector sustained an annual growth rate of 14.5%, and received about LE44.4 billion of issued capital flow, a growth rate of 26% since 2006. Moreover, the sector generates annual revenues of about LE40.97 billion and contributes about 3.8% to real GDP.

Leading global players ranging from Intel and Oracle to Orange and Vodafone have established product development divisions and call centres serving global operations. Home-grown players are making their marks nationally, regionally and globally.

Egypt's CIT businesses cover the entire sector. Call centres based in Egypt serve customers worldwide at all ends of the value chain. Software developers produce Arabic-language solutions for major global software packages and plug-ins for popular English-language programs including Adobe and Microsoft. A research-based technology house created part of the global WiMAX standard. Niche businesses conduct research and data mining operations, and still others focus on telecom and infrastructure projects.

The total number of direct employees in the CIT sector reached 181 734 employees in 2009 (this figure includes IT, Telecom, Post and Smart village employees). A key to the success of this sector is the close partnership between the government and private businesses.

In keeping with the government's reform efforts, there has been a significant and ongoing deregulation of the business environment. In response, there was a 67.6% increase in the number of companies operating in the CIT sector in Egypt between 2006 and 2009 (3470 companies in 2009).

Agriculture

There are 8 060 companies operating in the agribusiness sector with total investments reaching about LE59.86 billion. The agribusiness sector accounted for 12% of total Egyptian private sector production and 12% of total exports (worth LE10.8 billion) in 2008/09. The majority of agribusiness exports are targeted towards the Arab world especially Saudi Arabia, Libya and Sudan.

International industry experts and national industrial strategists alike believe the sector possesses striking potential for growth thanks to favourable growing conditions, proximity to key global markets including Europe and an extremely advantageous agricultural calendar that positions Egypt to deliver valuable produce to Europe well before competing markets. Meanwhile, Egypt's sophisticated food processing businesses are creating products and packaging that are high in quality, competitively priced and attractive to global markets.

The main exports are tea, coffee, white chocolate, potatoes and frozen vegetables. To increase the country's agricultural capacity, the Ministry of Agriculture has set a goal of converting 1.3 million hectares of desert land into farmland by 2020. Egypt will then be able to increase its exports to 38 million tons of produce annually with a projected total value of US\$1.5 billion in 2020. With an annual growth rate of over 34%, the food processing subsector —the largest in the agribusiness sector—is one of the most dynamic and fast-growing sectors in the country. The large domestic market's high growth potential has attracted multinational investors who both cater to the local market and use Egypt as an export hub. 37% of investment in the food processing industry originates from foreign companies. Prominent multinationals operating regional manufacturing bases in Egypt include Heinz, Tetrapak, Unilever, Cadbury, Danone and Coca-Cola.

Labour Relations

Employer-employee relations are governed by the labour law No. 12 of 2003. Egypt has a pool of inexpensive labour.

GHANA

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Political System

Ghana has a constitutional government under a multiparty democracy.

Economic Indicators

Gross domestic product (GDP): US\$ 37.481 billion(2010)

GDP per capita pp is US\$ 2 930 (2010).

Inflation Rate

The inflation Rate in 2011 was 8.7%.

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 companies.

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) 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 foreign capital of at least US\$10 000 or its equivalent in capital goods by way of equity participation. The GIPC Act does not prescribe a minimum percentage of Ghanaian ownership in a joint venture enterprise but the GIPC in practice requires a minimum of a 5-10% 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\$50 000 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\$300 000 by way of equity capital and the enterprise must additionally employ at least 10 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; and
- other special incentives that may be negotiated with the GIPC to promote certain identified industries.

Tourism

Under the Ghana Investment Promotion Centre (Promotion of Tourism) Instrument, enterprises engaged in licensed tourism establishments e.g. hotels, motels, resorts, guesthouses, holiday apartments, catering establishments, travel and tours, conference and conventions, recreation and entertainment, have been declared special priority areas and qualify for the following benefits and incentives in addition to existing incentives under the GIPC Act:

- exemption from customs, import duties and Value Added Tax (VAT) on specified capital equipment, machinery, appliances, furniture and fittings in pre-approved quantities to be used in establishing the project;
- tax exemption in respect of pre-approved quantities of knocked-down parts, components and spare parts in respect of such equipment, machinery, appliances, furniture and fittings;
- payment of corporate tax has been exempted for specified periods e.g. 10-year tax holiday for 2, 3, 4 and 5 star hotels or resorts located outside Accra or regional capitals. The 2011 budget proposed the repeal of these incentives and their replacement with new incentives. This has not occurred as yet.

Import/Export

Companies that export more than 70% of their products may enjoy benefits 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

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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; and
- 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 of 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; and
- 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 precedents. 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 a party to the New York Convention or there exists a reciprocal arrangement between Ghana and the country where the award

was made.

Work Permits

A work permit and residence permit is 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 12.5% (which includes a National Health Insurance Levy of about 2.5%) is levied on the supply of goods and services made 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 Internal Revenue Act.

The applicable tax rates for Withholding Tax are as follows:

- Employee salaries earned - 5%;
- For non-residents -15% in respect of royalties, natural resource payments and rent;
- For residents and non-residents -10% on dividends and interest earned;
- endorsement fees or management and technical services - 20%
- supply of goods and services - 5%

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.

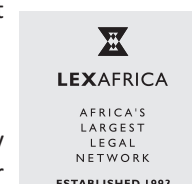
A Branch Profits Tax of 10% is imposed upon a non-resident person or company carrying on business in Ghana through a permanent establishment that has repatriated profits for a basis period ending with the tax year.

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 \$31.203) 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

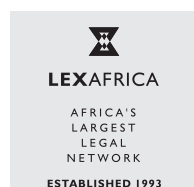
A person may invest in shares, debentures, bonds and treasury bills. Under the Securities Industry Law, an entity dealing in securities must be a body corporate and must obtain a Dealer's Licence from the Securities Regulatory Commission, the Ghana Stock Exchange and the Bank of Ghana and is obliged to maintain certain minimum capital requirements.

Non-residents may invest in securities listed on the Ghana stock exchange. There are however limits on non-residents investing in certain industrial sectors. For example, the purchase of 10% or more of the securities of a bank requires the prior approval of the Bank of Ghana.

Securities may be listed through any of the following means:

- Prospectus issue;
- Offer for sale;
- Placing;
- A rights offer to holders of security;
- An open offer to holders of rights;
- Capitalisation issues to holders of securities;
- An issue of securities arising out of the conversion of convertible securities.

The process of settlement, including registration of certificates, its issuance and sale of securities, must be completed three days after the trading. Payment shall be made strictly against delivery.



When a non-resident purchases securities on the stock exchange, settlement is completed by the seller lodging the transfer documents with the registrar and the buyer shall arrange for the release of funds. In the event of a

failure by a Licensed Dealing Member (LDM) to deliver the certificates, the buyer's recourse would first be against the selling LDM. Where sanctions apply, the interest charged will be paid to the buyer and the penalty paid to the Ghana Stock Exchange.

When a non-resident sells securities the Selling LDM will issue a certified true copy of the certificate to be lodged with the Registrar. The Registrar will then issue the appropriate transfer receipt to the selling broker to enable him to clear the transaction with the buying broker and receive settlement for it. The selling broker shall pay the seller and collect the original copy of the certificate and submit the certificate to the purchaser within 24 hours. Failure to return certificates within the statutory period will be penalised.

Takeover of a company listed on the Ghana Stock Exchange is by means of a takeover offer. The bidder must carry 30% or more of the total voting rights of the target company in order to make an offer.

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 World Intellectual Property Organisation (WIPO), 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 has signed but has not ratified the WIPO Performances and Phonograms Treaty and the WIPO Copyright Treaty.

Ghana has within the last three 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; and
- 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 to seventy years from fifty 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 corporate entities also have their registered works protected for seventy years. Copyright protection also 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 that 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; and
- inability to work on grounds of proven misconduct, incompetence of worker, and sickness or accident.

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 for forty hours each week and entitled to rest periods. Nursing mothers are entitled to one hour each day for nursing a child under one-year old. Every form of child labour and 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.

GUINEA

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Geography

Guinea covers an area of 245 857 square kilometers in West Africa and has a population of about 10.2 million inhabitants (2008 figures) including refugees and foreign residents.

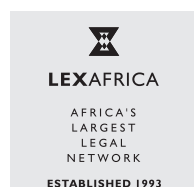
There are four natural regions involving distinct human, geographical and climatic characteristics. These regions are:

- Guinée Maritime which covers about 18% of the country and is inhabited by four ethnic groups (the Baggas, the Landoumas, the Nalous and the Mikhi Forè) who are rice-growers and fishermen. It is a narrow coastal plain bordered by estuaries, with a flat terrain. In the monsoon season, the climate is marked by heavy rainfall;
- Moyenne Guinée which covers about 20% of the country and is inhabited by shepherds, the Peulh ethnic group and by Djallonké and Coniagui farmers. The area comprises mountains like Fouta Djallon and high plateaus with altitudes of between 600 and 1500 m above sea level. The climate is characterized by low temperatures and heavy rainfall in the rainy season;
- Haute Guinée which is a savannah region inhabited by the Malinké whose main activities are hunting and animal rearing. It covers about 41% of the country. Haute Guinée is a dry and hot region where the year is divided into the dry season from November to April and the rainy season from May to October;
- Guinée Forestière which is a forested and mountainous region inhabited by the Kissis, the Kono, the Manons, the Thomas, the Thomas Manian and the Konianké who are farmers.

Political system

A former French colony, Guinea was granted independence on 2 October 1958 and was the first French colony in Africa to be granted independence. Its official language remains French and its currency is the Franc Guinéen (GNF).

Since independence, Guinea has mostly been ruled by dictatorships. The country's first democratic elections were held in June 2010 and Mr. Alpha Condé is the first democratically elected president of Guinea.



Investment Environment

Guinea has considerable potential for growth especially in the agricultural, fishing and mining sectors. However, Guinea's poorly

developed infrastructure, corruption and political instability has limited foreign investment. Guinea is a low income country and its annual growth in 2011 was estimated at 2.5%. The inflation rate reached 20.6% in 2011.

Guinea has signed the OHADA treaty between sixteen West and Central African countries to harmonise business laws and is a member state of the OAPI, the central intellectual property registration system for sixteen African countries.

Laws for specific sectors (like mining and oil) provide certain incentives and there is also an Investment Code. Guinea also operates exchange controls. The OPIP (Office de Promotion des Investissements Privés) promotes private investment and the CFE (Centre de Formation des Entreprises) assists investors with formalities to incorporate companies.

The largest local companies are Guicopres and Sobragui. Multinationals operating in Guinea include Nestlé-Guinée, Ciment-Guinée, Coca-Cola Guinée, Total-Guinée, Areeba and Shell-Guinée.

Guinea applies a rule of reciprocity so that all foreigners from countries which allow Guineans to carry on business activities may undertake business activities in Guinea.

Forms of business

The following forms of business are available.

- partnership (SNC);
- limited partnership (SCS);
- private limited company (SARL). The minimum capital required is FCFA 1 million and it can have only one shareholder;
- public limited company (SA): the minimum capital required is FCFA 10 million and it can have more than one shareholder;
- joint venture;
- economic investment group (GIE). No share capital is required;
- branch of a foreign company.

Formation of a company

The procedure comprises:

- commercial registration;
- tax registration;
- registration with ONEMO (Office National de l'Emploi et de la Main d'Œuvre);
- social security registration.

The procedure usually takes one month.

Taxation

Different taxes exist but the main taxes are income tax, company tax and value added tax.

Income tax is payable on individuals' total net revenue for the tax year sourced in Guinea. The rate of the tax varies from 10% to 50%.

Company tax is payable at rates varying from 35% to 50% of any profits and revenues made by companies or other legal entities engaged in business activities in Guinea. Gains from the sale of fixed assets which are reinvested are not taken into account for the purposes of company tax (for the year in which they

occurred). The tax may be paid in two installments, both equal to one third of the previous year's company tax. The balance is paid at least by March of the following tax year. A declaration of profit or loss must be submitted by the end of April.

Value added tax (VAT) replaced previous taxes on turnover, import turnover, production, business and services. It is paid on sales of goods and services by all individuals and entities (including collectives and state-owned companies). Certain exemptions apply.

Other taxes include tax on professionals, tax on financial activities, tax on insurance, apprenticeship tax, contributions to professional training and apprenticeships and a fixed rate payment on salaries.

Import/export

Importers are required to have a local bank account if they wish to import goods in excess of certain values. Payments by the importer must be made through this account and, if the relevant contract is terminated, payments previously made to the supplier out of Guinea must be repatriated within thirty days.

Exporters also require an account with a commercial bank or the Central Bank and must have an export certificate. They are required to repatriate the proceeds of the sale to Guinea within a maximum period of 90 days from the date of the export of goods, unless an extension is granted by the Central Bank.

Legal System

The legal system is based on the French civil law model.

Intellectual property

Guinea is member of the OAPI a treaty relating to intellectual property signed by sixteen African countries to protect patents, trademarks and other intellectual property by means of a single registration in a central registry in Yaoundé, Cameroon.

Treaties, Bilateral Agreements and Membership of International and Regional organizations

A double tax treaty between Guinea and France was signed in 1999 and came into force in 2004. Guinea is member of the Economic Community of West African States (ECOWAS), the United Nations, the International Monetary Fund, the World Bank, the African Union and the Mano River Union (MRU) with Liberia and Sierra Leone.

Infrastructure

Road and transport infrastructure is very underdeveloped. The railway between Conakry and Kankan no longer operates and domestic air services are intermittent. The main river, the Niger, is mostly navigable and there are 1 161 waterways of about 2 500 km. There is potential for hydro electric power plants.

Telecommunications

Although several companies are active, the sector remains undeveloped due to many connection and network problems.

Mining and Oil

There are significant deposits of iron ore, gold, diamonds and bauxite (25% of the world's known bauxite reserves) and the mining sector comprises about 80% of Guinea's exports and is the second largest employer (after the public service) employing more than 10 000 permanent employees and about 200 000

temporary workers. Offshore oil reserves are being explored. USD3.5 billion refinery projects (to refine bauxite into alumina) have been proposed.

Mining activities are regulated by the Mining Code and a new Code was adopted on 6 September 2011 which introduced mining permits. It is estimated that more than 200 permits have been issued for iron ore, gold, diamond, basic metals, uranium, limestone, nickel and bauxite.

The sector has grown in recent years due to the Government's policy of promoting private investment by improving the administrative and judicial framework. In addition the Investment Code no longer discriminates between foreigners and nationals and allows the repatriation of profits.

The Government has significant shareholdings in several mining companies including the largest bauxite mining company, Compagnie des Bauxites de Guinea (49%), and the AREDOR diamond joint venture (50%).

Agriculture

Agriculture is undeveloped and involves subsistence crops (rice, peanuts, corn and cassava) and export crops (pineapples, bananas, mangoes, citrus, coffee, cacao, cotton, cashew nuts, rubber, wood and cocoa) and contributes about 20% of the country's GDP. Guinea is not food self-sufficient and relies on imports.

