

Doing Business in Senegal



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Dakar

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APIX
S.A.

Doing Business in Senegal

British Embassy Dakar

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Editorial by His Excellency Mr John Marshall, British Ambassador to Senegal

Welcome to Senegal!

Through this brochure we hope to offer you an introduction to doing business in Senegal, whether you have just stepped off the plane or you are reading this at home.

The UK Government is keen to get British businesses, large and small, to look beyond the markets with which they are already familiar and to look for new business and opportunities elsewhere. I have a particular interest in encouraging you to look at Senegal, a stable, democratic country with a new President committed to good governance, transparency and improving the business environment.

There is still a strong French business presence here. But the Senegalese are a very open and welcoming people and companies from many other countries in Europe, North America, Africa and Asia are doing well in Senegal. There is a small but growing British presence too, with significant investments in the agriculture, mining, energy, manufacturing and services sectors.

Language doesn't need to be an issue. Some companies employ francophone reps, others recruit good quality English-speaking staff in Senegal to help develop their business.

And there are plenty of organisations ready to offer advice. APIX, Senegal's Investment Promotion Agency, with whom we have worked on this brochure, offer a one stop shop and can help companies set up an office in just 24 hours. There are plenty of English-speaking firms able to offer advice on the legal, tax and financial frameworks that exist in Senegal and the West African region.

At the Embassy our door is always open. We are a small team, but whether you're looking for advice, support or just want to let us know that you're here we'd love to see you.

I hope you find this brochure useful. If you have any comments or suggestions on how it could be further improved we would be happy to consider them for future editions.



A handwritten signature in dark ink, which appears to be 'J. Marshall', written in a cursive style.

John Marshall

Chapter 1:

Overview

Senegal offers a competitive destination for investments in Africa, thanks to its political stability, strategic geographical position, access to the sub-regional market and improving infrastructure. Many international organisations, businesses and NGOs have made Dakar, its capital, their base for operations across the West African region.

I.1. Senegal in figures (2011 Reference)

Source : Ministry of Finance and the Economy, National Statistics and Demography Agency, Forecasts and Economic Studies Directorate

General information

Capital	Dakar
Major cities	Dakar, Thiès, Saint Louis, Touba, Mbour, Richard Toll, Ziguinchor
Institutional system	Semi-presidential system
Surface area	196 722 km ²
Position	14 00 N, 14 00 W
Climate	Tropical
Time zone	GMT
Official language	French
National language	Wolof
Area code	221
Internet Extension	.sn

Demography

Population (in millions of inhabitants)	12.86
HDI	0.464
Population (in millions of inhabitants)	4.538
Life expectancy (in years)	60.18
Growth rate	2.5% (3.7%in 2012)
Urbanization rate	42%

I.2 Location

Senegal, situated in the westernmost part of the African continent, with a coastline of 700 km, has for centuries been one of the continent's trade gateways. Senegal is a member of the Economic Community of West African States (ECOWAS), a sub-regional space with close to 300 million consumers. Its geographical position makes it a point of access to Mali and other countries in the sub-region, and a hub for trade between Africa, Europe and America.

Senegal is 5 hours away from Europe, 7 hours from the United States and 9 hours from Asia by air. Dakar, is at the crossroads of several maritime routes and has a real comparative advantage for freight. The journey from Dakar to Europe takes less than 6 days while it takes a week to get to the United States.

I.3. Geography and climate

The country has a Sudano-Sahelian type climate, with a dry season from November to May and a humid rainy season from June to October. Annual average rainfall varies from 1200mm in the South to 300mm in the North.

Senegal has four large rivers and their tributaries, in addition to a few temporary water sources. They are estimated at 35 billion m³ of renewable surface water and 4 billion m³ of underground water. The construction of the large dams of Diama and Manantali, which Senegal shares with Mauritania and Mali through the Organisation for the Development of the River Senegal (OMVS), contributes to water resource management and hence to the development of agriculture, livestock production, the supply of drinking water and energy.

I.4 Institutions and political life

Senegal is a former French colony which achieved independence in 1960. Its political system is governed by the Constitution of 2001, revised in 2009, which provides for the separation of powers between the Executive, Legislature and the Judiciary.

- Executive Power is exercised by the President of the Republic, elected by universal suffrage on the basis of a two-round system. He appoints a Prime Minister who leads and coordinates government action.
- The country has a single-chamber Parliament with 150 members elected for a five-year mandate.



- The Judiciary is the guardian of rights and freedoms defined by the Constitution and the law. It comprises the Constitutional Court, the Supreme Court, the Court of Auditors, other Courts and Tribunals.

Senegal is among the most stable countries in Africa, its reputation for democracy enhanced by the peaceful election, in March 2012, of a new President, Macky Sall.

Freedom of expression exists in Senegal where there is a dynamic and independent private press developing alongside the State media.

I.5. Framework of agreements between Senegal and Great Britain

Senegal and the United Kingdom concluded an Investment Promotion and Protection Agreement IPPA in 1980. In 2012, the UK Minister for Africa signed a Memorandum of Understanding on Trade and Investment between both governments. The two countries started negotiations in 2012 with a view to concluding a Double Taxation Agreement (DTA). An agreement has been reached and is expected to enter into force before the end of 2013.

I.6. Banking and financial system

Senegal is a member of the West African Economic and Monetary Union (French acronym UEMOA), whose 8 Member States share a common currency. The CFA Franc is pegged to the euro, at a fixed exchange rate of 1 euro for 655.957 CFA franc. The Central Bank of West African States (BCEAO), headquartered in Dakar, defines and implements monetary policy within the UEMOA region.

Financial arrangements of UEMOA

The liberalisation of current transactions (suppression of the limits fixed in the allocation of foreign exchange to travellers; broadening the notion of repatriation of the proceeds of export earnings and suppression of the repatriation obligation for intra-UEMOA exports; extension of foreign ships' handling receipts; increasing the prescribed amounts concerning transfers, the domiciliation of import and export transactions).

- The progressive liberalisation of capital operations (investments and loans, securities transactions, including option contracts as well as the placement of funds). In essence, capital inflows into UEMOA are unrestricted, with the exception of gold imports. Outflows of capital for the purpose of loan repayments, the liquidation of foreign investments and option contract purchases are also unrestricted.

Many international bank branches (Citigroup, BNP Paribas, Société Générale, AttijariWafaBank, Ecobank, International Commercial Bank....) are established in Senegal with a network of agencies throughout the country. They all offer modern means of payment and the management of on-line accounts. Senegal is also trying to position itself as the bridgehead for Islamic Finance in the West African region.

In 2010, the financial services sector generated a global added value of 195.5 billion CFA, contributing 0.2% to economic growth and other key contributors to growth in 2010 included after post and telecommunications (+0.8%), industrial or export agriculture (+0.6%) and business services (+0.3%).

Testimony:

A British investor on the choice to establish in Senegal Dawnus International Ltd

What is the nature of your business in Senegal?

Dawnus Construction was formed in 2001 and carries out civil engineering and building works. We deliver a broad range of contracts in the civil engineering sector including road and bridge construction, rail infrastructure, mine infrastructure, power, quarrying and marine works. Our building experience includes schools, offices, retail, leisure and health sector projects.

Based in the UK, we expanded our operations into Africa in early 2010. We have since delivered highly successful major civil engineering contracts both in Senegal and Sierra Leone and our ambition is to secure further contracts in these counties and to expand into new areas of Africa. We invest heavily in our own plant and machinery and currently own over \$50m of equipment. This allows us to control the plant we use on site, creates greater flexibility, increases response time and our capability to deliver plant-intensive projects.