Labour Relations

The Labor Code fixes conditions regarding employment, remuneration, transport and travel allowances, working hours, termination of employment and occupational health and safety. Any discrimination based on gender, race or age is prohibited.

Employment contracts may be long term or fixed term. Expatriate employees require a labor permit from the Agence Guinéenne pour Promotion de l'Emploi (AGUIPE). An annual fee of USD 300 is payable by the employer for each permit.

Employers are obliged to provide transport for their employees (either by paying them a transport allowance by providing transport for employees) and must register their employees with the NSSF, the social security office.

KENYA



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Country Information

Kenya covers a total area of approximately 582 650 square kilometres. The population is approximately 39 000 000.

Political System

Multiparty democracy.

Investment Climate

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

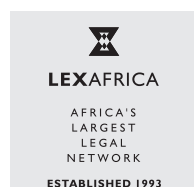
Kenya's membership of the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) presents opportunities for manufacturing operations to exploit the benefits of those markets.

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 investment by foreigners in private companies and foreigners can be directors of companies. Minimum Kenyan co-ownership in insurance companies, banks and telecommunications companies is mandatory, while at least 25% of the shares of companies listed on the Nairobi Securities Exchange must be held by Kenyans. Certain dealings in agricultural land and beach-front property 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.

Forms of Business

- Close corporations
- Partnership
- Trading trust
- Co-operatives
- Multinational
- Private limited liability
- Private unlimited liability
- Public liability company
- Sole proprietorship



- Company limited by guarantee
- Private or public limited liability company
- Joint venture
- External company (i.e. a branch of a foreign company)
- Partnership/limited partnership
- Sole trader
- Non governmental organisation.

Formation of a Company

Companies and external companies (branches) 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. There are statutory Capital Markets Authority and Nairobi Securities Exchange regulations governing issues 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.

Taxation

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% |
| Creation or increase in share capital | 1% |

Kenya has double taxation treaties with Canada, Denmark, Norway, Sweden, India, Zambia, United Kingdom, Germany, France, Tanzania and Uganda. Neither the USA nor South Africa have double taxation treaties 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 as 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 is no capital gains tax system or 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 in the realm of 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 —Magistrate, High Court, Court of Appeal and Supreme Court. There is provision for enforcement in Kenya of certain foreign judgments and arbitration awards.

Kenya is a signatory 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 for 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 land, companies, 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 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 East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), African Union (AU), United Nations (UN), African Caribbean and Pacific Group of States (ACP) and the British Commonwealth.

Economic Developments

The EAC Common Market Protocol, which provides for the free movement of goods, services, persons, labour and capital, commenced on 1 July 2010. The promulgation of the new Constitution and continued Government investment in infrastructure has enhanced Kenya's business environment in the past year.

Transport

The Government is currently injecting large amounts of money to improve the infrastructure.

Water

This 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 Commission 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

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

Mining

There is little substantive mining in Kenya.

Tourism

The tourism industry has shown great resilience in spite of local and global challenges with the highest tourist revenues yet achieved in 2010 and 2011.

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 other 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 also 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 Diamond Arrow 2011 best overall attorneys firm in Lesotho award.

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 2 000 000. 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.

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.

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 major amendment to company law is expected in the near future.

Forms of Business

- Private or public limited liability 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:

- the minimum authorised and issued share capital is M1000 (one thousand Maloti);

- there must be a minimum of 2 shareholders (and a maximum of 50) with a minimum of 1 director;
- at least 51% of the shares in the company must be held by Lesotho citizens if specific trading licenses 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 Public Officer must be resident in Lesotho unless there is a special dispensation;
- the financial accounts of the company must preferably 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;
- the company registration process will usually take more than one month but not more than two months at a cost of approximately M6500 (six thousand five hundred Maloti) which includes all fees payable to the Registrar of Companies but which does not cover VAT, licensing and related procedures.

External Companies

A foreign company may register as an external company in terms of the Companies Act and must do so within one month of opening a place of business in Lesotho. This will require the nomination of a chief agent (being a person who is either resident or maintains a full-time office in Lesotho) upon whom notices and processes can be served, as well as the nomination of the principal place of business of the foreign 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 licenses is governed by the provisions of the Financial Institutions Act. A minimum paid-up capital of M10 000 000 (ten million Maloti) is required.

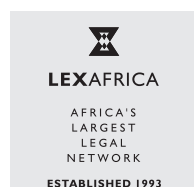
Insurance Companies

Their establishment and operation is governed by the provisions of the Insurance Act and regulations promulgated under the Act. A minimum issued share capital of M65 000 (sixty five thousand Maloti) is required. There are also requirements for the amount of working capital as well as margins of solvency. A major amendment to insurance law is expected in the near future.

Taxation

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

- residents: the first M37 378 at 25%. Any excess at 35%;
- 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 M500 000 per year.

Exchange Controls, Treaties and Membership of International 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).

Trading Licenses

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

Intellectual Property

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

MADAGASCAR

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Country Information

Madagascar is the world's fourth largest island covering a total area of 587,000 square kilometres. Each region has its own climate varying from a temperate climate in the central highlands to an arid one in the southern regions. The eastern region is hot and humid. The west is dry and the north is fairly wet. The urban population accounts for 29% of the whole population whose origin is mixed Malay-Indonesian and African-Arab.

Political System

The principal institutions of the Republic of Madagascar are a presidency, a parliament, a prime minister and cabinet, and an independent judiciary. The president is elected by direct universal suffrage for a 5-year term, renewable twice. The last presidential election was held on December 3, 2006.

On March 17th 2009, democratically elected President Marc Ravalomanana stepped down and handed the government over to the military, which in turn conferred the presidency onto opposition leader and Antananarivo mayor Andry Rajoelina. Rajoelina has refused to form a power sharing government in accordance with an agreement (previously agreed to by him) brokered by the Southern African Development Community (SADC). A referendum on a new constitution was held in November 2010. On 28 October 2011, Jean Omer Beriziky was appointed as Prime Minister of consensus, on the proposal of the party of the former President Albert Zafy. He took office on 2 November 2011.

Latest GDP Figures

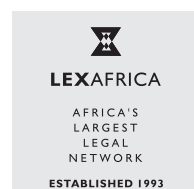
GDP (real): US\$10 billion (2011).

Inflation Rate

7.8% (2011).

Investment Climate

The last decade has seen the enactment of several laws and regulations that have considerably improved Madagascar's image as a foreign investment destination. Enactments of the Company Law, Investment Law and laws specific to high-growth areas such as mining have all contributed to some major world-class



projects.

The former President Marc Ravalomanana aggressively sought foreign investment and implemented policies to combat corruption, reform land-ownership laws, encourage the study of American and European business techniques and actively pursue foreign investors. This contributed to the removal of administrative hurdles, improved treatment of national and foreign investors, the creation of a one-stop office to perform all investment procedures and the reduction of certain tax rates which have all contributed to a vastly improved investment climate.

However, the current political instability following a March 2009 coup has had a negative impact on foreign investment in the country. Overall foreign investment declined by 17 percent during the first three quarters of 2009 compared to the same time period in 2008.

Forms of Business

- Company law provides for several business vehicles but the most attractive for investors are:
- a société anonyme (SA) which is a limited liability company with either a board of directors or a unique shareholder. Unlike a limited public company, an SA may not list its shares;
- a société à responsabilité limitée (SARL) which is similar to an English limited liability company and is administered by one or more directors called "gérants".

A sole proprietorship is also possible under the Company Law but it is not recommended for anything other than to small scale businesses. Joint ventures are often formed in the mining and petroleum sectors.

Formation of a Company

A company is incorporated by registering all documents at a "one-stop" office in Madagascar called the Economic Development Board of Madagascar (EDBM).

The following documents are required:

- name, activities, and registered office of the future company;
- incorporation documents of the company initialled on each page;
- amount of the company's expected share capital;
- proof of residency/domiciliation contract;
- declaration of existence;
- identification of shareholders, residence certificates, long-term visas and attestation of no criminal convictions with a birth certificate for foreigners;
- capital investment form;
- fiscal identification form.

Once all of these have been submitted, the EDBM issues:

- registered incorporation documents;
- an extract from the Commerce Registry;
- a company number;
- a fiscal identification number.

Lastly, the company must make an announcement in the official journal or in a legal announcement journal.

Exchange Controls

The Exchange Code enacted in 2006 and its implementing decree dated 2009 eliminated foreign exchange restrictions. Funds can now be freely converted and transferred.

Taxation

Income tax is payable on all income earned and paid in Madagascar. The marginal rate is 23%, which applies on all earnings over MGA 250,000 (about US\$125) per month. Employers are required to deduct this at source and are also required to make contributions of 13% and deductions of 1% towards the state social fund.

Value added tax (VAT) is charged at 18% on all goods and services including rental agreements. This can be offset against VAT charged on taxable supplies.

Corporation tax was incorporated into income tax in 2008 and is charged at a rate of 23%.

Madagascar has double taxation treaties with France and Mauritius.

Import/Export

Imports accounted for US\$1.1 billion of the economy in 2010, for US\$ 236 million in the first quarter of 2011 and mostly consisted of electrical appliances and consumer goods.

Exports consisted largely of commodities like shrimp, cloves, seafood, textile and amounted to US\$1.1 billion in 2010 and 223 million in the first quarter of 2011.

Monetary Policy

The loss of external aid in 2010 has obliged the government to adopt a restrictive fiscal policy to contain deficit and inflationary pressures. The central bank's monetary policy has likewise focused on fighting inflation, notably by intervening in the foreign exchange market to avoid excessive depreciation of the national currency (the ariary).

Legal System

Being a former French colony, the Malagasy judicial system is based on French civil law. During the 1960s and 1970s, a transition began from a bifurcated judicial system (customary courts for most Malagasy and local courts for foreign residents and urbanized locals) towards a single judicial system characterized by the Supreme Court and Court of Appeal in Antananarivo, courts for civil and criminal cases as well as military courts. This transition also established a High Court of Justice to try high officials and a High Constitutional Court. Traditional courts (dina) continue to handle certain civil disputes and criminal cases.

Intellectual Property

Intellectual property protection is provided by statute. There is a registry of trademarks operated by the Madagascar Bureau of Intellectual Property (OMAPI). OMAPI is responsible for registration and enforcement. In addition, there is another office for intellectual property rights called the Office Malgache du Droit d'Auteur (OMDA).

Financial Services/Insurance

A program to assist US trade with Madagascar has been introduced by Eximbank. Local credit is available to exporters of

traditional agricultural products at relatively high interest rates. Madagascar is also a member of the Multilateral Investment Guarantee Agency (MIGA).

Key Strategic Growth Initiatives by Government/Private Sector

The most important key initiatives made by the government have been funded by the private sector to enhance the country's growth prospects. An example is the massive Ambatovy Project (nickel and cobalt) co-owned by the Sumitomo Corporation, Sherritt International, Korea Resource Corporation and SNC Lavalin. Another major project is the QIT Madagascar Minerals QMM Project (ilmenite export) run by a subsidiary of the Canadian company Rio Tinto. There are also various uranium, coal and petroleum projects. Madagascar's participation in the Extractive Industries Transparency Initiative (EITI) is also part of an ongoing policy to increase development and to use income derived from mining exploitation to fund investments in infrastructure.

Treaties and Bilateral Agreements

Among others, Madagascar has acceded to the New York Convention on the enforcement of foreign Arbitral Awards, the Berne convention and the TRIPS agreement on intellectual property, the United Nations (UN) Convention on the Law of the Sea, the Convention on International Trade in Endangered Species (CITES) and the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol aimed at fighting global warming.

Membership of International and Regional Organisations

Madagascar is a member of the World Trade Organisation (WTO), the African Union (AU) and its New Partnership for Africa's Development (NEPAD) and the Common Market for Eastern and Southern Africa (COMESA). However, since the 2009 coup, Madagascar's membership of the Southern African Development Community (SADC) and the African Union (AU) has been provisionally suspended.

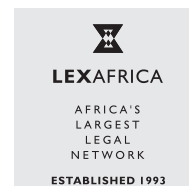
Economic Developments

The prominent Chinese steelmaker group, Wuhan Iron & Steel Group Company (WISCO), was issued an exploration permit in May 2009 to conduct research on a mine site for a fee of US\$100 million. The exploration project is a joint venture established between WISCO, Guangdong Foreign Trade Group and Kam Hing International Holdings with a share structure of 42%, 38 % and 20%, respectively. The project will consist of two stages: exploration and exploitation of minerals. Approximately US\$8 billion has been allocated for both stages. The exploration phase is expected to last three years and cost approximately US\$2 billion. The second phase is scheduled to start in 2014 and will lead to a steel production unit in 2019. It is worth noting that the project is expected to involve the construction of various infrastructure nodes such as industrial zones, ports and a hydraulic plant.

Infrastructure

Madagascar's infrastructure is a major obstacle to its economic progress, restricting the exchange of goods and limiting development opportunities.

Approximately 10% of its 49,828 kilometres of roads are paved. During the rainy season, many of them are completely impassable, isolating large parts of the country. Transport



by rail is also largely limited, with 885 kilometres of track, in two unconnected systems, and most of it in a poor state. However, the introduction of private trucking licenses and the planned sale of the national railroad company should help, but the problem remains a fundamental one.

Due to the limited function of road and rail transport, Madagascar has a relatively well developed airport infrastructure. It is composed of 57 airports open to the public, 3 of these being international and 14 of them equipped with basic or better facilities. The revival of the national airline has resulted in improved profitability.

Energy

The petroleum research sector is growing in Madagascar. A number of companies which are contracted to work permanently with the Office des Mines Nationales et des Industries Stratégiques (OMNIS), are exploring offshore fields or onshore sites in the sedimentary basins in the western part of the island. Those companies include Vanco Energy Co, Sterling Energy, Exxon Mobil, Tullow Oil, Total and Madagascar Oil.

At present, Bemolanga is deemed to be one of the most important heavy oil deposits in the world with a total capacity of 16 billion barrels. Exploration costs at the first stage amount to US\$170 million. Madagascar Oil owns 40% of the Bemolanga schist blocks and the French group Total acquired 60% of Bemolanga in September 2008. 180,000 barrels per day are expected to be produced during the next 30 years.

Telecommunications

The Malagasy telecommunications market has four mobile network operations and a dozen internet service providers. Prior to the sector reform of 1994 (on the basis of Law 93-030), domestic telecommunication services were poor and under government control with a semi-private entity STI-MAD providing international services. The government's main tasks as far as telecommunications services are concerned are cost reduction to end users, providing greater access to services for end users, attracting private capital into the sector and developing the economy's competitiveness through telecommunications.

Information and Communications Technology

With the establishment of several important companies in the mobile telephony such as Orange and Bharti-Airtel, the Information Technology (IT) sector of the Malagasy economy has become an area of high growth.