The nature of our business in Senegal is to construct any form of Civil engineering works, including;

- Infrastructure
- Roads and Highways
- Earthworks
- Buildings
- Pipelines
- Steelwork and mechanical installation

Dawnus International is currently performing their 2nd and 3rd contract in Senegal for Grande Cote Operations. Two of the contracts have been in Diogo approximately 100km North of Dakar and involves the construction of the infrastructure for a Mine infrastructure and Processing plant. The third contract is in the Port, again for Grande Cote operations, and involves the erection and installation of workshops and machinery.

How long have you been here and what first made you look at Senegal as a place to invest/work?

We have been involved in Senegal since August 2011, and our first contract started in January 2012. Senegal first came to our attention from a business contact who had worked with Dawnus on a previous contract in Sierra Leone.

Was it easy to get established? What challenges did you face and how did you address them?

It has been relatively easy for us to become established. The following are what we perceive to be the main challenges;

- Language. Dawnus are an English speaking contractor. We overcame the language barrier by employing people who are proficient in speaking both French and English.
- Culture. Adopting the Senegal and French way of doing business has been a learning curve. We had to listen and learn and adapt our working and personal behaviour to the local culture.
- Local laws and tax rules. We have been careful to take good advice, using people within the country to help make sure that we are complying with all statutory requirements.

Now that you have been in Senegal a while what would you say are the attractions of doing business in Senegal?

We believe Senegal is a country that is looking at itself with a view to attracting investors. The level of skilled people available in Senegal is considerably higher than many other African countries, and this along with the professionalism of most people we work with is a testament to the country.

And what changes would you like to see to further improve the business environment?

Senegal is a French speaking country that essentially operates under French law. Most professional people in Senegal understand and use English when it is required. If tenders could be issued in both English and French languages then this would help us and others look more closely at investing in Senegal.

Further investment in infrastructure within Dakar and the rest of the country would also aid the business environment.

What advice would you have for anyone looking at Senegal for the first time?

We would advise anyone looking at Senegal for the first time, to get prior advice on the Tax and Employment laws within the country, as these can be very complicated and onerous when first looked at. Once these are understood managing them becomes easier.

The rules and procedures for importing and exporting Equipment and Materials can be very complicated and protracted, so again we recommend that advice from within the country is taken.



Chapter 2:

Business environment

Senegal's development strategy emphasises three pillars, namely, the promotion of high-growth sectors, accelerating the upgrading of infrastructure and improving the business environment.

II.1. Senegal's economic landscape

II.1.1. Structure of the economy

Senegal's economy has, since independence in 1960, changed from an essentially agricultural production to a structure dominated by services. The primary sector occupies 14.9% of the activity, compared to 20.8% for the secondary sector and 64.2% for the tertiary sector.

About 70% of the Senegalese population work in the agricultural sector. However, the share of the primary sector in GDP has steadily decreased due to a fall in productivity, decreasing rainfall and a decline in groundnut production, the country's main cash crop. The secondary sector has been boosted by the construction of buildings and road infrastructure. Telecommunications have contributed hugely to the growth of the tertiary sector as a result of the emergence of the digital economy.

Although not considered to be resource rich, Senegal earns money from phosphates and gold as well as fisheries and tourism. However, the overexploitation of fisheries resources has had a negative impact on fish stocks. As a result President Macky Sall officially declared a « repos biologique » for 2013 to allow marine resources to recover

II.1.2. Economic trends in 2012

The economic situation in Senegal in 2011 and early 2012 was characterised by a series of negative factors linked to drought, shortfalls in electricity production as well as the effects of social unrest in the pre-electoral period. This led to a wait-and-see attitude among some businessmen. Political instability in neighbouring Mali and Guinea-Bissau also affected trade and the activities of some transport service providers.

However, Senegal recorded growth of 3.7% in 2012 as opposed to 2.6% in 2011. This was largely due to an increase in agricultural productivity but the emergency measures put in place in the electricity sector, successful elections and steps taken by the new authorities to introduce good governance and transparency and improve the business environment will all have helped.

II.1.3. Perspectives for 2013

In the course of 2013, economic growth, driven by the tertiary and secondary sectors, is expected to reach 4.3%. Additional growth is expected from the extractive industries and the energy and construction and civil engineering sectors. The continuation of some major State projects notably the Toll Motorway and the new Blaise Diagne International Airport should contribute significantly to growth. Agricultural production is forecast to contribute 0.8 point to growth in 2013.

The achievement of macroeconomic targets will depend on the ability of the Senegalese government to accelerate the structural reforms likely to contribute to increasing the global competitiveness of the economy. To that end, the authorities decided to place the following policies among their key priorities:

- implement the strategy for the promotion of industrial clusters in key sectors, namely agriculture and agribusiness, information and communication technologies, tourism, creative industries, textiles, fisheries and aquaculture, which generate more growth and employment;
- maintain the momentum for the reform of the energy sector, in view of the vital nature of this sector for economic growth. The Government aims to reduce the burden of subsidies for electricity consumption on public finance and restore the financial viability of the National Electricity Company (SENELEC) ;
- pursue efforts to establish an international class business environment ;
- accelerate the adoption of a medium-term debt strategy with a view to keeping debt repayments at sustainable levels ;
- strengthen implementation of provisions on residence and repatriation of export earnings as well as the opening of foreign exchange accounts, in order to strengthen the level of foreign exchange reserves.

II.2 Macroeconomic indicators

Source : Ministry of Finance, DPEE, ANSD

Base year: 2011

Macro – Economy

GDP (in millions £)	8994,6
Breakdown of GDP (2011)	Primary sector 13.8%
	Secondary sector 22%
	Tertiary sector 64.2%
Inflation rate	3,4%
Volume of private investments (in millions £)	1439,1
Investment rate	27,3%

Trade

Volume of goods and services exports (in millions £)	1502,7
Volume of goods and services imports (in millions £)	3357,3
Major suppliers Share in imports	France 18%
	Thailand 4%
	Turkey 4%
	United Kingdom 3%
Major customers Share in exports	Mali 16%
	India 15%
	Switzerland 9%
	Guinea 5%
	France 5%
	United Kingdom 1,5%
Main imported products	Crude petroleum oils, refined petroleum, machinery and equipment, Rice, wheat, dairy products, oils and animal and vegetable fats
Main exported products	Fresh saltwater fish, crustaceans and molluscs, phosphoric acid, petroleum products, groundnut products, cement, gold, cotton

Foreign Direct Investments

Volume FDI (in millions £)	188,7
Key sectors	Energy, Agriculture, Industry, Tourism, Mines, Education
Key investments	Europe, China, Brazil, India, Arab countries

Trade between Senegal and Great Britain

Volume of goods and services exports to the UK (in millions £)	23.94
Volume of goods and services imports from the UK (in millions £)	
Main imported products	Mineral fuels, mineral oil 85.9%
	Motor cars, cycles, tractors 3,7%
	Machines, nuclear reactors, boilers, machinery and appliances 3.9%
	electrical appliances and equipment 1.7%
Main exported products	Fruit and vegetables 25%
	Salt, sulphur, earths and stone, plastering materials, lime and cement 14%
	Oilseeds and oleaginous fruits 13%
	Miscellaneous edible preparations 8%
	Cereals 7%
	Vehicles, tractors 5%

II.3 Foreign Direct Investment

Implementation of different investment promotion strategies and business environment reform programmes in Senegal led to an increase in FDI flows, despite the exogenous shocks.

On an average annual basis, FDI grew from £130.8 million between 2002 and 2006 to £ 219.7 million between 2007 and 2012, i.e. an increase of over 65%. FDI accounted for 19% of private investments before dwindling to 13% due to the effects of the 2008 economic and financial crises.