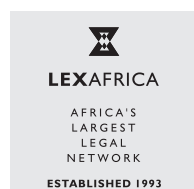
Mining

Mining is certainly the most developed sector in Madagascar due to favourable provisions in the mining code. Several favourable benefits have been granted to investors regarding the tax, exchange and customs regime. The determination of Madagascar to develop its mining sector is reflected in the existence of some large world-class projects operated by major international companies (see above under Energy).

and contribute to 70% of exports.

Labour Relations

Many regulations govern the employment sector. The Employment Code is dated 28th July 2004 and related legislation is generally employee friendly. Unemployment is high in Madagascar and labour is inexpensive and plentiful. Wage rates in the country are among the lowest in the world.



Agriculture

Agriculture, including fishing and forestry, is the mainstay of the economy, making up about a third of Madagascar's gross domestic product (GDP). Madagascar has several crops that are almost entirely exported overseas

MALAWI

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Political System

Multiparty democracy since 1994.

Latest GDP figures

US\$5.38 billion.

Growth Rate

6% Estimate (Source: RBM Economic and Financial Review November 2010).

Growth Rate by Sector (2010)

Agriculture: 2%
Mining and quarrying: 80.2%
Manufacturing: 4.3%
Construction: 16.5%
Accommodation and food services: 8.2%
Information and communication: 9.2%
Wholesale and retail Trade: 5.8%

Projected strong growth in mining and quarrying, accommodation and food services and information and communication.

Inflation Rate

8.1% (October 2011).

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 and is encouraging foreign investment in the mining industry, local production for export and adding value to agricultural products. The Government is pursuing stable macroeconomic policies by exercising fiscal and monetary discipline in terms of its international obligations and maintaining stable interest rates and a stable exchange rate for the Malawi Kwacha (MWK), the country's currency. Tobacco sales and continued donor aid in the form of balance of payments support enable Malawi to finance its foreign currency account balance. The number of counters on the Malawi Stock Exchange is 15. There has not been any new listing 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

Companies, both local and foreign, 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 3 resident directors. 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 still exist in Malawi and are managed by the Reserve Bank of Malawi (RBM). Foreign investment capital, whether 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- 6 weeks to process applications with the RBM. In order to pay for imports, prior permission is required from authorised dealer banks and applications are expeditiously processed.

Taxation

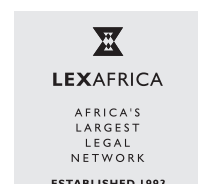
Tax is levied on income from actual and deemed Malawi sources at the following rates:

- 30% for companies (35% of for foreign companies) and 21% for life assurance businesses;
- 25% for ecclesiastical, charitable or educational institutions of a public character or trusts;
- 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;
- minimum tax of 1% on turnover below MWK50 000 000 and 2% exceeding MWK50 000 000. This only applies to individuals and enterprises for the first three years from date of commencement of business.

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

There are other taxes including, among others:

- value added tax (VAT) on annual turnover in excess of 6 million Malawi Kwacha;
- a turnover tax at 2% has been introduced for those tax payers whose turnover is between 2 to 6 million Malawi Kwacha;
- duty charged on import of goods;
- surtax 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. A 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 valuation is payable to local authorities;
- mineral rights duty is payable for an exclusive prospecting licence;
- stamp duty is payable 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;
- fringe benefits tax on 'perks' is payable by the employer at 30%;
- the training fund tax is 1% of the basic payroll of employees.

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

Malawi is in the process of reforming its indirect taxes to prepare Malawi to meet its regional trade obligations in terms of the proposed Free Trade Area of the Southern African Development Community (SADC).

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

Investment Incentives

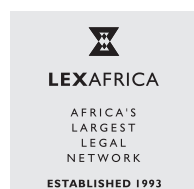
The following are some of the allowances and incentives given to businesses:

- certain capital allowances;
- certain allowances for expenditures e.g. a 40% investment allowance to a manufacturer in the first year for new buildings/plant machinery;
- mining allowances of 100% of mining expenditure incurred in the first year of assessment;
- an allowance of 2.5% is given 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.

Malawi does not offer any special incentives to foreign investors. Incentives for foreign investors have to be specifically negotiated by investors with the Government.

Competition and Fair Trading Commission

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.



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. Its size is just over 1 240 000 square kilometres 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 member 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.

Latest GDP Figures (2011 estimates)

| | |
|-----------------------|--------------------|
| GDP: | US\$ 9.682 billion |
| GDP per capita: | US\$ 602 |
| GDP (PPP): | US\$ 16.14 billion |
| GDP per capita (PPP): | US\$ 1,140 |

Inflation Rate

1.4% (2011 forecast).

Investment Climate

Almost all production is state owned but privatization is ongoing. Foreign direct investment is gradually growing thanks to primarily 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 underway 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. The Investment Code dated 2005 encourages investment in export and labour-intensive businesses. 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.

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'intérêt économique" (economic interest grouping), a "société à responsabilité limitée" (limited liability company) and a "société anonyme" (specific limited liability company). However, 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 10 000 000 (approx. US \$20 263). Share transfer to a third party is unrestricted unless otherwise stated by the company's statutes, in which case one may require either the consent of the board of directors or of the general assembly of shareholders;
- a "société à responsabilité limitée" (SARL) is administered by one or more directors called "gérants". The minimum share capital required is at least CFA 1 000 000 (approx. US\$2 026). 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


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

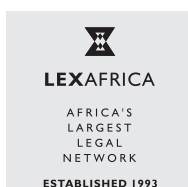
- Corporate income tax: 35%
- Social security contributions: 21.9%
- Business license tax: fixed duty and a proportional 10% duty of the rental value of the business premises
- Payroll tax: 3.5%
- Apprenticeship tax: 2%
- Tax for youth employment, if needed: 2%
- Accommodation tax: 1%
- Insurance tax: 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. On average, 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, defendants have the right to an attorney of their choice, and 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 beginning 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 adhered 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 March 28th 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 m³. 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 is put to use. Furthermore, the country has had many droughts in the past, compounding problems of water shortage issues.

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.

Mining

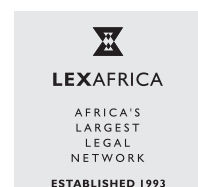
Gold mining has become an important contributor to Mali's GDP and has attracted considerable foreign interest, including leading South African mining companies. Gold accounts for one third of Mali's foreign exchange earnings. Mali also has deposits of bauxite, iron ore and tin. Prospecting is underway for petroleum, copper, lithium and diamonds.

Agriculture

Although only 3% of the total land area is arable more than 80% of the people make a living in agriculture, accounting 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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Commercial Litigation Law Firm of the Year Mauritius – Lawyer monthly legal awards 2011

Insolvency & Restructuring Law Firm of the Year Mauritius – Lawyer monthly legal awards 2011.

Country Information

The island of Mauritius is 61 kilometres long and 46 kilometres wide and has a total land area of some 2040 square kilometres. Mauritian territory also 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 1.2 million square kilometres of the Indian Ocean. The population of Mauritius is estimated at 1 200 000, with a population density of 631.4 per square kilometre.

From a mono-crop economy in the early 1970s, Mauritius has transformed its economy. The main pillars of the economy are tourism, textiles, manufacturing, agriculture and financial services.

Political System

The Mauritian Government is a multiparty democracy. The Government is elected on a five-year basis. The most recent general elections took place on 5 May 2010.

Economic Indicators

Latest gross domestic product (GDP) Figures: US\$ 8.24 billion

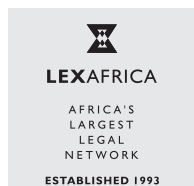
Real GDP Growth: 4.2%

GDP/Capita: US\$ 8,350.

Inflation Rate

6.5%.

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;
- Trusts;
- Sole trader.

In addition and further to the 2011 budget, the Mauritian Government is set to promote new business vehicles in Mauritius, namely:

- Limited partnerships;
- Foundations;
- Private Occupational Pensions;
- New concept of Trusts.

Formation of a Company

An application for incorporation of a company must be submitted to the Registrar of Companies. The following structures are available:

- A domestic company as opposed to offshore companies (i.e: 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 used 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 3 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;
- minimum of 1 resident director for domestic companies and minimum of 2 resident directors for a GBC 1. No need for resident directors 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);
- the following reporting requirements apply:
 - file annual audited financial statements and annual report with the Registrar of Companies/Financial Services Commission within six months of the close of

the financial year (applicable to companies other than small proprietary companies and GBC 2 companies);

- for GBCs, filing of the annual report and financial statements with the FSC;
- notify the FSC whenever a person becomes the holder of 20% or more of the company's shares or its voting powers for GBCs.

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.

Legal System

The hybrid legal system in Mauritius combines both the civil and common law practices. The legal system is governed by both the French Code Napoléon and the British law. The Supreme Court has a Chief Justice and seventeen (17) Puisne Judges who also serve on the Court of Criminal Appeal, the Court of Civil Appeal. The Magistrates serve on the Intermediate Court, the Industrial Court and ten (10) District Courts. The right of appeal to the Judicial Committee of the Privy Council in London is applicable (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, and then with the advice of the Chief Justice also appoints the other Judges. The President nominates other Judges on the advice of the Judicial and Legal Service Commissions. Defendants have the right to counsel, including court-appointed counsel in case of indigency.

Intellectual Property

Protection is provided by statute, the Patents, Industrial Designs and Trademarks Act.

Financial Services/Insurance

The Financial Services Commission (FSC) was established as the regulator for the non-bank financial services sector under the Financial Services Development 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, which came into operation on 1 October 2006, all applications in respect of foreign investment are channelled through the Board

of Investment (BOI). 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 has again reiterated its will to promote foreign direct investment in its last 2012 budget with incentives for foreign investors in the freeport sector, ICT/BPO sector, financial services sector, tertiary education sector and emerging markets such as renewal energy.

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 Resort Scheme (IRS) and Real Estate Scheme (RES).

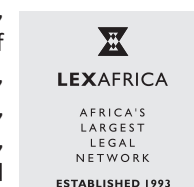
Under the IRS, a foreign company or a non-resident is allowed to buy property for a minimum of US\$500 000 (about EUR364 870) in immovable property and is eligible to be granted residency. In addition, a corporation holding a category 1 Global Business Licence (GBC1) may acquire immovable property where authorised by the terms of its licence.

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

- Income tax: Under the Income Tax Act, as amended, 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 (GBC2) are exempt from tax but 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).

Double Taxation Avoidance Treaties

Mauritius has concluded 36 double tax treaties and several treaties are under negotiation. The treaties currently in force include 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.

Three treaties with Russia, Congo and Zambia await ratification and treaties await signature with Egypt, Malawi, Kenya, 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.

The 2012 budget has again proven the strong desire of the Mauritian Government to position Mauritius as an ideal financial platform for investments in Africa with the negotiation of additional DTAs with African countries and facilitating trade between Mauritius and those African countries. According to the 2012 budget, the Government is planning to start with Algeria, Angola, Burkina Faso, Tanzania, and South Sudan.

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, Sénégal, 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, Tchad, Tanzania and Zimbabwe.

Bilateral Treaties - Preferential Trade Agreement

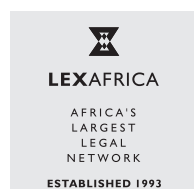
There is a Preferential Trade Agreement (PTA) between Mauritius and Pakistan and an Interim Economic Partnership Agreement (EPA) between the Eastern and Southern African region and the European Union.

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

Sugarcane constitutes 53% of Mauritian agriculture while food-crops account for 17%, livestock 12% and flowers, fruits and forestry account for 4%. The government is supporting 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 very 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) maximizing 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 authorizing 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 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 characterized 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, the Finance Minister mentioned in his 2012 budget that (i) a second undersea fibre optic cable, LION 2 will be operational in Mauritius by mid-2012, thus ensuring continuity of service at all times; and (ii) the Mauritius Government will 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.

In addition, the Minister of Finance mentioned the following in his 2012 budget:

- Tax holiday of freeport operators which should end in 2013 will now be carried forward indefinitely; and
- A zero per cent corporate tax as 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 definitely give a strong boost to the sector and help in further increasing cross border trade.

Renewable Energy and the Environment

The 'Maurice Ile Durable' project (MID) is central to the development of Mauritius and which intends to become a leader in renewable energies and sustainable development in the region. According to the 2012 budget, A framework will be set up to enable production of ethanol for blending with gasoline. 318million MUR will be allocated to the MID initiative, consisting of 118million MUR for renewable energy, 100million MUR for solar water heaters and 100million MUR for the MID Fund.

Healthcare

Mauritius has a fast growing healthcare and life sciences industry. Mauritius is on its way towards becoming a healthcare, wellness and medical outsourcing hub par excellence, supported by strong pharmaceutical, biotech and medical devices industries, and driven by high-end biomedical research and innovation.

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 fiber 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 to 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 to 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 is fortunate to have abundant rain water.

Energy

The Central Electricity Board (CEB) is a parastatal body wholly owned by the Government and 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 quite 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 important companies like Microsoft, 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 setting up of the Export Processing Zone (EPZ), the manufacturing sector has attracted substantial foreign direct investment (FDI) from various parts of the world namely Europe, USA, India, Hong Kong, Taiwan, China, Japan, Australia and South Africa, amongst others. More than 800 manufacturing companies, out 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 specialized 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.

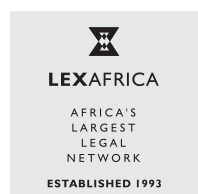
Financial Sector

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 is 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 previous Act, is now easier. 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. Emphasis is laid upon the use of arbitration, mediation and conciliation for the smooth resolution of labour disputes.



MOZAMBIQUE

COUTO, GRAÇA & ASSOCIADOS, LDA

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Country Information

Mozambique has a 2 470 square 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 and 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

6.7% (third quarter 2011).

Inflation Rate

5.46% (December 2011).

Investment Climate

Mozambique has enormous investment opportunities in various sectors such as agriculture, fisheries and aquaculture, industry, tourism, public infrastructure, mineral resources and energy. It strongly encourages foreign direct investment. The investment law, its regulation and the Code of Fiscal Benefits define the regulatory framework for national and foreign investments that are eligible for government guarantees and fiscal incentives. The guarantees comprise:

- legal protection of private property and rights, including intellectual property rights;
- no restriction on borrowings and payment of interest abroad;
- the right to transfer dividends and remittance of funds abroad in connection with: (i) exportable profits resulting from investments eligible for export of profits under the provisions of the Regulation to the Investment Laws; (ii) royalties or other payments for remuneration of indirect investment associated to the granting of transfer of technology; (iii) amortization of loans and payment of interests on loans contracted in the international financial market and applied in investment projects in the country; (iv) proceeds of any compensation by the Government; and (v) invested and re-exportable foreign capital, independently of eligibility if the investment project to export profits under the Regulations to the Investment

Law;

- a specific framework for the realization in the Mozambican territory of ventures that involve national or foreign investments;
- dispute resolution by the International Centre for the Settlement of Investment Disputes (ICSID) or the International Chamber of Commerce (ICC);
- services on issues related to investment risk insurance are available from the World Bank's Multilateral Investment Guarantee Agency (MIGA) and the independent agency of the United States Government, the Overseas Private Investment Corporation (OPIC).