The increase in the volume of FDI primarily resulted from the privatisation programme initiated in the 1980s. From that time, the Government of Senegal partially or totally withdrew its shares in national companies, most of which provided public services (telecommunications, water supply, refinery). In the telecommunications sector, for example, the end of State monopoly led to the sale of shares owned by the national private operator to the French firm, France TELECOM, and the opening of the market to competition in the 2000s. More recently, the increase in FDI was stimulated by projects like the recapitalization of the Industries Chimiques du Senegal, infrastructure programmes and new hotel chains. The establishment of these hotels was boosted by investments in the Tourism sector with the preparation of the 11th session of the Organisation of Islamic Conference, held in Dakar in 2008.

Between 2005 and 2011, the adoption of more competitive incentives and simpler administrative procedures, encouraged new investors and existing investors to expand their activities. In addition to traditional partners, notably France, other investors from China, Brazil, India and Arab countries have invested in the energy, agriculture and industry sectors.

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
FDI inflows (in billions of CFAF)	65	71	86	96	184	188	221	169	144	143	146,7
Share of FDI in private investment	9%	11%	12%	12%	19%	18%	18%	17%	14%	13%	13%

Chart on FDI trends between 2002 and 2012



II.4. Assessed Performance Levels

II.4.1. Ratings of Senegal

Healthy public finance management

- First West African country to be rated « B+ / stable / B » by the rating agency Standard & Poors.
- In its last rating, Standard & Poors assigned a rating of B+/BB- to the sovereign debt of Senegal. However, the new Government is hoping tighter budget discipline and more efficient public finance management will lead to an upgrade.

Low country-investment risk:

- Moody's have given Senegal a B1 rating for sovereign debt in foreign exchange and local currency. The advantages of Senegal lie in its relative macroeconomic stability, a potentially unlimited access to foreign exchange due to its membership of the West African Economic and Monetary Union (WAEMU), moderate (albeit growing) debt support of the international financial community and a relatively stable political situation.

Business quality and practice

- Although ranked 166th in the 2013 Doing Business Report Senegal was ranked 5th world reformer and 1st reformer in Africa in the 2009 Doing Business Report and 2nd

business destination within WAEMU in the 2011 Report. The country has been listed among the top 17 reformers for the past 5 years.

- According to the 2011 Ernest and Young Report « *It's Time for Africa* », Senegal is among the 17 African countries that can benefit from an uptrend in FDI in the next five years, due to the increasing attractiveness of Sub-Saharan Africa.

II.4.2. Performance compared to other UEMOA countries

Senegal is the second economy of the West African Economic and Monetary Union (UEMOA), after the Cote d'Ivoire. It is among the countries that comply with at least 60% of UEMOA's convergence criteria, containing its inflation rate at an average of 3 % and bringing its public deficit under control.

While Senegal, in 166th place, lies far behind countries such as Ghana (in 64th place) or Kenya (121th) in the 2013 Doing Business ranking it is the top scoring country in Africa with regard to the period required to set up a company. Indeed, the investor, regardless of nationality, can now set up a business in just 24 hours.

Foreign trade formalities are completed in 8 days, which is less than the average in OECD countries. This improvement in cross-border trade has come about as a result of the introduction of a new on-line customs clearance procedure in February 2012. This makes it possible for private businessmen to carry out the necessary import-export administrative formalities from their workplace.

II.5 Reform policy

To encourage national and foreign private investment, Senegal has undertaken an extensive reform program. A Presidential Investors' Council (CP1) was set up in 2002 as an ideal framework for identifying obstacles to the development of private investment and constraints to the country's competitiveness. This advisory body has become one of the most dynamic frameworks for Public-Private Partnerships and has enabled the Government and Public Administration to carry out many reforms that have significantly improved the competitiveness of companies and the Senegalese economy in general.

II.5.1. Key Elements of Senegal's reform programme

Year	Reforms	Impact
2004	Improving the investment incentive mechanism > Modification of the Investment Code, > Modification of the Law on FEC	> Development of highly-labour intensive sectors (ICT and on-line services) linked to the extension of the scope of eligibility of FEC (Free Export Companies)
2004	Adoption of the BOT Law and the law establishing the Board of infrastructure	> Development of PPP infrastructure projects by setting up a legal framework
2005	Adoption of the law on the modernization of administrative procedures applicable to investments	> Supervision of administrations to obtain fixed deadlines and definitive and reasoned responses > Swiftness in the implementation of private investments programmes
2006	Reduction of the Corporate Tax rate to 25%*	> Reduction of tax pressure on businesses > Improvement of tax competitiveness
2007	Setting up a company within 48h with the establishment of the Business Startup Support Office (BCE)**	> Simplification of administrative formalities > Increase in the annual average number of companies set up
2008	Adoption of 37 Labour Code implementing orders	> Updating the legislative and regulatory framework of social legislation > Using the provisions provided for by the labour law
2010	Non-stop operation of Dakar Port Authority services	> Improved competitiveness of Dakar Port
2010	Interconnection ORBUS, Gaïndé and CORUS systems for on-line customs clearance formalities at the Dakar Port	> Facilitation of customs clearance procedures > Reduction of time allowed for imports and exports
2011	Creation of specialized commercial chambers	> Reduction of time required to handle commercial disputes
2011	Adoption of the financial leasing act	> Facilitation of financing

* In 2013 the Corporate Tax was increased to 30%.

** Since 1 January 2013, it now takes just 24 hours to startup a company at the Business Startup Support Office (BCE)

II.5.2. Challenges and opportunities

If Senegal is to develop it needs to take steps to further improve the business environment and set up a services based administration.

For example, Senegal today also aims to simplify administrative procedures by launching an on-line process for obtaining a building permit; moving to an on-line declaration or the payment of duties and taxes; and starting the automation of the business start-up procedure.

II.5.3. Actions against corruption

Corruption is one of the first barriers to the promotion of investment in general and foreign investment in particular.

To fight against corruption, Senegal established and is still implementing both a national and international regulatory framework.

At the national stage Senegal has established many acts including:

- Act of 1981 establishing the Court of repression of illicit enrichment (CREI). Following its creation this Court was not operational. It was revived following the Presidential elections in March 2012. Its main mission is to suppress illicit enrichment related to;
- Act N° 2003-35 of 24 November 2003 establishing a National Commission to fight against the lack of transparency, corruption and bribery;
- Charter Of Transparency And Integrity In Public Procurement.

At the international level, Senegal has signed and ratified several international instruments to fight against corruption and non-transparency including :

- Act n° 2003-17 dated July 18th 2003 authorizing the President to ratify the United Nations Convention against Transnational Organized crime signed in Palermo, Italia, December 2000
- Act n° 2007-09 dated February 15th 2007 authorizing the President to ratify the African Union Convention preventing and fighting against corruption and non-transparency adopted on July 11th 2003 in Maputo

II.6 Upgrading the infrastructure

II.6.1 Road Infrastructure

The State, with the support of Development Partners (World Bank, ADB, European Union, Millennium Challenge Account), has made the road sector a priority in its effort to support sub-regional integration. Major transport corridors (Dakar-Bamako, Dakar-Conakry, Dakar-Tangiers etc.) are planned.

Further investments aim to improve the mobility and safety of persons and goods, and to encourage the creation of new economic poles towards the east of the country. The Toll Motorway linking Dakar to Diamniadio, will greatly improve urban mobility in and to the capital.

II.6.2. Airport Infrastructure

Senegal has 3 international airports: Dakar, Saint Louis and Ziguinchor. Dakar's ageing Leopold Sedar Senghor International Airport should be replaced in 2015 by a new airport, situated 47km from Dakar with an annual capacity of 3 million passengers.

Dakar is an air transport hub between America, Europe, Asia and Africa. There are regular direct flights to Paris, Brussels, Dubai, South Africa, the US and other destinations. Since 2011, Senegal Airlines, the national airline, offers regular flights to the south of the country and from Dakar to fourteen African destinations.

II.6.3. Port Infrastructure

The Port of Dakar is well situated to handle trade between Europe, Africa and the Americas and between West and Southern Africa. It has a well-protected deep-water harbour and receives and stores all types of goods (bulk, dry and refrigerated, hydrocarbons...) coming into and going out of the country.



Recent investments to modernise the port include the construction of a new Container Terminal. There are also plans to start work in 2013 on a new terminal called « Port of the future » - that should enable Dakar to attain a capacity of 1.5 million containers EVP (Twenty-Foot-Equivalent-Units).

CHARACTERISTICS OF THE DAKAR PORT AUTHORITY

- Non-stop operation.
- A range of professional services and latest generation infrastructure to help optimise stopover, transit and transshipment conditions.
- Gaining two to three days in navigation time for ships from the North compared to other ports of the West African Coast.
- A stable and well protected harbour and an access channel perfectly buoyed and constantly dredged,
- A water body of 177 hectares with depths of between 10 and 13m.

- A new container terminal: 8 hectares of additional open areas with wharfs deepened to 13.50m; equipment of the cargo-handling terminal (wharf and yard gantry cranes).
- A ship repair workshop, which is one of the biggest shipyards in West Africa.
- A 10ha fishing port.

II.6.4. Telecommunications infrastructure

A first-class communication infrastructure

Senegal is the leading West African country in terms of growth, penetration and quality of telecom services (Source: the International Telecommunications Union – ITU).

- Fully digitalized high-speed network throughout the country offering a range of varied products (ADSL, Frame Relay, RNIS, VSAT etc.)
- International bandwidth 12.4 Gb/s available (September 2012)
- Satellite telecommunications centre directed to the 355.5°Intelsat satellite
- Hub offering VSAT services directed to the Intelsat 328.5° satellite
- Fully digitalized telecommunications network with a fibre optic loop of about 6000 kilometres
- National IP network and dedicated links of 64 Kbps to 2 Mbps
- Generalization of systems to 2.5 Gb on all links since 2007
- High-speed internet in all departmental capitals (ADSL) since 2008
- Complete GSM and CDMA coverage

At the crossroads of high-speed intercontinental networks

Atlantis 2: 20 Gbit/s, connecting Portugal, Spain, Senegal, Cape Verde, Brazil and Argentina

SAT-3/WASC/SAFE: 120 Gbit/s, connecting Europe, Africa and Asia

Africa Coast to Europe (ACE), with an initial capacity of between 160 Gb/s and 200Gb/s and a maximum capacity of 5.12 terabits/s

GLO-1 (Globacom-1), submarine cable of 9 800 km long, along the West African coast, connecting Great Britain to Nigeria, with a maximum capacity of 2.5 terabits/s

Sub-regional connectivity via a fibre optic ground wire of 2.5G bits/s interconnecting Senegal, Mauritania and Mali and extended to Burkina Faso and Côte d'Ivoire

Fibre optic of 2.5G bits/s Kidira-Bamako extended to Burkina Faso and Côte d'Ivoire

Fibre optic land connection of 622Mbps/s linking Senegal to the Gambia with a back up digital beam of 155Mbps/s.

fibre optic connection of 622 Mbps/s Senegal- Guinea Bissau with a back up digital beam of 34 Mbps/s extended to



Expert opinion:

**Diene Farba SARR,
Director General of APIX**

In the current economic context, the improvement of the business environment is a crucial issue for all countries, particularly the developing countries. Today, it undoubtedly constitutes the key for an accelerated and sustained growth.

In the last decade, many countries succeeded in doubling their growth rates essentially as a result of the reforms initiated to improve the investment climate.

This entails envisaging policies and behaviours, in the governments' action programmes, that will provide businesses with the conditions and opportunities that will help them make productive investments, create jobs and develop.

It is for this reason that the Presidential Investors Council (PIC) was set up and consolidated as a framework for consultation and dialogue between the public and private sector, with a view to

identifying obstacles to investment and proposing reforms whose implementation has, since 2002, helped improve Senegal's business environment.

APIX, considered as the gateway for investments in Senegal, strives on a daily basis to protect and promote investments in priority high-growth sectors, on the one hand, and to upgrade the infrastructure, on the other.

A step forward was taken in 2013 with the improvement of the business environment in the regions to promote an inclusive and harmonious development of the country

APIX is the agency in charge on investment promotion and major projects in Senegal. APIX provides businessmen with wide-ranging support that is free and customized all along their investment transactions in Senegal.

With subsidiaries in the main regions of Senegal, APIX has specialized teams dedicated to providing investors with support, services and customized information.

APIX's One-Stop-Shop regroups on a single site, various ISO 9001 certified services to investors: business start-up in 24h, facilitation of administrative and land procedures and obtaining investment incentives and customs exemptions.

Within its mandate to support investors, APIX has embarked on the constant improvement of the business environment, by contributing significantly to the formulation of economic policies and regulations on investments, and the upgrading of national infrastructure.

website www.investinsenegal.com
infos@apix.sn



Chapter 3:

Establishing a company in Senegal

In the past few years, the procedure for establishing a company in Senegal has been considerably simplified. Since 2007 APIX has essentially offered a one stop shop for investors wishing to establish themselves in Senegal.

The 2013 Doing Business Report ranks Senegal 93rd out of 183 economies with regard to the facilitation of business start-up, ahead of most countries of the sub-region.

Senegal	93
Ghana	104
Mali	115
The Gambia	120
Cameroon	123
Côte d'Ivoire	128
Guinea	170

Source : 2013 Doing Business Report

III.1 Choosing the legal form

Since ratifying the related Treaty in 1994, Senegal joined the organisation for the harmonization of business law in Africa (OHADA) whose texts form the basis of a modernised business law common to countries of the West African Monetary Union (UEMOA) and the Economic Community of Central African States (CEMAC).

The key objective of OHADA is to harmonize business law in member States and to address judicial uncertainty.

The legal forms existing in Senegal are governed by the OHADA Uniform Act relating to commercial companies and Economic Interest Groups.

Subsidiary or Branch

The choice of the structure to be established in Senegal depends on the objectives of the investor and the degree of autonomy of the new structure in relation to the parent company.

The creation of a subsidiary

A subsidiary is defined as a business in which more than



50% of the capital is owned by a parent company which is generally responsible for its administration and control. It may also be owned by several parent companies, which share more than 50% of its capital, and participate in its management.

A subsidiary is a limited company, with its own legal personality, which can take the form of a limited liability company, a public company, a partnership company or a limited partnership company.

The branch option

A branch may be set up by a foreign company or an individual with a foreign nationality. It is an extension of the main company but does not have an independent legal personality or its own assets.

A branch has a lifespan of up to 2 years unless otherwise authorized by the Ministry of Trade.

III.2 Start-up procedure

Once the formal decision is taken to establish in Senegal, a company can count on the assistance of APIX, from the business start-up phase to the commencement of operations. The company can also receive advice from banks, notaries, consultant firms, and specialized lawyers to clarify specific issues.

The period required to start-up a business is 24 hours (from the time the application is submitted until the procedure is finalized and the entrepreneur receives his papers).

III.2.1. One-Stop-Shop, Business Startup Support Office

The setting up of the Business Start-up Support Office (BCE) led to the reduction of the business start-up period in Senegal from 58 days to 24 hours.

The Business Start-up Support Office centralises all the administrations intervening in the legal and administrative procedures for the start-up of businesses: The General Income Tax and Estates Directorate; the Registry; the National Agency of Statistics and Demography; the Labour Inspectorate.