The following customs and fiscal benefits are provided to eligible projects depending on their value, location and sector of activity: a reduction of 50% on the real property transfer tax (SISA) on acquisition of immovable property for industry, including agribusiness, hotels and resorts, provided that they are acquired within three years of the investment authorization date.

Customs duties have been reduced and customs management has been streamlined and reformed. 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, audit, and inspection capability.

Although most sectors of Mozambique's economy are open to 100% 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 CPI, the Government's Investment Promotion Centre, assists investors to obtain approvals from applicable government authorities. A comprehensive investment guide is available on the internet at www.cpi.co.mz.

Forms of Business

- Private or limited liability company;
- Close corporation;
- Joint venture;
- Government owned companies;
- Individual trader;
- External company (i.e. a branch or representative office of a foreign company).

Formation of a Company

Companies must:

- reserve the company's name at the Conservatory of Legal Entities (to confirm that no other company has the same name);
- 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 the incorporation and the articles of the company;
- formalize the company registration at the Conservatory of Legal Entities

- Registration;
- publish the name of the company and its articles on the Official Gazette;
- register the company with the competent Tax Department to obtain the respective tax number (NUIT);
- obtain relevant licenses from the relevant authorities for the intended area of business activity.

Exchange Controls

The entry of foreign currency and other forms of foreign remittance into Mozambique is permitted provided that any amount exceeding US\$5000 is declared to the Bank of Mozambique prior to entering Mozambique. The realization of any type of foreign exchange transaction (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 outside Mozambique) requires the authorization from and mandatory registration with the Bank of Mozambique.

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 IRPC at 32%. The income of foreign entities arising from inside Mozambique is also subject to IRPC, usually at 20%.

Monetary Policy

The main objective of monetary policy in Mozambique is to reduce inflation. Since 2004, the Bank of Mozambique has made reforms to strengthen monetary management through daily liquidity forecasting and the use of foreign exchange and Treasure 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 an estimated 4.21% in 2009. The inflation rate in 2012 is expected to be 5.6% according to the Mozambique Central Bank.

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 court operates according to the principle of the 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 set up by law.

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

The administrative court has special jurisdiction since it hears claims arising from disputes in legal administrative relationships, litigation 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.

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 and fiscal evasion with Portugal, Mauritius, United Arab Emirates, Macau and South Africa.

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

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. The country has considerable hydropower potential (especially in the Zambezi River basin at sites such as Cahora Bassa and Mphanda Nkuwa) which has been broadly estimated at 12 500 MW with a corresponding annual energy generation potential of 60 000 GWh.

The country has expanded its energy generation capacity to more than 16 000 MW as 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 de facto monopoly, the telecommunications sector was liberalised by law in 2004 and the mobile sub-sector has experienced significant growth.

Mining

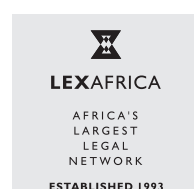
Mozambique has significant investment opportunities for the exploration, extraction, processing and utilization of natural gas, coal, gold, titanium, ilmenite, zircon, rutile, tantalite, marble and precious stones.

Agriculture

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

Labour Relations

There are laws which regulate the employment relationship and the employment of foreign workers. In 2007, a new labour law was approved which made significant reforms (although some difficulties still exist especially in relation to dismissal procedures and costs). The registration of employees and their employers with the National Security System is mandatory since 2009. The Commission for Mediation and Arbitration deals with labour disputes.





NAMIBIA

KOEP & PARTNERS

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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, 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 \$13 471 billion

GDP real growth rate: 4.8%

GDP per capita (PPP): US\$6 400.

Inflation Rate

5.9% in 2011.

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 and tourism.

Namibia welcomes foreign investment, however, and virtually all business activities are open to foreign investors. Namibia has introduced the Foreign Investment Act which affords protection to foreign investment in Namibia and introduces 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. This Land Bill, once it is accepted and passed as legislation, will have a major affect 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 having consultations 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 are aimed at empowering previously disadvantaged Namibians and "Namibianising" the economy. The TESEF is not in force yet and it is uncertain when it will come into force.

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. The trustees of business trusts do not need any authorisation by the authorities before they can commence their duties and 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),



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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 also 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 tax rate of 35%. Individuals are taxed on a sliding scale. The maximum tax rate for individuals is 36%. Insurance companies are effectively taxed at 14% 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 of 10%. Non-resident shareholder's tax of 10% is deducted from dividends received by non-resident shareholders that do not carry on business in Namibia. Royalties paid to non-residents are subject to a 10.5% withholding tax.

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 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.

Trademarks are governed by the Trademarks Act. 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 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 a lot of ground in the country in recent years, in particular since the introduction of the State owned National Re-Insurance Company, Namibia Financial Institutions Supervisory Authority (NAMFISA).


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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. In 2009, the government announced changes to the ownership structure of the Kudu project. Tullow Oil Plc, which had owned 70% of the Kudu gas field, saw its stake drop to 31%. Japanese firm ITOCHU Corporation, which owned 20% in the project, now owns 15%. The Namibian Government through state petroleum firm the National Petroleum Corporation of Namibia (NAMCOR) has partnered with the Russian firm Gazprom to take a 54% stake in Kudu. NAMCOR, had previously held a 10% interest. Plans are also under way 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 eight 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

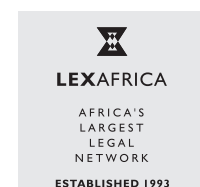
Mining accounts for 8% of the GDP, but provides more than 50% of foreign exchange earnings. Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Namibia is the fourth-largest exporter of nonfuel minerals in Africa, one of the world's largest uranium producers, and the 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 constituted 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 a fair procedure for dismissal being followed. It is also unfair to dismiss an employee because of such 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.



NIGER

JOHN FFOOKS & CO PROJECT FINANCE AND NATURAL RESOURCES ADVISORY FIRM

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Country Information

The Hausa people extending across the Nigerian border form the largest cultural group, accounting for more than half of Niger's predominantly Islamic population of 16 468 886. The closely related Sangria and Zarma (or Derma), concentrated along the Niger River, account for about a quarter of the population.

Political System

A President is elected for a 5-year term and a bicameral National Assembly with one 83-seat chamber is elected by popular vote for five years.

Latest GDP Figures (2010 estimates)

| | |
|-----------------------|-------------------|
| GDP: | US\$5.886 billion |
| GDP per capita: | US\$604 |
| GDP (PPP): | US\$14.45 billion |
| GDP per capita (PPP): | US\$760.945. |

Inflation Rate

3,1% (2011 estimates).

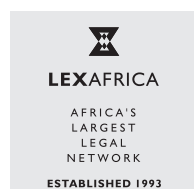
Investment Climate

There are no local ownership requirements. Investors are encouraged to invest mainly in the well-developed mining sector. Coal and uranium are important. The Investment Code protects investors from expropriation of their assets if not in the public interest. There are investment opportunities in energy production, mineral exploration, agriculture, food processing, housing, construction, hotels and transportation.

Forms of Business

The most popular forms of business for local and foreign investors are:

- A société anonyme (SA) which is a limited liability company administered by a board of directors or a shareholder. The minimum share capital required is at least CFA 10 000 000 (approx. US\$20 000).
- A société à responsabilité limitée (SARL) which is administered by one or more directors called "gérants". The minimum share capital required is at least CFA 1 000 000 (approx. US\$2 000).
- Joint ventures are common in the mining sector.



Formation of a Company

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

- Notarize the company statutes (5 days);
- Deposit the initial capital in a bank and obtain a receipt (one day);
- Register company statutes (1 day);
- File documents with the Commercial Registry at the Greffe du Tribunal (RCCM) (2 days);
- Publish the company formation notice (1 day);
- Register with the tax authority representatives at RCCM (5 days);
- Obtain confirmation that directors do not have criminal records (1 day).
- Register with the Caisse Nationale de Sécurité Sociale (CNSS) (1 day).
- Register with the Agence Nationale pour la Promotion de l'Emploi (1 day).

Exchange Controls

The Exchange Code of the West African Economic and Monetary Union (WAEMU/UEMOA) applies to Niger. There are no restrictions on payments and transfers. Niger's currency is fully convertible into other currencies specified by the regulations. Dividends, interest, loans and fees are frequently transferred via French banks.

Taxation

The following taxes are required to be paid annually:

- Corporate income tax: 30%
- Social security tax: 15.4%
- Business license (fixed rate and proportional duty). Total tax rate is 3.5 %.
- Apprenticeship tax: 2%
- Real estate tax: 1.5 %
- Capital gains tax: 15%
- Insurance tax: from 12% to 36%
- Tax on interest, if any: 15%
- Value Added Tax: 19%
- Stamp duty on contracts: CFA franc 1 500.

Import/Export

Foodstuffs, machinery, vehicles and parts, petroleum and cereals are the major items imported by Niger. Niger is the second largest uranium producer in the world and exports of this mineral contribute about 40% of export revenues. Foreign exchange earnings from livestock are also significant. Japan, Nigeria and France are the three major export destinations for Niger's products.

Monetary Policy

Monetary policy is regulated by the Central Bank of West African States (BCEAO) and aims at preserving CFA franc-euro parity and controlling inflation. The monetary policies implemented in the region follow those of the European Central Bank.

Legal System

Niger's legal system is based largely on French civil law. The High Court of Justice has jurisdiction to try the President and members of the Government for crimes or offences committed in performance of their official duties. Defendants and prosecutors may appeal judgments of lower courts, first to the Court of Appeals and then to the Supreme Court, which is the highest court of appeal. The Constitutional Court has jurisdiction over electoral matters, the constitutionality of laws and compliance with international treaties and agreements.

Traditional and customary courts hear cases involving divorce or inheritance.

Intellectual Property

Niger is a member of the West African Intellectual Property Organization and is party to the Universal Copyright Convention, the Paris Convention for the Protection of Industrial Property, the Berne Convention on literary and artistic works, the Madrid Protocol and the Hague Convention on Deposit of industrial designs. An independent court system protects property rights in Niger.

Financial Services/Insurance

Financial services may be provided in various sectors including banking, energy, engineering and manufacturing.

Key Strategic Growth Initiatives by Government/Private Sector

The Government has initiated economic reform by implementing a structural adjustment program with the World Bank and the International Monetary Fund. The privatization of state-owned enterprises has also increased foreign investment. For the year 2011-2012, the Government has initiated a program of more than USD 20 500 000 to develop 86 879 hectares of land.

Treaties and Bilateral Agreements

Niger is party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Niger and its neighbour, Nigeria, have established a Joint Commission for Cooperation (NNJC). Niger has ratified the Kyoto Protocol.

Membership of International and Regional Organisations

Niger is a member of the African Union (AU), Economic Community of West African States (ECOWAS), West African Economic and Monetary Union (UEMOA), and the Permanent Interstate Committee for Drought Control in the Sahel (CILSS).

Economic Developments

Several state-owned enterprises have been sold to private entities. Investments in the agricultural sector are expected in the near future.

The telecommunications sector is developing gradually with the following internet service providers operating in the country: Sonitel, Orange Niger, X-com, Afripa, Moov Niger, Connecto, and Liptinfor.

Debt relief amounting to USD 745 million is envisaged by the World Bank for the next 30 years. The United States has provided Niger with USD 65 million allocated as follows: USD 15 million in non-emergency food assistance, USD 18 million in emergency food programs and USD 32 million in agriculture, health, security, democracy and governance.

Road and Transport Infrastructure

Airports: 27 (2010)

- With paved runways: 10
- With unpaved runways: 17.

Roadways: 18,949 km

- Paved: 3,912 km
- Unpaved: 15,037 km (2008).

Water

Niger has an estimated 2.5 billion cubic metres of underground renewable water. Only 20% is exploited. Niger also has the Niger River, the Komadougou River and Lake Chad. However, access to water is limited and Niger's rising population is threatening its

water supply. Only 60% of Niger's rural population has access to potable water. A number of projects such as the Niger Basin Initiative have been implemented in order to assist with water supply in this desert country.

Energy

There are three large hydroelectric power stations in Niger. The Kandadji hydroelectric project has been underway since 2004 and construction is scheduled to be completed in 2012. The generating capacity would be of 165 MW.

Niger has oil reserves. The Government has awarded Niger's largest oil block to China National Petroleum Company.

Telecommunications

Telephones - main lines in use: 24 000 (2008)

Telephones - mobile cellular: 1.677 million (2008)

Television broadcast stations: 5 (2007)

Internet hosts: 253 (2009)

Internet users: 80,000 (2008).

Key Industry Sectors

Niger's economy is based largely on subsistence crops, livestock, and some of the world's largest uranium deposits. Traditional subsistence farming, herding, small trading, seasonal migration and informal markets dominate an economy that generates few formal sector jobs.

Trade and Industry

Manufacturing comprises sugar refining, brewing, cotton ginning, tanning, rice milling, and small-scale production of cement, metals, textiles, plastics, soft drinks and construction materials. Major trading partners are the US, France, Nigeria, Russia, Côte d'Ivoire, China, Italy, French Polynesia and Japan.

Mining

Niger has the second largest uranium reserves in Africa. Other minerals in reasonable quantity include tin-bearing cassiterite ore, phosphates, molybdenum, coal and salt. Foreign firms are involved in exploration for gold along the border with Burkina Faso and oil in the Lake Chad region. Future growth may be sustained by exploitation of oil, gold, coal, and other mineral resources such as uranium.

The mining sector accounts for 40% of exports mainly due to uranium. Foreign direct investment in this sector is projected to be USD 1.4 billion until 2012. Many companies are currently holding uranium exploration licenses in Niger such as China National Uranium Corporation in the areas of Madaouela and Teguidda and North Atlantic Resources Ltd in the Arlit region.

Agriculture

Niger's economy is largely based on subsistence farming and uranium mining. Less than 3% of the land is arable - including the irrigated areas along the Niger River, where food and cash crops such as millet, sorghum, cassava, rice and cowpeas are grown. Livestock (mainly cattle) are sold to neighbouring countries, and hides and skins overseas.

Labour Relations

Many regulations govern the employment sector. The Employment Code and related legislation is generally employee friendly.



NIGERIA

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Country Information

Nigeria covers 923,768.00 square kilometres. It has Africa's largest population of over 150 million.

Political System

Presidential multiparty democracy.

The Federal Government is headed by an elected President who governs through a cabinet comprising the Vice President, Ministers and Public Officers of the Federation. The States are headed by Governors. The Legislative arm consists of the Senate and the House of Representatives. The States have their Houses of Assembly which have powers to make laws.

Latest GDP Figures (2011 Estimates)

GDP (Purchasing Power Parity): US\$ 414.5 billion

GDP (Official Exchange Rate): US\$ 247.1 billion

GDP real growth rate: 6.9%

GDP per capita (PPP): \$2 600.

Inflation Rate

The inflation rate as at November 2011 was 10.8% (Consumer Price Index).

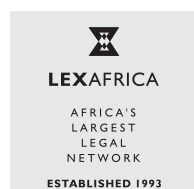
Investment Climate

The country has major business opportunities. The relatively new democratic dispensation continues to attract foreign investment. The country is richly endowed with natural and human resources.

Nigeria has entered into Double Taxation Treaties with several countries.

The Nigerian Investment Promotion Commission Act guarantees that no enterprise will be nationalised or expropriated by any government in Nigeria.

The Nigerian government has entered into a number of Bilateral Investments Promotion and Protection Agreements (IPPA). They guarantee the transfer of interest, dividends, profits and other income as well as compensation for dispossession.



Exchange control regulations have been liberalized to ensure free flow of

international finance. Importation of capital and repatriation of profits are now easily effected under the current economic regime.

There are a number of investment incentives to attract foreign and local investment. These include 30% company tax and tax holidays in certain industrial sectors

Forms of Business

- Sole proprietorship - this form of business is used by individuals trading for their own account;
- Partnerships - partners are personally liable for the obligations and debts of the firm. The maximum number of partners allowed is 20;
- Incorporated companies - foreign companies intending to do business in Nigeria must be incorporated as a local entity in Nigeria. A company may be registered as public or private, limited by shares, limited by guarantee or unlimited liability. Companies are registered at the Corporate Affairs Commission (CAC) Abuja and may be done by a legal practitioner on behalf of the investor. A certificate of incorporation is issued by the CAC upon completion of the incorporation process. Incorporation takes between 7 and 15 working days from the submission of the incorporation documents. An option of incorporation within 24 hours is also available upon the payment of the prescribed statutory fees. The requirement for registration of a local company may be waived for contractors working for any foreign donor country/organisation or the federal, state or local government. A foreign company may also open a representative office in Nigeria which can only be used as a promotional or liaison office.

Exchange Controls

There are comprehensive exchange control measures in place to guarantee a parallel market/internal balance for foreign exchange.

Taxation

All companies in Nigeria are required to pay income tax on all profits accruing in, derived from, brought into or received in Nigeria at a rate of 30% per annum.

An educational tax is levied on the profit of every company incorporated in Nigeria at the rate of 2%.

Value added tax of 5% is levied on the supply of all taxable goods and services.

Withholding tax of between 5% and 10% is levied on payments due to a company in respect of goods or services, payments of dividends, interest on loans, royalties and rent.

Capital gains tax of 10% is payable on disposal of assets.

Monetary Policy

Nigeria has adopted the use of market instruments in monetary management to further develop the Money & Capital markets and to engender competition among banks and other operators in the financial system. The Central Bank of Nigeria (CBN) has introduced various short, medium and long term monetary policy frameworks using Open Market Operations (OMO) as its primary instrument. Strict banking supervision of the CBN has entrenched corporate governance in the financial system.

Legal System

The common law of England, Doctrines of Equity and Statutes of

General Application in force in England as at 1 January 1900 form an integral part of the Nigerian Legal system. Other sources of the Nigerian law include local legislation (State and Federal), Nigerian case law as well as customary law. Disputes between corporate bodies are usually resolved by the civil courts. The principles of judicial precedent and hierarchy of courts are also a fundamental part of the Nigerian legal system with the Supreme Court of Nigeria at the apex of the court system. Other courts in hierarchical order are the Court of Appeal, the Federal High Court, State High Court, National Industrial Court, Sharia Court of Appeal and Customary Court of Appeal, Magistrate Court, District Court, Area Court and Customary Court.

Intellectual Property

The Nigerian legal system strives to protect intellectual property as applicable in other parts of the world. The Trade Marks Act and Patent and Designs Act are key statutes to protect Intellectual Property.

Financial Services

The adoption of Universal Banking in Nigeria has engendered the emergence and existence of financial conglomerates which involve different regulatory authorities such as the Central Bank of Nigeria (CBN), Security and Exchange Commission, National Insurance Commission and the Corporate Affairs Commission. Apart from the conventional banking functions like receiving deposits on current, savings or other accounts, paying or collecting cheques drawn by or paid in by customer, provision of finance or credit facilities, Nigerian banks can under the Universal Banking program undertake one or a combination of (a) clearing house activities (b) capital market activities (such as underwriting / issuing house activities) or (c) insurance services (such as marketing, underwriting and reinsurance services).

Insurance

The insurance industry in Nigeria is governed by the Insurance Act 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 and vested better regulatory powers with NAICOM.

Strategic Growth Initiatives by Government/Private Sector

The Federal Government of Nigeria is committed to improving the economy and to rank it among the 20 largest economies in the world. To achieve this purpose the Federal Government set up an economic team known as the Nigeria Vision 20:2020 Economic Transformation Blueprint (Vision 20:2020). The government also embarked on a Public Private Participation (PPP) scheme, as well as partnering with State Governments in executing several projects aimed at strengthening the economy.

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) and International Labour Organisation (ILO).

Key Industry Sectors

Oil and gas, coal, tin, columbite, agriculture, textiles, cement and other construction materials, beverages, footwear, chemicals, printing, ceramics, steel, small commercial ship construction and repair, tourism, telecommunications and banking.

Information and Communication Technology

Nigeria is one of the largest and fastest growing telecommunications markets in the world and is one of the most attractive investment arenas in the world. The resulting investment landscape has created additional opportunities for new investors in the industry.

Nigeria has successfully launched two telecommunications satellites, namely NigComSat-1 and NigComSat-2.

Mining

The Nigerian government 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 minerals but the government has prioritised the development of this industry to only 7 minerals: coal, bitumen, limestone, iron ore, barytes, gold and lead-zinc. This reflects their strategic importance to the country's economy and their availability in quantities to sustain mining operations for years.

Agriculture

The discovery of crude oil in the late 1960s / early 1970s led to the abandonment of food exports. The country now depends on food imports. However the present government has renewed its effort to rejuvenate the agricultural sector. The Government has created several incentives to encourage private investment in this sector.

Trade and Investment

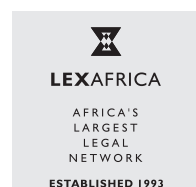
The Nigerian economy is dominated by crude oil exports which account for about 90% of its foreign exchange earnings and 65% of budgetary revenues. Other exports are cocoa, palm oil, groundnuts, cotton, timber and rubber. Major import commodities in Nigeria include machinery, chemicals, transport, equipment,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

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 Mining and Minerals Act. 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, among others. The Nigerian Investment Promotion Commission (NIPC) is a Federal Government Agency statutorily charged with the responsibility of promoting, co-ordinating and monitoring all foreign investments in Nigeria. In order to shorten the service delivery time and to reduce the cost of entry into business in Nigeria, the NIPC provides support services as a one-stop investment centre for all foreign investors.

Labour Relations

With a labour force of about 48 million people, there is availability of skilled and unskilled labour in Nigeria at a relatively cheap rate compared with other parts of the world. The country has several labour laws that govern the relationship between employers and employee such as the Factory Act, Workmen's Compensation Act, Labour Act and Trade Dispute Act.

Presently all labour matters and labour disputes have been removed from the general courts and vested in the National Industrial Court (a specialised court established to exclusively and expeditiously handle all labour disputes in the country).



RWANDA

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Country Information

Rwanda covers approximately 26,340 square kilometres and has a population of approximately 11 million.

Political System

Rwanda has had a multiparty democracy since 2003 when the new Constitution was enacted.

On 9 August 2010, Rwanda held Presidential elections which the incumbent President, Paul Kagame won with a majority of 93.8%. All parties are represented in the Executive and the Legislature notwithstanding the fact that the Rwandese Patriotic Front is the most dominant political Party. The Rwandan government is credited with political stability.

All Government policy is guided by Vision 2020 which is the country's road map towards a middle income country by the year 2020. The vision is anchored on the following pillars; namely building a capable State, Human Resource development, Private Sector development and modernization of agriculture, infrastructure development and regional integration. Gender equality and Information and Communication Technology (ICT) are cross cutting aspects of the vision.

Latest available GDP Figures

The GDP is US\$ 6.055 billion

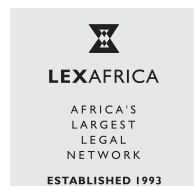
GDP per capita is US\$1000.

Inflation Rate

3.1% (2011).

Investment Climate

In 2011, Rwanda was named as the world's top reformer in adopting business regulation reforms and its reforms raised the country's ranking in the World Bank's Ease of Doing Business index from 143rd in the world to 67th; the largest single year on year increase by any country since the World Bank first published the rankings in 2003. Rwanda now ranks fifth among African nations in terms of "ease of doing business".



There are no laws which limit or prohibit foreign investment participation, or control.

The Rwanda Development Board (RDB) is the

main body charged with promoting investment in the country and the company registry falls under it. Its role is complemented by the Private Sector Foundation (PSF) which acts as a platform for addressing investor concerns.

While there is no mandatory screening of foreign investment, the Rwanda Development Board evaluates business plans of investors seeking tax incentives.

The initial capital requirement is US\$250 000 for foreign investors intending to register for tax incentives (registration is not mandatory).

There are no laws which limit the acquisition of land by foreigners.

The 17 November 2009 report by Transparency International (TI) lowered Rwanda's Corruption Perception Index ranking from 102 in 2008 to 89, placing Rwanda among the top ten performers in Africa and the least corrupt in East Africa.

Forms of Business

- Private limited liability company;
- Public liability company;
- Company limited by guarantee;
- Sole proprietorship.

Formation of a Company

Local companies and foreign companies (branches) are registered with the Registry of Companies at the Rwanda Development Board offices in Kigali. Registering companies is easy and quick; there are 2 procedures and certificates of incorporation are issued within 24 hours from submission of the application. The Company's incorporation number is also its Tax Identification Number and Social Security Number.

Exchange Controls

There is no difficulty obtaining foreign exchange, or transferring funds associated with an investment into a freely usable currency and at a legal market clearing rate. The central bank holds daily foreign exchange sales freely accessed by commercial banks.

Investors can remit payments only through authorized commercial banks. There is no limit on the inflow of funds, but the central bank requires justification for all transfers over US\$20,000 to facilitate the oversight of potential money laundering. There are some restrictions on the outflow of export earnings. Companies generally must repatriate export earnings within three months after the goods cross the border. The central bank requires individuals and businesses to justify transfers of more than US\$20,000 per year from Rwandan commercial banks. Rwandans working overseas can freely make remittances to their home country.

It usually takes two to three days to transfer money using SWIFT financial services. Other financial services companies such as Western Union and MoneyGram are also available to investors seeking to transfer funds.

Since January 2007, the Rwandan Franc (RWF) has been convertible for essentially all business transactions. Rwanda has a liberal monetary system and complies with the International Monetary Fund (IMF) Article VIII and all Organisation for

Economic Co-operation and Development (OECD) convertibility requirements. The Rwandan Franc exchange rate is closely tied to the United States dollar.

Taxation

Taxes paid by companies include:

- Corporate/Income Tax at 30%;
- Pay As You Earn (Employment income tax) is 30% for all salaries above 100 000 RWF (approx US\$160);
- Value Added Tax (VAT) is charged at a rate of 18% on imports, services and locally manufactured goods;
- A Withholding Tax of 15% is levied on the following payments made by resident individuals or resident entities including tax-exempt entities: dividends, interests, royalties, service fees including management and technical service fees, performance payments made to an artist, lottery and other gambling proceeds;
- A Withholding Tax of 5% of the value of goods imported for commercial use is paid at customs on the Cost, Insurance and Freight (CIF) value before the goods are released by customs;
- A Withholding Tax of 3% on the sum of invoice, excluding the Value Added Tax, is retained on payments by public institutions to those who supply goods and services based on public tenders.

Rwanda has concluded double taxation treaties with Mauritius and South Africa and discussions are under way to conclude one with Belgium.

Imports/Exports

Imports include foodstuffs, machinery and equipment, steel, petroleum products, cement and construction material.

Exports include coffee, tea, hides, pyrethrum, minerals and services, especially tourism.

Monetary Policy

The effect of the global financial crisis on Rwandan banks was mild. All banks are now compliant with the minimum capital required of 5 billion RWF.

A law regulating private credit referencing bureaux has been enacted.

Legal System

Rwanda's legal system is a hybrid of civil and common law. Current law reforms are aimed at aligning Rwanda's legal system with the rest of her East African Community (EAC) partner states (Uganda, Kenya, Tanzania, and Burundi).

Arbitration as an alternative dispute resolution mechanism is not fully developed but it is a priority of the Government in collaboration with the Rwanda Private Sector Federation (PSF) to develop Alternative Dispute Resolution Mechanisms and the Arbitration Centre. Rwanda is a member of the International Centre for Settlement of Investment Disputes (ICSID).

In 2008, Rwanda opened specialized commercial courts to address commercial disputes and facilitate enforcement of property and contract rights.

Judgments of foreign courts and contract clauses choosing foreign governing law are enforced by local courts.

Intellectual Property

Patents, trademarks, commercial marks, designs and patterns are protected by statute.

The new Intellectual Property (IP) law brings together substantive legislation on patents, copyright, trademarks, Geographical indications (GI), industrial designs, utility models and unfair competition. National legislation on traditional knowledge and genetic resources is currently under consideration with the technical support of the World Intellectual Property Organisation (WIPO) and the African Regional Intellectual Property Organization (ARIPO), which also provided legislative advice in drafting the new IP law.

Rwanda has been a WIPO Member State since February 1984 and joined ARIPO in 2010. Rwanda is keen to tap into the substantive expertise of these two organisations to fast-track its use of IP and to boost its economic performance.

Financial Services

The banking sector comprises 12 banks which include 8 commercial banks, 1 primary microfinance bank, 1 discount house, 1 development bank and 1 mortgage bank.

The microfinance sub sector consists of more than 100 relatively small institutions.

Ecobank, Access Bank and Kenya Commercial Bank (KCB) are among the international banks with a presence in Rwanda.

The Rwandan Capital market is still nascent. The securities trading on the Rwanda Capital Market include Kenya Commercial Bank shares, Commercial Bank of Rwanda bonds and Government of Rwanda Treasury bonds.

Treaties and Bilateral Agreements

Rwanda has signed Bilateral Investment Treaties with Belgium, Luxembourg, Switzerland, Germany, Mauritius and the United States.

Rwanda has signed and ratified the Multilateral Investment Guarantee Agency (MIGA) convention. MIGA issues guarantees against non-commercial risks to enterprises that invest in member countries.

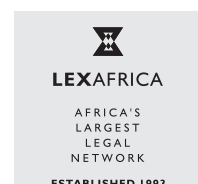
Rwanda is also a member of the African Trade Insurance Agency (ATI). Both MIGA and ATI cover risks against restrictions on import and export activities, inconvertibility, expropriation, war, and civil disturbances.

Membership of International and Regional Organisations

Rwanda is a member of several sub-regional economic organizations, such as the East African Community (EAC) whose other members are Burundi, Uganda, Kenya and Tanzania.

The main objective of the Common Market is to facilitate the free movement of goods, capital, services and persons within the East African region.