When the entrepreneur or his representative comes to the office with the notarial deeds and other documents required for the start-up, he is given an appointment 24h later to withdraw:

- The Trade Register
- NINEA (national identification of companies and associations) registration notification
- Business start-up statement

The website of the Business Start-up Support Office www.creationentreprise.sn is an information platform which provides the entrepreneur with a comprehensive documentary base. The lists of documents required and the various forms

can be downloaded according to the entrepreneur's profile and area of activity.

III.2.2. Creation of stock companies

Stock companies are set up through a two-phase procedure undertaken by the notary on behalf of his client.

- drawing up the statutes and depositing the capital ;
- registration of the articles of incorporation and registration of the company with the Business Start-up Support Company of APIX .

The capital must be deposited at the notary or in a bank account. The account is unblocked immediately after the company's registration in the Trade and Personal Property Register (RCCM).

A stock company can be set up by distance by filing a model power of attorney obtained from a notary established in Senegal. This power of attorney which designates an authorized representative should be authenticated by a notary in the country of residence or by the Consul of Senegal www.creationentreprise.sn

Start-up costs:

- for limited liability companies, 400 000 CFA Francs (about **£525**) for a capital worth 1 000 000 CFA Francs (about **£1 312**)
- for public companies, 700 000 CFA Francs (about **£918**) for a capital of 10 000 000 CFA Francs (about **£13 120**)

III.2.3. Starting up a Sole proprietor company

In the case of a sole proprietorship, the entire process can be done through the Business Start-up Support Office (BCE) of APIX. It is set up without capital and does not require the services of a notary.

The option for this legal form is only possible when the entrepreneur is a national or a foreigner residing in Senegal who should have a foreign identification card. He may submit his request with APIX assistance.

Documents required:

- 02 copies of the applicant's foreigner foreign identification card
- UK criminal records bureau check its French version translated at the Embassy in the UK or AT Foreign Affairs Ministry in Senegal, or a filed sworn statement available at the Business Start-up Support Office (BCE)
- Criminal record issued by the Dakar Court of Appeal
- the residence permit issued by the police or the city council
- marriage certificate (where required)
- two fiscal stamps: one costing 2000 CFA Francs (about **£2.63**) (for the Trade Register) and another costing 1000 CFA Francs (about **£1.31**) (for the NINEA)

Start-up costs:

- For sole proprietor companies with no trade name: 10 000 CFA Francs (about **£13.15**) registrar's cost
- For sole proprietor companies with no trade name: **20 000 CFA Francs distributed as follows:**
- 10 000 CFA Francs for registrar's fees and 10 000 CFA Francs for the registration of the business name with the African Intellectual Property Organisation (OAPI)

III.3. Activities subject to specific regulation**Activities requiring partnership with Senegalese nationals to the tune of 50% of the capital**

- Public road transport
- Health (medical office, pharmaceuticals manufacturing plant, clinics, paramedical offices)
- Fisheries
- Maritime transport

Activities requiring prior authorisation

- Pharmacy
- Medical office
- Clinic
- Education

Investors can seek assistance and advice from the APIX Administrative Procedures Facilitation Centre (CFPA) on how best to deal with the administrative process.

III.4. Access to land

Potential investors needing land must be aware that the appropriation or use of a plot of land is governed by complex procedures due to the multiplicity of legal land tenure conditions and the high number of stakeholders involved in the decision-making process.

Investors who do not go through the necessary procedures might lose time and money and end up with an illegal title deed that will be void to third parties and the public administration.

III.4.1. Farming activities

Senegal has two different regimes governing access to land for agricultural activities, the first of which is a precondition for the second. Following are the main characteristics:

Allocation of land for farming purposes

Investors cannot buy land. Instead they are allocated occupation authorisation as tenants with the right to exploit the land. .

Depending on where the land is located, the land is allocated by either the Rural Council, which represents the interest of the rural community against the payment of an amount to be set in common agreement with the Council or its representatives.

In case the land had already been allotted, compensation is paid to the people who had occupied it. Once the status is granted, the occupation of the land is guaranteed as long as



a farming activity is pursued. Should the activity cease, the status can be revoked.

Key Steps

1. Search for an appropriate site commensurate with the objectives and extent of the project, meeting with the inhabitants and notables of the village concerned
2. Establish contact with the Chairman of the Rural Council ("Président du Conseil Rural) concerned (PCR)
3. Make an official request with the Rural Community ("Communauté Rurale") concerned
4. Advice: Seek the support of the Administrative Procedures Facilitation Centre ("Centre de Facilitation des Procédures Administratives –CFPA") of APIX to transmit the allotment request to the PCR. Organise a meeting with the Commission on State-owned land (Commission Domaniale). (This initiates a process to officially inform the village heads and ensure that no other claims exist on the same land)
5. Convene the Rural Council in case of positive report and organise a deliberation process
6. Information: the Rural Council is composed of all rural councillors (about thirty councillors)
7. Obtain a copy of the minutes of the deliberation signed by the PCR and the Prefect or the Sub-Prefect

Advice: Ensure that the copy of the minutes of the deliberation concerning the investor is attached to the file and it has been published
8. Compensation as necessary to the former tenants

Advice: Seek the intervention of the PCR in case of disagreement with some neighbours or users who might have been ruled out of the compensation or census process
9. Pay boundary marking fees in case of favourable vote
Cost: 25 000 CFA Francs (about £32.5 for foreigners)
10. Ensure the drawing up of a plan by a surveyor
11. Advice: the plan has to be signed by the land registry, in case of a private surveyor
12. See to the installation of the boundary markers
13. Start the land development works

Regularisation through lease emphyteutic lease

For more peace of mind and security regarding the assigned land by the rural authority, the beneficiary can undertake steps in order to have the land concerned formally taken away from the rural authority by the State and incorporated in the State's private domain. Afterwards the land can be granted to the investor by a long term lease called "bail emphytéotique" which is a long term lease with a minimum duration of eighteen years and with maximum limit of fifty years renewable.

This procedure entails significant fees and the payment of annual rents.

Procedure

1. Making a request with the State Estates Department
2. Transmission of a lease file to the Tax and State Estates Authority of the region concerned (Service des Impôts et Domaines). Consultation with technical services
 - The tax collector forwards the file to the technical services (Town Planning, Land Registry)
3. Transmission of the file to DGID.
 - Transmission, by the tax collector, of the file to the Tax and State Estates Authority (DGID) for consideration by the State Estates Operations Control Commission (CCOD) upon examination by technical services
4. Examination of the file by CCOD
 - Issuance of a takeover certificate upon favourable notice of CCOD
5. Production of land registration and decommissioning decrees
 - Preparation of decrees for the registration and decommissioning of the land by DGID (signed by the President of the Republic and the Prime Minister)
6. Establishment of the leasehold title
 - The State Estates Department issues a lease contract. For a plot of land for agricultural purposes, the annual charge stands at £26/ha/year. The minimum duration of the lease is 18 years, extendable to 30 years and renewable for 50 years (emphyteutic lease).
7. Transformation into title deed
 - Law 94-64 of 22nd August 1994 does not provide for the transformation into a title deed of lands for farming purpose. Only areas hosting built assets: sheds, packaging unit, offices, etc. can be transformed into a title deed.

III.4.2. Industrial activities

Companies engaged in industrial activities have the possibility to secure land under a lease contract for industrial use.

Management of these sites falls within the ambit of the Agency for the Development and Promotion of Industrial Sites (APROSI), and the Industrial Free Zone of Dakar (ZFID) managed by APIX

Focus: Dakar Integrated Special Economic Zone (DISEZ)

The Dakar Integrated Special Economic Zone has been established about 40 km from Dakar. 14,000 ha has been set aside for the zone, with a pilot phase of 750 ha under construction. Businesses setting up in DISEZ enjoy various tax incentives and infrastructural support.