Rwanda is also a member of the Economic Community of the Great Lakes (CEPGL) together with the DRC and Burundi, and of the Common Market for Eastern and Southern Africa (COMESA), a bloc of 21



countries with a Free Trade Area.

Economic Developments

In 2008 Rwanda embarked on a major overhaul of its legal, regulatory and institutional framework to create a more favourable operating environment for business. A number of new, business friendly laws have been enacted. These include the new Companies Act, the Insolvency Law, the Arbitration Law, the Secured Transaction Law, the Electronic Transactions Law, the Mortgages Law, the Credit Reference Bureau Law, the new Labour Law and the new Intellectual Property Law.

Key Industry Sectors

Rwanda's economy is predominantly agricultural. Agriculture is responsible for 41.7% of GDP, industry for 14.1% and services 44.2%.

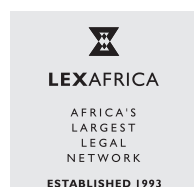
Rwanda's industrial sector is small but growing at a rate of 8% per year. It is mainly involved in the processing or manufacture of cement, beverages, soap, furniture, shoes, plastic goods, textiles and cigarettes.

The Services sector is still under developed but is growing fast. It is expected that it will grow faster with Rwanda's entry into the East African Community (EAC).

Labour Relations

Labour is readily available. However, highly skilled professionals are limited owing to the country's tragic past. With the huge investment in education which the Government has made, there will be a corresponding improvement in the quality of the labour force. Trade Unions are not strong although collective bargaining agreements are in force for a few companies.

Yearly work permits for foreign employees can be obtained at a fee of US\$85 (East African citizens are not required to pay this fee). They are obtainable within 3-5 days from the date of application.



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.

Latest GDP Figures

US\$13.856 billion.

Inflation Rate

3.9% (2011).

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:

- tax on companies and other body corporates is 25%;
- Value Added Tax (VAT) is 18% for all products and services;
- the minimum tax rate varies depending on the turnover of the company;
- 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, 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 Franc zone in which the transfer of funds is free. The Franc (CFA) is the currency of the above 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 Franc zone, namely: France, Monaco, Benin, Burkina Faso, Côte d'Ivoire, Equatorial Guinea, Mali, Niger, Senegal, Togo, Cameroon, Central African Republic, Republic of Congo, Gabon and Chad.

For the other monetary zones there are exchange controls. 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 standardizes 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, Islamic Federal Republic of Comores, Republic of Congo, 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 organization are: Benin, Burkina Faso, Cameroon, Central African Republic, Congo, Côte d'Ivoire, Gabon, Guinea Conakry, Niger, Mali, Mauritania, Senegal, Chad and Togo, Equatorial Guinea and Guinea Bissau.


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SOUTH AFRICA

WERKSMANS INC

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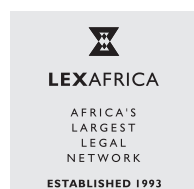
Country Information

South Africa is the largest economy in Africa 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. Its population is about 50 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 and unemployment (about 25%) remain major problems.

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.



Latest GDP Figures

It is estimated that real annual gross domestic product (GDP) increased by 3.1%

in 2011 compared with 2.9% in 2010. The seasonally adjusted real GDP at market prices for the fourth quarter of 2011 increased by an annualised rate of 3.2% compared with an increase of 1.7% during the third quarter of 2011.

GDP: US\$364 billion (2010)

GDP per capita: US\$3745 (December 2010)

GDP (PPP): US\$524 billion (2010 est)

GDP per capita (PPP): US\$10 700 (2010 est).

Inflation rate

Annual Consumer Price Index for 2011 was 5%.

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 Chase, State Bank of India, Deutsche Bank and Royal Bank of Scotland).

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 —see below).

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 Codes of Good Practice that have been issued by the Government. The Codes set out BBBEE targets and quite complex methods of measuring BBBEE which are based on seven elements —ownership, management, employment equity (affirmative action), skills development, enterprise development, preferential procurement and corporate social investment. A firm's BBBEE rating is measured against its performance in each of the seven elements. However a firm with a turnover under R5 million is deemed to have a level four BBBEE status (level one being the highest status out of nine levels) and firms with a total turnover of between R5 million and R35 million may select their best scores in four of the seven elements to calculate their BBBEE rating. 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). Private sector firms also try to increase their BBBEE rating by procuring from other private sector firms with good BBBEE ratings. Multinationals may earn BBBEE ownership points by means of "equity equivalents" which allow them to remain 100% foreign owned.

South Africa is often described as the "Gateway to Africa". 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) 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 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 for special economic zones throughout the country.

Calls by certain elements of the ruling African National Congress (ANC) party for the nationalisation of the mines, banks and farming land has caused uncertainty for local and foreign investors. The Government has however emphasised that nationalisation is not Government policy and it appears that ANC policy proposals to be presented at party congresses later in 2012 are not proposing nationalisation (although alternative models of increasing the benefits to the Government from South African's mineral resources have been proposed).

An electricity supply crises in 2008 caused widespread blackouts and economic dislocation (including in the mining industry). This has not been repeated since then but concerns about a secure supply of electricity remain and the Government is constructing new coal based electricity plants to increase capacity. 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 USD110 billion from 2012 to 2015. The Government owns approximately 25% of the land area of the country and, through various State owned enterprises, owns the 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 although an existing State owned company, Alexkor, is involved in diamond mining.

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/medium sized business, from Khula Enterprise Finance and the Small Enterprise Development Agency.

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.

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
- Trading trust

- Sole trader
- Co-operatives.

Pursuant to the new Companies Act (which came into effect on 1 May 2011), no new close corporations may be formed. Existing close corporations will however be permitted to continue to 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).

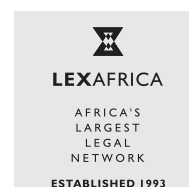
Exchange Controls

The exchange control regime is administered by the South African Reserve Bank (SARB) and various "authorised dealers" (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 office 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" — this is however generally a formality and facilitates dividend payments by the resident company 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 cash. Auditors'



certificates and other documents may have to be submitted. The acquisition by residents of assets outside the Common Monetary Area is also regulated.

Exchange control approval is required for:

- a loan by a non-resident to a South African resident. The Reserve Bank will generally not permit interest exceeding the local prime overdraft rate for loans by non-resident shareholders to their local subsidiaries but may allow an interest rate of 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 “armslength”;
- 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 (although there is case law that exchange control approval is not required).

Taxation

Income 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.

Currently tax is levied on income from actual and deemed South African sources. The standard corporate tax rate is 28% for both resident companies, close corporations and external companies (branches of foreign companies – the rate for external companies was reduced from 33% with effect from 1 April 2012). As dividends are taxed from 1 April 2012 foreign investors may prefer operating through external companies. Special rules apply for gold mining companies, small business corporations and micro businesses. Individuals pay tax on a sliding scale with a maximum rate of 40%. Trusts pay tax at 40% of income retained and not awarded to beneficiaries.

There is:

- a tax 15% on dividends which came into effect on 1 April 2012. It replaces secondary tax on companies (STC) which was payable by companies (but not external companies) at 10% of the excess of dividends declared over dividends received by the company and resulted in an effective corporate tax rate of 34.54% if the company declared dividends;
- a net withholding tax of 12% of gross royalty payments to non-residents although double tax treaties may provide relief in appropriate cases. It has been proposed to increase the rate to 15% but no date for this change has been announced.
- value added tax at 14% (certain exemptions and zero ratings apply);
- capital gains tax at an effective rate of 18.6% for all companies (the rate differs depending on the status of the taxpayer). It was previously 14% and the increase applies from 1 March 2012. Certain exemptions were also increased;
- a number of other specific taxes and

duties including donations tax (20%), estate duty (20%), duty on the transfer of immovable property, securities transfer tax, stamp duties on certain leases and skills development levies.

Foreign dividends paid to residents may be subject to income tax. A 15% withholding tax on interest paid to non residents will apply with effect from 1 January 2013 subject to certain exemptions (including Government debt and listed debt interests) and double tax relief;

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

South Africa has double taxation agreements with more than 60 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.

Regulatory Environment

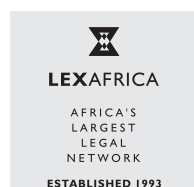
The Competition Commission, Competition Tribunal and Competition Appeal Court deal with merger control, restrictive business practices and abuses and price discrimination by dominant firms. Several cartels have been successfully prosecuted by the Competition Commission with the imposition of severe financial penalties. 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 new Companies Act (which came into force on 1 May 2011) fundamentally reformed South African company law including codifying the fiduciary duties of directors, strengthening corporate governance rules, significantly expanding protections for minority shareholders and introducing new “business rescue” (similar to the USA’s Chapter 11) and “merger” concepts.

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).

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 trading partner (for both imports and exports). 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 the establishment of 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. South Africa has benefited from the USA's African Growth and Opportunity Act (AGOA) which allows South African products to enter the USA duty free. 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. Discussions are underway between SADC 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.

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.

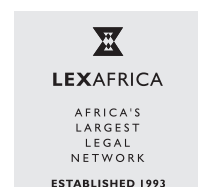
The headquarter company will be subject to tax on its worldwide income (like other South African residents) but its shareholders will not be subject to dividends tax on any dividend declared by it. Dividends paid by the company to its shareholders will be exempt from income tax in their hands. Similarly dividends received by the headquarter company, where it holds at least 10% of the equity and voting rights in the foreign company, are exempt from tax. The withholding tax on interest, which applies from 1 January 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) and to loans from non-residents that are on-lent by the headquarter company to such investees. Interest on loans from a non-resident may be deducted by the headquarter company to the extent that it earns interest 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 the shares are sold to a non-resident and if the shares have been held for at least 18 months. It is likely that these requirements will no longer apply to shares held by the headquarter company, ie they will in all cases be exempt.

If a South African incorporated company is used as a headquarter company, the company may also be approved by the exchange control authorities as a headquarter company under the exchange control rules (which are very similar to the tax rules) and such approval will completely exempt 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 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 Kwa Zulu Natal. Zones may be established at OR Tambo International Airport in Johannesburg and at other airports 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 influence 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.

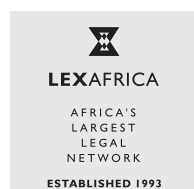
South Africa has signed the New York Convention and (although its 1965 Arbitration Act needs reform) arbitration has become popular especially for commercial disputes. A local independent body, the Arbitration Foundation of Southern Africa (AFSA), has established a good reputation and track record. AFSA 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).

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 (South Africa currently has a seat on the Security Council) and its agencies, the World Trade Organisation (WTO), the British Commonwealth, the G20 and the IBSA (India, Brazil and South Africa) and BRICS (Brazil, Russia, India and China) groups.

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.



SUDAN

MEKKI OSMAN & PARTNERS

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Country Information

Sudan covers 1,886,068 square kilometres. It is the third largest country on the continent and the sixteenth largest in the world.

Political System

Sudan has a Presidential System within a multiparty democracy.

Latest GDP Figures

The World Bank classified Sudan among the fastest recovering economies from the world financial crisis. According to its estimates, (based on performance in the first quarter of 2011), Sudan came third in the Middle East and North Africa after Qatar and Saudi Arabia. Sudan's GDP is US\$ 66.6 billion with a growth rate of 5.5%.

Country comparison to the world: 62

GDP per capita (PPP): \$ 2380.

Gross Domestic Product (per sector):

- Agriculture: 31.6% from the national product (9% from non-oil exports);
- Labor force in the sector: 50.23% of the population;
- Industry: 26% (9% from non-oil exports);
- Services: 42.1%;
- Unemployment Rate: 11%;
- Absolute Poverty: 8% of the population.

Direct Foreign Investment (in billions of dollars): 2 981

- Sudan ranks second in Middle East and North Africa.
- Third in Africa.

Percentage of Revenues to GDP: 18.1 %

Percentage of Current Expenditure to GDP: 18.2%

Percentage of Current Expenditure on Development to GDP: 3.7%

Percentage of Total Expenditure to GDP: 21.9 %

Inflation Rate: Annual average: 13 %

National livestock herd (cows/camels/sheep): 102 846 331.

Industries

Oil, gold, cotton ginning, textiles, cement, edible oils, sugar, soap, shoes, petroleum refining, armaments, automobiles, pharmaceuticals, meat, and leather

- Growth Rate of Industrial Sector: 23%;
- Growth Rate of Services Sector: -1%;
- Growth Rate of Agricultural Sector: 3.6% .

Interest Rates

Sudan implements Sharia Islamic laws which do not permit the

use of interest rates or usury transactions.

Inflation Rate

11.2%.

Investment Climate

The government has endeavoured to create favourable investment conditions.

Procedural reforms have been implemented. For example the state monopoly on agricultural and industrial products, the economic services sector and marketing has been abolished. The state has also withdrawn from some public sector corporations and institutions.

Radical reforms of investment statutes and laws regulating all economic activities have led to the removal of obstacles that hinder investment.

Economic, trade and financial policies have been implemented to promote a free market economy.

In terms of the 1999 Investment Act:

- foreign capital proprietors may remit their profits and initial financing costs or debts provided that all the legally binding commitments pertaining to the project are met;
- raw materials may be imported for projects;
- freedom of movement, residence or transfer of the project's expatriate employees is guaranteed;
- one of the most important guarantees granted by the 1999 Investment Act is that investors' assets may not be nationalized.

The Investment Authority has been established to promote investment in Sudan.

Forms of Business

All companies in Sudan are incorporated under the Companies Act and are limited liability companies. Companies are either public or private. A public company must have at least seven shareholders. A private Company must have a minimum of two and a maximum of 50 shareholders.

Foreign companies intending to conduct any kind of business in Sudan must register a branch of their company in Sudan. A license is issued for the purpose and duration of the company's project.

Public concession companies are companies which have been granted specific concessions by ministerial decree. Only joint stock companies conducting activities required by the country are granted specific concessions.

To register a partnership, an authenticated statement signed by all the partners must be submitted to the Commercial Registrar General. Partnerships are regulated pursuant to the the Registration of Partnerships Act 1931.

Exchange Controls

Sudan has no restrictive exchange control regulations. Dividends and capital gains on equity investments received from a foreign source are, subject to tax being paid, freely remittable out of the country in foreign currency.

Interest on capital of foreign loans can freely

be remitted in foreign currency upon disinvestment. A non-resident may remit capital in foreign currency at any time.

Taxation

- Business profits and rental income are taxed at a maximum rate of 35%;
- Profits from agricultural businesses are exempt from tax;
- Public and private companies, including banks, investment of funds companies, insurance companies, companies and individuals distributing oil and gas products directly to consumers are taxed at a rate of 15%;
- Industrial companies and businesses are taxed at a rate of 10%;
- Tobacco and Cigarettes manufacturing companies are taxed at a rate of 30%;
- Withholding taxes are levied at a rate of 5%;
- Residents of Sudan or individuals who reside in Sudan for over six months are taxed on their worldwide income at a maximum rate of 15%;
- Sudan has signed double taxation agreements with the United Kingdom, Egypt, the United Arab Emirates, China and Malaysia;
- Value Added Tax (VAT) is 15%.