Some 400 enterprises are expected during the first five years of operation and about 1,000 within 20 years.

Services offered by DISEZ

- Access to utilities (water, electricity, sanitation, telecommunications) ;
- Registration of DISEZ enterprises (statutes; registration to Trade and Personal Property Register and NINEA ; affiliation to IPRES (pension fund) and Social Security Fund) ;
- Accreditation to eligible activities (commercial activities, financial services and distribution services; logistics, industrial activities, real estate activities) ;
- Support in administrative and land-related formalities (incorporation statement, lease validation certificates, environmental notice application (pollution, refuse management)), authorization ahead of the start of some activities, visa and residence permit applications; issuance of import/export cards, building permit, attribution of land and/or functional warehouses).
- Exemption of income tax;
- Right to hire staff of foreign and Senegalese nationality for foreign enterprises;
- Possibility of signing fixed-term contracts for 5 years;
- Unrestricted transactions in foreign currencies within DISEZ
- Benefits validity duration extended to 50 years

III.5. Labour and social security legislation

The main pieces of labour and social legislation are the Labour and Social Security Code, the National Inter-professional Collective Convention and the collective conventions specific to each area of activity.

Labour relationships are regulated by both international and national codes. The international codes are derived from the Treaties regularly ratified.

The initial labour law was considered to be favouring only the employees, the modification that intervened in 1997, took this into account to further incorporate the employer's interests.

Tax and customs benefits through DISEZ accreditation

- Exemption of customs duties on equipment and raw materials;
- Admission without payment of customs duties and taxes;



III.5.1. Employer's obligations

The recruitment of Senegalese employees is in principle free subject to the specific rules governing women and children's employment. However within two days after hiring it has to be declared to the Labour Inspectorate and the Labour Department.

The recruitment of workers needing to be transferred away from their usual residence needs a written contract and the worker's medical examination. It is then subject to the Labour's Department prior authorisation.

Employers have among others, the obligation to respect the privacy and the dignity of workers, non-discrimination in the labour relations, to not interfere in union delegates' functions as well as to respect health, social and safety regulations including the registration of workers to the Retirement Pension Fund (IPRES) and the Social Security Fund.

III.5.2. Types of employment contracts

Senegalese law provides for two types of employment contracts:

Fixed-Term Contracts (CDD): A fixed-term contract cannot in principle be used over the long-term to fill a permanent position related to the usual activity of the company. Fixed term contracts can only be renewed once and may not exceed a total of two years. If its duration exceeds three months the contracts will have to be laid down before the Labour Department before it comes into effect.)

Flexibility of employment contracts: For investors that are eligible for the advantages granted by the Investment Code, there is the possibility to renew fixed-term contracts for up to 5 years.

Long term Contracts (CDI): may be preceded by a probation period for a maximum period of six months including renewal. The Labour Inspector's approval is not required.

III.5.3 Social security contributions on salaries

Social welfare is organised in three fields:

- Social security provision: administered by the "Caisse de Sécurité Sociale" (CSS) it provides workers with two kinds of benefits: family benefits and benefits for the treatment and prevention of occupational accident and illness.
- Retirement provision: administered by "IPRES" (the Retirement Fund)
- Illness provision: in companies with 100 staff or more it is the responsibility of the employer to establish an in-house medical scheme. If the number of employees is below 100, they have to be affiliated to an existing scheme. Benefits include partial financial support for pharmaceutical products and medical treatment

Contribution rates as of 1st January 2011

Branches	Employer's Contribution	Employee's Contribution	Total	Monthly Ceiling (In Cfa)
Family benefits	7 %	-	7 %	63 000
Occupational accidents and diseases	1 %, 3 % or 5 % depending on the risks involved	-	1 %, 3 % or 5 %	63 000
Old age (IPRES)	8,4 %	5,6 %	14 %	256 000
Old age supplementary pension for executives	3,6 %	2,4 %	6 %	768 000
Illness (I.P.M.)	3 %	3 %	6 %	63 000

III.5.4. Labour Force Costs

The minimum guaranteed inter-occupational wage (SMIG) is 209.10 CFA per hour (€0.318/h). The minimum guaranteed agricultural wage (SMAG) stands at 182.95 CFA per hour (€0.279/h).

III.5.5. Paid leave of absence

Except otherwise provided for in collective conventions, the worker is entitled to paid leave, at the rate of two working days per month of service. The leave entitlement is granted after a minimum period of effective service of 12 months.

III.5.6. Overtime pay

Working hours cannot in principle exceed 40h per week (from 5am to 10pm) except in the farm where it is 2352 h per year.

Working hours beyond the statutory duration lead to an increment of the real salary as follows:

- 15 % of wage increment for work done between the 41st and the 48th hour;
- 40 % of wage increment for work done beyond the 48th hour ;
- 60 % of wage increment for overtime at night.

The overtime performed during weekly rest days or days-off is increased by:

- 60% of the hourly wage rate during the day;
- 100 % of the hourly wage rate during the night.

Working hours spent on a day-off within the limit of 40 hours are:

- Remunerated with an increase of 100% of the hourly

wage rate for workers paid per hour;

- For workers paid monthly, there are two possibilities: time off in lieu, based on an agreement between the employer and the worker; or remuneration at the normal rate, in addition to the monthly wage.

III.6. Intellectual property

The legal framework governing intellectual property is based on the regulation of the African Intellectual Property Organisation (AIPO) and in the World Intellectual Property (WIPO), both of which Senegal has been a member since 1962 and 1970 respectively.

AIPO

- ensures the protection and publishing of industrial property titles (industrial creations, distinctive signs and protection against unfair competition);
- encourages creativity and the transfer of technologies through the use of industrial property systems;
- makes the legal environment attractive to private investment through the creation of conditions conducive to the effective application of intellectual property principles;
- implements training programmes; creates conditions favourable to the promotion of research findings and the exploitation of technological innovations by national companies.

Concerning industrial property, the AIPO business name regime has a hybrid nature insofar as this right either derives from past practice, or from registration. The business name is protected for 10 years with effect from the date it is deposited with the AIPO representation in Senegal. Yet, this timeframe can be extended every 10 years without limitation.

Testimony to the increased importance attached to intellectual property, the Senegalese government created in 2012 the Agency for Industrial Property and Technological Innovation. The Agency has a number of objectives including :

- to promote the definition and development of a national policy on industrial property and technological innovation and to participate in its implementation;
- to promote invention and technological innovation;

Senegal also implemented a number of acts relating to intellectual and industrial properties, copyrights and cyber criminality.

III.7. Government procurement, franchises and public/private partnerships

III.7.1. Government procurement framework in Senegal

The Code of the Administration's Obligations (COA) institutes the principle of equal treatment of tenders and transparency of procedures, the non respect of which leads to the nullity of the procurement procedure upon request of any person interested in the normal running of the procedure.

Access to transparent public procurement ensuring equality among tenderers is thus guaranteed by a consensual procurement code that meets international standards. A Direction Centrale des Marchés Publics, DCMP (Central Procurement Department) and an Autorité de Régulation des Marchés Publics, ARMP, (Public Procurement Regulation Authority) have been set up to ensure the upstream control of public procurement and the downstream control of dispute settlement.

The Procurement Code (CMP) defines the conditions of advertising and competing for public contracts, but also for the attribution of leases and franchises, and for the designation of project managers for specific projects.

III.7.2. Access to public contracts in Senegal

Those wishing to bid for public contracts are informed of the offers and participation conditions through the procurement portal (www.marchespublics.sn), and the invitations to tender are published on this site and in mass-circulation newspapers and weekly magazines.

III.7.3. Franchises and PPP

In a bid to realise major infrastructure projects necessary for its economic and social development, Senegal has set up a legal and institutional framework for Public Private Partnerships (PPP) in three forms:

- Management contracts (used for the takeover of many State-owned hotels)
- Leasing (used for the privatisation of water and the assignment of vehicles testing activity)
- Build-Operate-Transfer (BOT) contracts for the construction of major infrastructure (highways, airports, container terminals)

Contract award for public works should also follow the Public Procurement Code (Article 81).

General provisions of BOT contracts

The convention through which the Government assigns to a private operator all or part of a mission related to the funding, design, construction, operation or maintenance of an infrastructure constituting, or meant to become State-owned properties, in application of provisions of Article 6 b) of the law 76-66 of 2nd July 1976 on State-owned properties is governed by the law 2004-13 of 1st March 2004 relative to Build-Operate-Transfer contracts regarding infrastructure.

Examples of successful PPP projects

Water Company (SDE)

Year : 1996

System : Leasing

Sector : Drinking water supply

Private partner : Bouygues

Kounoune Central Power Plant

Year : 2007

Sector : Energy

Investment : 42 billion

Production capacity : 67.5 MW

Partner : Kounoune Power (Mitsubishi)

Autoroute of the future

Year : 2009

System : BOT for 30 years

Sector : Transportation

Private investment : 58 billion

Partner : EIFFAGE Group

Distinction : This project received

the World Bank's Excellence in Innovation

Award in 2010 and today inspires several other

African countries

PPP selection procedure

- If the cost of the project is less than 15 billion CFA, a national or international tendering procedure with pre-selection and tender calls in one phase
- If the cost of the project exceeds 15 billion CFA, the preferred approach should be an international call for tenders based on the normal procedure of the BOT law, with prequalification and Call for tenders in two phases.

Expert opinion:

MR PAPE SAMBARÉ DIOP, PRESIDENT OF THE CHAMBER OF NOTARIES OF SENEGAL

1°)- The status and role of the Notary in the investment process

Investors wishing to establish in Senegal should opt for one of the corporate forms provided for by the OHADA legislator. The most convenient corporate forms that best meet their requirements are either the limited liability company or the limited company.

For either option, the Notary's services are required in accordance with article 10 of the uniform act on trading companies and Economic Interest Groups, which stipulates that « the articles of incorporation shall be established by notarial deed or by any other instrument that ensures legal validity in the State of the company's registered office. Such instrument, together with a certification of the writing and signatures of all the parties, shall be deposited as originals in a notary's office. ».

The notary's primary role is therefore to provide public service relative to proof and authenticity. In his capacity as precautionary judge, his mission is to help avoid future disputes between the parties.

With regard to investments, his mission consists in identifying the founders of the company to be set up, finding out and addressing their requirements and then translating them into legal language, in compliance with the laws and regulations in force.

2°) – The guarantees conferred by the involvement of a Notary

As guarantor of the acts he receives, the notary shall ensure the balance of acts, which constitute the law of the parties. We can actually say that it is the guarantee itself that justifies the notary's activity.

With regard to corporate matters, in addition to identifying the parties to the transaction, the notary shall ensure the consolidation of the share capital, which represents the donor's guarantee.

3°)- Notarial services required to set up a company and to assist the investor

It involves a role of advice and assistance depending on the investors' requirements and the activity sector in which they intend to operate.

In any case, the notary proposes legal authentication services as mentioned earlier on. He assists the client to set up his company. To that end, he sees to it that all the formalities in that connection are undertaken by ensuring the registration of the act, the registration of the company in the Trade and Personal Property Credit Register and the publication of a notification of the company's incorporation in a legal advertisements journal.

4°)- Control and recourse

A chamber representing the notarial profession is established and mandated to examine, among other complaints, those made by third parties against a notary.

Thus, pursuant to the provisions of article 106 paragraph 1 « any infringement of the laws and regulations, any violation of professional rules" "and mandatory provisions, any acts contrary» « to probity, honour or and delicacy committed by a» «notary, including those relating to extraprofessional activities, shall be» « prosecuted, even where there is no complainant, by the Public Prosecutor to the Court of Appeal in charge or by the» «syndic of the Chamber of Notaries, without prejudice to proceedings» « before the competent courts».

In addition to referring the matter to the Chamber of Notaries and before the competent court, the notary shall be required to take out an insurance policy for the acts of his profession, against the financial consequences of civil liability that they may be exposed to, because of their activity.

5°) – Notary tariffs

The Notaries' provision comprises two parts, one representing out-of pocket expenses (expenditures made by the notary which must be reimbursed to him), and the other representing the fees organized by DECREE N° 2006-1366 OF 8 DECEMBER 2006 FIXING THE NOTARIES' TARIFF.

In accordance with the above-mentioned decree, the minimum that could be paid to the notary for a constituting act is fixed at 100,000 CFA F for limited liability companies and 200,000 CFA F for limited companies.

For acts within the remit of the notarial profession but not included in the tariff, and for services rendered in the exercise of ancillary functions that they are

duly authorized to discharge (advisory, expertise and various consultation services), notaries are allowed to claim non-fixed fees, mutually agreed with their clients, under the control of the syndic of the Chamber of Notaries in case of disputes.

In that case, the client shall be notified in advance and in writing about the nature of the service and the amount of the payment it shall entail, to be calculated on the basis of an hourly rate system.

Chapter 4:

Tax and customs framework

Tax provisions are defined in the General Tax Code, which has recently been thoroughly revised with the new Code coming into effect on 1 January 2013. The new code aims to promote better fiscal justice, establish an incentive-based common tax law towards improving the business environment, and streamline the fiscal system.

The Customs Code which has been effective since 1987 organises customs regulations that the Senegalese Customs Direction supervises.

In addition to the tax and customs codes, other legislation exists to promote investment in Senegal through various fiscal and customs regimes (e.g. free export status, investment code etc...)

IV.1. General investment framework

IV.1.1. Guarantee and protection of ownership

Under Senegalese law, private ownership of all personal goods and real estate, physical assets or intangible properties, is fully protected. Investors are protected against nationalisation, expropriation or requisition measures nationwide, except for a public utility clause provided for in the law. In this event, the company will receive fair and prior compensation.

IV.1.2. Guarantee of foreign currency availability

Businesses are guaranteed that no restriction can be imposed on them, for their foreign currency needs, including for their normal and ordinary payments and to cover their supplies and services. These transfers are however subject to the exchange regulation laws in force in Senegal.

IV.1.3. Guarantee of capital transfer

The freedom for businesses to transfer their income or proceeds of all sorts resulting from their operation, any assignment of asset elements or their liquidation, is guaranteed as per the laws in force.

The same guarantee is extended to investors, entrepreneurs or associates, natural persons or corporate entities that are not of Senegalese nationality, concerning their share of the profit. The proceeds collected from the sale of their shares, the recovery of equity contribution in kind, or their share of the bonus after liquidation.

These transfers are however subject to the exchange regulation laws in force in Senegal.

IV.1.4. Guarantee of remuneration transfer

The freedom to transfer remuneration, in whole or in part, whatever the legal form and the amount set in local or foreign currency, is also guaranteed to any staff member of a company, a national of a third State that can justify, if need be, being on a regular status in Senegal.

These transfers are however subject to the exchange regulation laws in force in Senegal.

IV.1.5. Guarantee of access to raw materials

The free access to crude or semi-processed raw materials produced nationwide is guaranteed.

IV.1.6. Equal rights

Natural persons and corporate entities benefit from the same treatment, subject to provisions of treaties signed by Senegal with third States. They are entitled, in respect of the law in force, to all sorts of rights in terms of ownership, assignment and administrative authorisation, and have the right to participate in tenders for public procurement.