Imports

The Government of Sudan has implemented import liberalization policies but licenses are required for all imports. These are obtained from the Ministry of Foreign Trade. All imports must be by letters of credit from a local bank.

Items such as food, beverages, live animals and animal products are classified as restricted and require approval from the relevant government department. Goods such as opium, narcotic drugs, alcohol, indecent or obscene materials, false and counterfeit coins and money may not be imported.

Percentage of National Income: 14 %

Commodities: Food, manufactured goods, refinery and transportation equipment, medicines, chemicals, spices, textiles, wheat, fertilizers, rubber, paper.

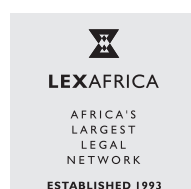
Exports

Licenses must be obtained for exports from the ministry of Foreign Trade and exports must be through a local bank. Exports of certain items such as gum Arabic and livestock may only be made by local companies.

- Percentage of the National Income: 17 %;
- Commodities: Gold, copper, chromium, oil and petroleum products, cotton, sesame, groundnuts, gum Arabic, sugar, hibiscus, seeds (sunflower, watermelon seeds, senna), maize, fruits, vegetable, livestock, leather, and medical gas.

Monetary Policy

There is an Islamic banking system in Sudan. However the Central Bank of Sudan implements a single monetary policy to ensure price stability and maintain a stable exchange rate. The monetary policy relies primarily on market-based instruments instead of administrative allocation of credit.



Legal System

Primary sources of law at all levels of government are Acts passed by the National Legislature and State Legislature, within the scope of the powers assigned to each level

as prescribed under the constitution.

Another important source of law is statutory or subordinate legislation under the authority of an Act of Parliament. The legal system rests on the constitution. The ultimate aim of the Federal National Government is the protection of the rights and freedoms of individuals as stipulated in the Bill of Rights. The constitution provides that religions, customs and beliefs are sources of moral strength and inspiration for Sudanese people.

All laws must comply with the constitution. The constitution provides that nationally enacted legislation shall have as its source of legislation Islamic Shar'ia.

Nationally enacted legislation applicable to southern states and/or the southern region has as its source of legislation popular consensus, and the values and customs of the people. Case law provides an important source of law at all levels of government. Commercial law practice is influenced by the English common law system.

The Judicial institutions in the country are the Constitutional Court and the Judiciary. The Constitutional Court is a Supreme Court independent from the Judiciary with a jurisdiction over the constitutional matters and inter-state conflicts. The Judiciary is an independent organ which regulates and administers the Courts of Justice.

Intellectual Property

Sudan is party to most of the significant international treaties relating to intellectual property.

Financial Services/Insurance

Financial Services and insurance businesses are regulated by the Bank of Sudan, Khartoum Stock Exchange and the Insurance Supervisory Authority.

Membership of International and Regional Organisations

Sudan joined the Arab League on 19 January 1956.

Sudan is a member of the Intergovernmental Authority on Development (IGAD) comprising Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan and Uganda.

Sudan is also a member of the Common Market for Eastern and Southern Africa (COMESA) and the Community of Sahel-Saharan States (CEN-SAD) and numerous other international and regional organisations.

Road and Transport

Pipelines:

- Crude oil pipelines: 3 830 km;
- Refined products pipeline: 1 556 km.

Railways: 4 239 km.

Federal Roads:

- Paved: 11 000 km;
- Under construction: 34 021 km.

Airports with Paved Runways: 15.

Heliports: 87.

Length of Waterways: 2567 km.

Sea Ports: 7 ports namely: Port Sudan, Sawakin (Uthman Digna Port), Bashayer, Southern Port, Osaif Port, Green Port and Al-

Khair Port.

Sudan has a modern road and highway system.

Water

Sudan has vast water resources from the Nile and its tributaries.

Energy

Electricity:

- Generated power (Hydro & Thermal): 8 850 gig watt /hour
- Per capita electricity: 233 kilowatt/hour (it was 92 kilowatt /hour in 2006).

Oil:

- Production: 118 000 barrels per day (BPD)
- Consumption: 115 000 BPD
- Operating refineries: 2
- Refining capacity for crude oil: 115 000 BPD
- Export ports: 3.

Oil is Sudan's main export and production is increasing rapidly. Hydroelectricity (annual electricity yield of 5.5 TWH) is provided by the Merowe Dam.

Telecommunications

The privatization of the telecommunication sector has created a capital, pro-competitive environment.

The telecom sector currently has an annual growth rate of 30%, making it the fastest growing in the world and is regulated by the National Telecommunication Corporation (NTC).

- Major telecom companies (Sudatel/Zain/Sudani / MTN).

Landline Subscribers: 544 684

Mobile Phone Subscribers: 18 057 083

Mobile Phone Users (age group 15 years and over): 68.2% of the population

Country International Code: +249.

Internet

- Country code: Sd
- Internet users: 11 050 000
- Length of the fiber optic network: 16 615 km.
- Percentage of network coverage compared to area: 65.8%.
- Percentage of coverage compared to population density: 90%.
- Comprehensive access services centers (centers covered by the State because they are not profitable for operators): 144 centers
- Percentage of coverage in rural areas: 66%.

SWAZILAND

CLOETE HENWOOD

Firm Information

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Rated as the leading Law Firm (General Business Law) in the Kingdom of Swaziland since 2004 by Chambers & Partners Global Directors of World's Leading Lawyers.

Country Information

Swaziland has a population of approximately 1 million people.

Political System

Constitutional monarchy with Parliament and Senate partly elected through an intricate process and partly appointed by the monarch. A new constitution was adopted in 2007.

Economic Indicators

Swaziland is part of the Common Monetary Area (CMA) with South Africa and as such the Swaziland Lilangeni is on par with the South African Rand.

Inflation Rate

The inflation rate mirrors that of South Africa.

Forms of Business

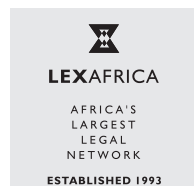
- Private or public limited liability company
- External company (i.e. a branch of a foreign company)
- Partnership
- Trading trust
- Sole trader.

Formation of a Company

Companies, trusts and external companies must be registered with the authorities in Mbabane. A business generally has to register for various tax purposes, workmen's compensation, graded tax, sales tax (where applicable) and Swaziland National provident Fund. Business licenses 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 the like are regulated by statutorily appointed regulators.



Exchange Controls

Exchange controls still exist but South Africa, Lesotho, Namibia and Swaziland have no exchange control restrictions amongst

themselves by virtue of their membership of a monetary union. 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-residents. Sales tax is 14%. There is no capital gains tax or tax on dividends from companies and 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 a virtually unimpeded exchange of goods between member states of the Southern African Customs Union. In addition, Swaziland is party to many 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 totally independent and follow the principles of Roman Dutch Law.

Intellectual Property

Protection is provided for 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 represented.

Key Strategic Growth Initiatives by Government/Private Sector

Major drives have been initiated in the fields of tourism, game parks, gold and diamond mining, coal power generation and the development of a new international airport.

Membership of International and Regional Organisations

Swaziland is an active member of the Southern African Development Community (SADC), United Nations (UN), World Bank, International Finance Corporation (IFC), African Union (AU) and many others.

Road and Transport

Swaziland has a good road haulage and transport system, including a rail system. Maputo is the closest port.

Water

There is a joint venture with South Africa in the Komati River Basin Authority. There are adequate water storage dams.

Energy

Energy is purchased from South Africa and Mozambique. Swaziland plans to augment its energy requirements using its own coal supplies.

Telecommunications

There is a landline and GSM cellular operator in Swaziland.

Trade and Industry

Textiles.

Mining

Coal, iron ore, diamonds and gold.

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 Investment Promotion Agency deals with all aspects of investment.

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 sales tax;
- the labour market in Swaziland is competitive with other Southern African countries;
- non-Swazi citizens are able 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.

Labour Relations

There are well established labour laws and there is an efficient Industrial Court. The laws recognise full freedom of association and there are fully organized labour unions.

Treaties and Bilateral Agreements

Swaziland is a signatory to most treaties emanating from the United Nations (UN), the World Bank and the International Monetary Fund (IMF), African Union (AU), Southern African Customs Union (SACU), Southern African Development Community (SADC) including issues on human rights, money laundering, terrorism and the like. It has bilateral tax agreements with a number of African countries.



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TANZANIA

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Country Information

The Tanzania mainland covers 945,087 square kilometres and Zanzibar 1,658 square kilometers. There is a population of approximately 41.9 million on the Tanzania mainland and approximately 1.2 million on Zanzibar. The capital city is Dar es Salaam (executive), Dodoma (legislative). Other metropolitan centres are Arusha, Mwanza, Mbeya, Mtwara and Kilimanjaro.

Political System

The Government of the United Republic of Tanzania is a unitary republic of two states based on 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

Tanzania's gross domestic product (GDP) is estimated at Tshs. 32 293,479 000 billion (2010) at a growth rate of 6.9% (2011). The contributions of various sectors to the GDP include agricultural 28%, industrial 22.6% and services 50.8%.

Inflation Rate

The inflation rate at December 2011 was 19.8%. The estimated rate for 2012 is 13.5%.

Investment Climate

The Tanzanian Government has a favorable attitude towards foreign direct investment (FDI) and has made significant efforts to encourage foreign investment. Generally, foreign investors receive the same treatment as local investors. The Tanzania Investment Centre (TIC) is the focal point for all investors' inquiries and facilitates project start ups. It further provides for joint venture opportunities between local and foreign investors and disseminates investment information. Companies holding TIC certificates of incentives are allowed Value Added Tax (VAT) and import duty exemptions, repatriation of dividends and profits among other things. Similar incentives are offered to investors in Zanzibar through the Zanzibar Investment Promotion Agency (ZIPA).

Investment and trade opportunities

promoted by the TIC include agriculture, mining, tourism, telecommunications, financial services, energy, transportation and infrastructure development.

The TIC grants a number of incentives to investors including tax incentives, limited import duties, relaxed immigration requirements and guarantees against nationalisation and expropriation.

Land ownership remains restrictive in Tanzania. All land in Tanzania is owned by the state and vested to the President of the United Republic of Tanzania as Trustee of the Land for Tanzanians. Statutory leases of up to 99 years may be obtained.

Investments on the Dar es Salaam Stock Exchange (the DSE) are open to foreign investors, but 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, if Tanzanians do not take up the securities.

Forms of Business

Principal forms of business organization are sole proprietor, partnership, incorporated company and registered branch of overseas companies.

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 setting up a branch or by incorporating a company. A company can be incorporated as an independent entity or a subsidiary of the parent company which is incorporated in a foreign jurisdiction.

Business licenses must be obtained for all forms of business. Specified businesses like banks, insurance companies, contractors, tour operators, hotels and professionals must have specific licences in addition to the business licences.

Exchange Rate

The Bank of Tanzania administers, controls and manages all dealings and transactions in relation to gold and foreign exchange matters.

Taxation

The Income Tax Act became operational on 1 July 2004. The Income Tax Act regulates the charge, 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 Duties Act, Revised Edition 2006.

Import/Export

Traditional exports account for 16% of all merchandise exports while gold accounts for 34% and other exports for 50%. Tanzania's traditional export crops notably cotton, cloves, coffee and cashew nuts and non-traditional exports excluding gold are


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facing unprecedented decline in demand and price due to the global economic slowdown.

Growth has been recorded in all categories of merchandise imports except for food. Import of intermediate goods continued to dominate merchandise imports. Oil imports increased substantially between 2008 and 2010.

Monetary Policy

Tanzania's monetary policy is formulated by the Bank of Tanzania using instruments, such as Refinancing Policy, Minimum Reserve Policy, Open Market Policy, Foreign Exchange Interventions, and other instruments. The attainment of the 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

The highest court in Tanzania is the Court of Appeal, which has appellate jurisdiction over the whole of the Republic of Tanzania.

To deal with the more complex issues arising in a liberalised economy (such as international business, finance, intellectual property and land matters), separate divisions of the High Court have been established for commercial and land matters.

Intellectual Property

The Copyright and Neighbouring Rights Act, Revised Edition 2002, provides for the protection of copyright and neighbouring 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 for connected matters.

The Patent Act, Revised Edition 2002, provides for the promotion 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 bears the responsibility of establishing conducive monetary stipulations that generate low and stable inflation.

The Banking and Financial Institutions Act No.5 of 2006 (BFIA) consolidates the law relating to business of banking, to harmonize the operations of all financial institutions in Tanzania, to foster sound banking activities, to 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, among other things, is vested with the powers to regulate the insurance market in Tanzania as well as to promote and maintain 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 Medium 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.

The Government of Tanzania has made 'Agriculture First' the theme of the current budget. The initiative, created by the Tanzania National Business Council, recognizes the importance of the agricultural sector in improving the country's socio-economic state and aims to radically revamp it, in conjunction with the private sector.

Public Private Partnership

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 implemented the National Economic Empowerment Policy of 2004 by providing soft loans through various funds and programmes, sensitization on forming cooperatives (SACCOS) and Village Community Banks (VICOBA), as the best way of achieving soft loans, income generation, employment and poverty reduction.

The Government of Tanzania continues to implement the National Economic Empowerment Policy by disseminating it to the majority of citizens to enable them to understand it and participate effectively in its implementation. It provides training to entrepreneurs, sensitization 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 participation of people in development activities through the Tanzania Social Action Fund (TASAF).

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 member of several international organizations including The International Centre for the Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA). Tanzania is also a signatory to the New York Convention on the recognition and enforcement of Arbitration Awards.

Membership of International and Regional Organisations

Tanzania is a member of the United Nations Organisation, the African Union, the East African Community and the Southern African Development Community.

Road and Transport

Transport in Tanzania is mainly by road,



supplemented by a series of railway networks. Tanzania's road network is of limited quality and not many roads are tarred.

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

Electricity generation, transmission and distribution in Tanzania are through the Tanzania Electric Supply Company (TANESCO). The company is 100% government owned and is responsible for 98% of the country's electricity supply. Petroleum, hydropower and coal are the major sources of commercial energy in the country.

Telecommunications

Telecommunication was the fastest growing sector in Tanzania in 2009. Tanzania has the second largest telecommunication market in East Africa, after Kenya. Teledensity has risen from 1% in 2001, to 39% in September, 2009 representing a subscriber base of 16.2 million people.

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 communication industry. One of the highlights of this statute is the requirement to register 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, to enable consumers to be identified when they use value-added services such as mobile money transfer. Another key highlight is the requirement for existing licensees of network facilities, network services, application services or content services to offer their shares to the public and subsequently list these shares on the stock exchange three years from the commencement of the statute, provided however that the listing of such shares is in line with the listing requirements of the Capital Markets and Securities Authority.

Agriculture

This sector is still dominated by subsistence farming. Food crops make up the majority of the sector - about 85% contributing to about 20% to GDP alone, with livestock accounting for 3%. Major food crops include cassava, millet, maize, sorghum, rice, wheat, pulses (mainly beans) potatoes, bananas and plantains.

The country produces a variety of export cash crops chiefly tobacco, cotton, sisal, coffee, cashew nuts, pyrethrum, tea, cloves, horticultural crops, oil seeds spices and flowers.

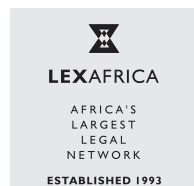
Mining

Tanzania is Africa's third largest gold producer behind South Africa and Ghana and is estimated to have gold reserves of more than 1 000 tonnes. Tanzania boasts a variety of other minerals including tanzanite, silver, copper, diamonds, rubies, sapphires, base metals, platinum, coal, agro-minerals and chemical and industrial minerals.

Tanzania also has a range of industrial

mineral deposits such as 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 repealing the Mining Act No. 5 of 1998. The 2010 Mining Act re-enacted, with substantial amendments, the laws relating to prospecting for minerals, mining, processing and dealing in minerals, granting, renewal and termination of mineral rights, payment of royalties, fees and other charges. The Mining Act 2010 increased the tenure of a prospecting license to a total of 9 years. Under the previous statute the maximum period for a prospecting license was 7 years.



UGANDA

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The firm has been consistently and internationally recognised 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 is fresh water. Its population is approximately 34 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.

Inflation Rate

29%.

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, stabilizing the economy and stimulating growth.

The Government's strategy with respect to macroeconomic policy is to modernize 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 or 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 liberalized foreign exchange regime with no restrictions on the movement of capital in and out of the country.

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 majority 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

- Proposed name and place of business. The offices of their advocates can act as the initial place of business 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 two;
- description of the primary or principal objectives of the company. This is important as a company cannot engage in any business that is outside the scope of its Memorandum of Association;
- the share capital of the company and the capital contribution of each member to the company. Official registration fees are set at 0.5% of the nominal share capital. Normally we recommend that the initial share capital is only 1 000 000 Ugandan Shillings ("Ushs") (about USD 600) as this significantly reduces the cost of incorporation since stamp duty is minimized. The share capital can be increased as and when the requirement arises;
- the names of at least two directors. Other directors can be appointed after incorporation by company resolution.

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 consists of:

- certified copies of the 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 from the head office of the company confirming that the company is registered in the home country;
- the names and postal addresses of someone resident in Uganda authorized to accept 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.

Taxation

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 sale and purchase of land, goods and services.

Income Tax

Income tax is payable by individuals. It 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 Ushs1 560 000.

Different tax rates apply depending on whether the individual is a resident or non- resident of Uganda for tax purposes.

Income Tax Annual Rates for Residents

| | Taxable Income (Ushs per annum) | Rate (%) |
|----|---------------------------------|----------|
| 1. | 0– 1 560 000 | 0 |
| 2. | 1 560 001– 2 820 000 | 10 |
| 3. | 2 820 001– 4 920 000 | 20 |
| 4. | Over 4 920 001 | 30 |

Income Tax Annual Rates for Non- Residents

| | Taxable Income (Ushs per annum) | Rate (%) |
|----|---------------------------------|----------|
| 1. | 0– 2 820 000 | 10 |
| 2. | 2 820 001– 4 920 000 | 20 |
| 3. | Over 4 920 001 | 30 |

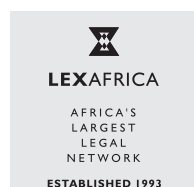
Pay as You Earn (PAYE) Tax and Taxation of Employment Benefits

PAYE is not a separate tax but 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 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 venture in the nature of trade is taxable under special rules applicable to business entities.

The income of all companies accruing or



derived from Uganda is taxable. The sources of 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.

Income Tax Rate

| | |
|--|--------|
| 1. Resident and Non Resident Companies | 30% |
| 2. Branch tax | 30% |
| 3. Branch profit remittance tax | 15% |
| 4. Capital gains tax | 30% |
| 5. Mining Companies | 25-45% |

Taxation of Partnerships

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.

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 tax year. A trust is exempt from income tax where its income is paid directly to the beneficiary without passing through the hands of the trustee or where a share or part of the trust's income accrues or arises for the benefit of the beneficiary.

Value Added Tax (VAT)

VAT is a consumer expenditure tax payable by individuals and firms. The business sales turnover threshold for VAT is Ushs 50 000 000 (approx. USD 28 000) per year or Ushs 12 500 000 (approx. USD 5 700) per three consecutive months. Individuals and firms whose business sales turnover is below these thresholds are exempt from VAT. VAT is payable irrespective of whether the business is profitable or not. VAT registration for individuals and firms with business sales turnover of above these thresholds must register with the URA for VAT. All professionals are also required to be registered for VAT regardless of their turnover of taxable goods or services.

A person who has registered for VAT can charge VAT as an output tax at a rate of 18%. When a VAT payer buys goods and services, he pays VAT as an input Tax. When the output tax (what a person registered for VAT pays) exceeds the input tax (what he charges customers as VAT), a refund of the difference can be claimed from the URA. When the input tax is greater than the output tax, the difference is payable to the URA within 15 days after the end of the month in which the transaction took place.

Stamp Duty

Stamp duty is an indirect tax levied on a number of legal documents and certain agreements.

Taxation of Rental Income

Rental income of an individual is separated from other income and is taxed at a rate of 20% of the gross rental income in excess of Ushs 1 560 000 per year.

Withholding Tax

Dividends and interest are subject to a withholding tax of 15% for both residents and non-residents. However there is an

exemption for 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. A 6% withholding tax is levied on any payment to a person in Uganda from the Government, a Government institution, a local authority, any company controlled by the Government or any person designated in a notice issued by the Minister of Finance if such payment in aggregate exceeds Ushs 1 000 000 and relates to the supply of any goods or any service. The Minister for Finance may exempt companies from paying this withholding tax.

Non-residents are also subject to a 15% withholding tax on royalties, management fees, entertainers and sports personal income, natural resource payments and equipment leases on income earned from Uganda.

Key Industry Sectors

The following is an outline of investment opportunities in some of the key areas:

- Uganda has a burgeoning oil sector. The first real deposit was confirmed in 2006 and there are now 32 wells in the Lake Albertine Graben. Large quantities of natural gas deposits have also been found. The total proven oil reserves are well over 6 billion barrels supporting production of 100 000 barrels of oil per day for over 20 years. This also provides opportunities for ancillary industries;
- floriculture gives the most attractive return on investment in agriculture in Uganda (30-40%) but requires high investment;
- Uganda's energy consumption is still greater than its production resulting in many areas having insufficient power;
- Uganda has many inadequately explored mining opportunities. Minerals such as limestone for cement, gold, tin and 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;
- a number of investment opportunities exist in the textile sector. These include growing cotton for export, establishing ginneries, supplying inputs to farmers and producing edible oil from cotton;
- given the rate at which the Ugandan population is increasing, there is need for affordable housing. Opportunities are available in the construction industry and include the supply of low cost housing in the urban and semi-urban areas, housing and mortgage finance, construction equipment and building materials;
- food and beverage sector opportunities are available mainly in the utilization of local agricultural raw materials to manufacture agro-processed products with export potential. Additional opportunities exist for supporting industries to the sector for example in packaging, value added processing and cold storage at export points;
- there are opportunities in the education sector especially at post primary level including secondary education, technical and vocational education, developing computer skills and managerial skills training;
- 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 enormous 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 specialized training institutions.

Intellectual Property

Protection of patents, certain trademarks, design and copyrights is provided for by statute. Uganda has signed 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 Ugandan 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, Preferential Trade Area, East African Community and the Commission for East African Co-operation, which comprises Kenya, Uganda and Tanzania. Uganda has, in addition to double tax agreements, signed bilateral trade and investment promotion agreements with the United Kingdom, Italy, Kenya, Tanzania, South Africa, Egypt, India, China, Germany, the Netherlands and several other countries.

Telecommunications

There are currently eight mobile operators in the country including Uganda Telecom Limited (UTL), Mobile Telephone Network Uganda (MTN Uganda), Warid Telecom, 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. Local labour is plentiful and unions are not influential although collective bargaining agreements are in force for some companies.

ZAMBIA

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Country Information

Zambia has a population of 12,5 million (2008). Lusaka is the capital city. Other cities include Kitwe, Ndola and Livingstone.

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 and chooses his cabinet from parliament. All laws are subject to the Constitution which contains all the basic freedoms of a modern democracy.

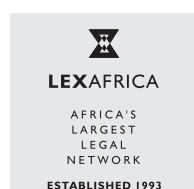
Investment Climate

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 have been abolished.

Investment opportunities exist due to the privatisation of textile mills, collieries, services, and fertiliser and chemicals manufacturing. Zambia also has opportunities for investment in the 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 (14 countries) as well as the Common Market for Eastern and Southern Africa (COMESA) with twenty members, offers preferential tariff access to a total market potential of nearly 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

tradable commodities. Zambia has 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 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 telecentres, particularly in rural areas.

Forms of Business

The following forms of enterprise can 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 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). Generally, starting 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 VAT registration form with ZRA to obtain a VAT tax number;
- register with 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.

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.

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% (a windfall tax was abolished with effect from 1 April 2009 but a variable tax remains). Banks and electronic communication businesses pay tax at 35% for the first 250 million Kwacha and 40% above 250 million Kwacha.

Dividends, interest, royalties, management fees, consulting fees, commissions and rental income are subject to withholding tax at 15%. There is no capital gains tax, estate duty or donations tax in Zambia.

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, Sweden, Switzerland, Tanzania, Uganda and the United Kingdom.

Import/Export

Zambia's main export commodities include cobalt, compressor lubricants, copper, cotton, cut 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 legal system which is almost completely based on English law, including its principles of common law and equity.

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 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 of the 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 have been enacted in the past decade including the abolition of foreign exchange controls, the deregulation of interest and foreign exchange rates, removal of price controls and consumer subsidies, reform of land tenure, reduction of tariffs, privatization programme for many state-owned enterprises and the strengthening of financial markets 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 21 000km of main, trunk and district roads, 16 000km of urban and feeder roads, and 30 000km 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.

The key rail lines are 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.

The country's major international airport is in Lusaka and this is serviced regularly by a number of international airlines. A local airline services regional routes in central and southern Africa and domestic charter companies support air travel within Zambia.

Energy

Power is supplied from the Kariba and the Kafue hydro-electric power stations. The total installed capacity is 6000MW and there is scope for considerable expansion. There are thermal stations in rural areas.

Telecommunications

Domestic and international telecommunications infrastructure is well established. Telecommunications are controlled 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.

Information and Communications Technology

Investments in this sector have increased since the Government launched its information and communications technology (ICT) policy in 2007. More investments are expected in the sector when the 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.

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.

Agriculture

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.

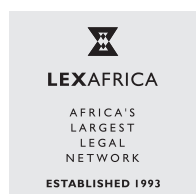
Zambia has prime livestock breeding areas with about ten million hectares of land available for ranching. It also has rich forestry reserves consisting of pine and eucalyptus. Commercial fish production is about 70 000 tonnes per year.

Trade and Investment

The Government of Zambia encourages foreign investment through the Zambia Development Agency (ZDA). The ZDA board screens all investments for which incentives are requested and usually makes its decision within 30 days.

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 Childrens Act and the Factories Act govern labour relations in Zambia.



ZIMBABWE

SCANLEN AND HOLDERNESS LEGAL PRACTITIONERS

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Country Information

Zimbabwe is a landlocked country spanning 390 757 square kilometres. It has a population of approximately 11.4 million people and more than 60% of the population is based in rural areas.

Economic Indicators

The gross domestic product (GDP) for 2011 was US\$10.07 billion and is forecast to rise to US\$ 11.9 billion in 2012.

Inflation Rate

Year on year inflation as at October 2011 was 4.2%.

Investment Climate

Zimbabwe is actively trying to attract foreign direct investment as the country emerges from more than ten years of rapid economic decline. It has established a ministry responsible for promoting economic investment and the reintegration of the economy in the global market. Investment opportunities are opening up with the privatization of all 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. Investors must however take note of the indigenisation laws which seek to promote the participation of indigenous persons in the economy.

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. Listed public companies are in addition regulated by rules of the Zimbabwe Stock Exchange. There is a central registry of companies in Harare and a branch registry in Bulawayo. Most entrepreneurs avoid the registration process 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 currencies of other countries. Dividend remittances in respect of projects approved by the Zimbabwe Investment Centre are allowed at 100% of current after-tax revenue profits. Capital is blocked and may be remitted through 20 year government bonds. Capital is paid in 10 equal annual instalments at the end of years 11 to 20. Interest is 4% per annum, tax free and payable half yearly.

Taxation

The corporate tax rate is 25% plus a 3% aids levy. A levy of 5% is imposed on the net financial profits of registered banking institutions.

Value added tax (VAT) of 15% is chargeable 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, the United Kingdom and Yugoslavia.

Import/Export

Import controls exist. Zimbabwe is a member of the General Agreement on Tariffs and Trade (GATT). Government has removed duty on imports, 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.

Monetary Policy

Zimbabwe suspended the use of the local currency 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 with the main ones being the United States dollar and the South African rand. The move has stabilized the economic environment and reduced inflation to single digit figures.

Legal System

The legal system is based on the Roman-Dutch common law as modified by statute. The highest court in the land is the Supreme Court followed by the High Court and then the Magistrate's Court. There are also specialised courts like the Administrative Court and Labour Court.

Intellectual Property

Protection is provided by the Patents 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.

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 has committed over \$33 million towards these developments. Government is actively seeking private partners in these areas. Government has also committed over \$252 million towards supporting the agricultural sector.

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.

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 Government. Government is working on upgrading the infrastructure by dualising roads and reviving and upgrading the rail network. Private sector partners are being sought to partner the Government in these areas.

Water

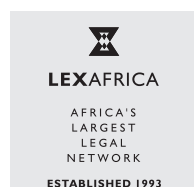
Government is investing significant sums to support local authorities in the provision of water supplies. Government recently decentralized water services to local authorities having shortly experimented with centralizing it via the creation of a national water authority. Water supplies are erratic in most cities and towns and many people resort to borehole water supply for domestic and commercial purposes.

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.

Telecommunications

Government has committed over \$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.



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.

Trade and Industry

The main trading partner remains South Africa. The industrial sector remains depressed due to scarcity of capital on the local market and the absence of foreign direct investment and lines of credit from external sources. A ministry specifically responsible for trade and industry was established by Government to revive the sector.

Information and Communications Technology

A ministry focusing specifically on this aspect was recently established and a new law governing information and communications technology is being discussed in parliament. The government has already started investing in the creation of fibre optic networks but the levels of investments remain very low. Private sector players are required to complement Government efforts.

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.

Agriculture

The country has not yet realized the benefits of the land reform program with productivity still very low despite significant investment by government.

Trade and Investment

Government has set up several corporations to promote investment in industry. The small 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.

Significant Country Issues for Investors to Consider

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 major negative factor has been the political environment. Even though this has not completely stabilised, there are encouraging signs with the establishment of the Government of National Unity. The country's indigenisation policies (requiring 51% indigenous ownership) must also be taken into account.