IV.1.7. Liberties

Investors enjoy full and complete economic and competitive freedom. They are notably entitled to acquire assets, rights and assignments of all sorts, necessary for their activity, such as land properties, movables, real estate, and commercial, industrial or forest assets. They are also free to be part of any chosen occupational organisation, to choose their technical, industrial, commercial, legal, social financial management methods, to hire and manage freely staff, and to choose freely their suppliers and partners.

IV.1.8. Obligations

All businesses are bound, nationwide, by the following general obligations:

- To comply with the legislation of Senegal, notably concerning the laws and rules governing incorporation and corporate operations, the respect of public order, the protection of consumers and the environment;
- To comply with the required rules and standards on the products in the State of origin (i.e. in the UK) to the extent that these can be completed in Senegal ;
- To provide any information deemed necessary for the control of its obligations.

IV.2. Tax framework

The tax law in Senegal is governed by the General Tax Code incorporating internal taxation provisions grouped in four registers:

- Register I : Direct taxes and related taxes;
- Register II : Indirect taxes and related taxes;
- Register III : Registration taxes and related taxes;
- Register IV: Control, recovery and litigation.

The new Tax Code adopted on 31st December 2012 by the Senegalese Parliament aims to help improve social welfare and boost economic growth and make the current tax system simpler, more equitable and more efficient.

IV.2.1. Specific investment incentive regimes

The Investment Code

Conditions of eligibility

Governed by the Law 2004-06 of 6th February 2004, the Investment Code is mainly intended for investors in the following sectors:

1. Eligible activities (A): For a minimum of 15 million CFA (€23,000)

- Primary sector and related activities: agriculture, fishing, livestock production and activities related to the storage, packaging and processing of local vegetable, animal or fishery products;
- Social sectors: health, education-training;
- Services: assembly, maintenance of industrial and tele-service equipment.

2. Eligible activities (B): For a minimum of 100 million CFA (€150,000)

- Manufacturing production or transformation activities;
- Extraction or transformation of mineral substances;
- Tourism, tourist outfits and industries, hotel activities;
- Cultural industries (books, records, cinema, documentation centres, broadcasting production centres, etc.);
- Port, airport and railway infrastructure ;
- Development of business complexes, industrial parks, tourist areas, cyber-villages and handicraft centres.

Advantages of the Investment Code

1. Special benefits granted to the investor during the investment realisation phase. These benefits cover a period of three years and include the following:

- Exemption of customs duties for the importation of equipment and materials that are neither produced nor manufactured in Senegal and which are specifically used in the production or operation, as part of the customs licensed program;
- Suspension of Value Added Tax (VAT) payable on entry of materials that are not produced or manufactured in Senegal and which are solely intended to serve in production or operation
- Suspension of Value Added Tax included on invoices from local providers of goods, services and works, which are necessary for the realisation of the approved project.

2. Benefits granted during the operation phase:

- Reduction by 25% of the taxable benefit for five years, and up to 40% of the approved investments;
- Exemption of flat-rate contribution to employers' charge (CFCE) for five years. If over 100 jobs created or if 90% of these jobs are located outside the region of Dakar, this exemption is extended up to eight years;
- Possibility of signing fixed-term employment contracts for a period limited to five years ;
- Possibility of benefiting from utility vehicles upon obtaining approval for the operation phase.

Free Export Company status

Governed by the amended Law 95 34 of 1995, this regime is essentially intended for exporting enterprises that generate over 80% of their turnover from exports. The targeted sectors are agriculture in the broad sense of the term, industry and teleservices, and the granted benefits are presented in the table below:

Regime	Benefits
Enterprises	<ul style="list-style-type: none"> Exemption of customs duties and the customs stamp on utility vehicles and private passenger vehicles, and means of transport used in the production; Exemption of taxes on wages paid by businesses; Exemption of all registration fees and stamps during incorporation and the modification of the company's statutes; Exemption of the license to carry on a trade or occupation, of the land tax on developed and undeveloped land, and the license contribution; Exemption of shareholder's income tax collected by the company on the distributed dividends; Collection of the corporate income tax at the rate of 15 %. NB: Companies holding franchises in the geological, mining, maritime or forestry sectors are subject to royalties and taxes.
Goods	<ul style="list-style-type: none"> Duty free exportation or importation of capital equipment, materials, raw materials, finished and semi-finished products; Duty free acquisition of business premises; Unlimited dwell time for imported goods; Possibility of selling part of the production on the domestic market;

The Mining Code

The Senegalese mining sector is one of the most open in the world. There is no discrimination between citizens and foreigners in the granting of mining authorisations.

The access to this sector is done through the acquisition of different types of mining titles according to the nature and importance of the activities including :

- Exploration Permit
- Research Permit
- Exploitation Permit

- Mining Concession

The Mining Code grants tax and customs benefits including the following:

1. During research phase.

- Exemption of any kind of tax during the duration of the permit and its renewals
- Customs rights and tax exemptions including Value Added Tax (VAT) and deduction retained by the Senegalese Shipper Association (COSEC) on the customs value of goods imported by sea Equipments, materials, products and engines are all part of this exemption regime.
- Company vehicles to be used for research operations as well as site equipment that can be exported again or sold after use, will benefit from the temporary entry.

2. During the operating phase

- Exemptions of all entry taxes including Value Added Tax and COSEC's deduction upon different types of equipment, materials, products, between the realisation of the investment and the beginning of production.
- Several other tax advantages exist such as:
- Free transfer of Capital
- 7-year exemption of corporation tax granted to holders of mining permits. For major projects, the duration of the exemption is set proportionally to how long it takes to recover the investment, but shall not exceed 15 years;
- Adjustment of duties and royalties in relation to the evolution of investment activities.

Other benefits granted include the following:

- Possibility of classifying some quarry activities as mining activities;
- Opening and operation of common purchasing agencies Alleviation and simplification of administrative procedures;
- Lack of distinction on the nationality of the mining titleholder in the prospection and research phase.

Based on feedback from foreign firms involved in this sector, some of the main issues faced by investors are the lack of harmonisation between the mining, environmental and forestry codes, which has created confusion among investors. Furthermore, additional tax on mining revenues is a source of concern for some investors. The Government of Senegal plans to make some amendments to the mining code with a view to make it more transparent and improve the sector's attractiveness.

Petroleum and Hydrocarbons

Senegal has developed a hydrocarbons sector based on international standards. The main objective is to offer all investors attractive conditions in exploration, production, transformation and commercialisation of hydrocarbons.

The last Petroleum Code issuing by Act N° 98-05 dated

January 8th 1998 includes many innovations to attract national and foreign investment in this sector including the following:

- The ability of oil companies to benefit from retention period of eight years for gas and three years for crude oil discoveries which are not readily commercially exploitable;
- Promotion of research and exploitation of gaseous hydrocarbons;
- Possibility for oil companies to obtain a ten years extension of the hydrocarbons concession whose normal duration is twenty years
- Fiscal and custom incentives;
- Exemption from entrance duties and VAT on materials and vehicles.

IV.3. Customs framework

IV.3.1 Customs regimes favourable to business and transport activities

IV.3.1.1. Storage warehouse

It is possible for imported goods to remain in premises in Senegal for short periods of time without the need to pay for applicable tax. The goods would be subject to supervision of the customs services.

- 1) Private warehouse
There are two types of private warehouses: the ordinary private warehouse and the captive warehouse. They can be used by private professionals upon decision of the Director General of Customs. The maximum length of time that the goods can remain in country (or “dwell time”) is twelve months.

The Ordinary private warehouse

An Ordinary private warehouse can be established wherever the business interest so requires and in any location where it can be controlled by customs. The location, construction and layout must be approved by customs. It is granted, upon decision of the Director General of Customs, to natural persons or corporate entities whose profession is, mainly or incidentally, to store goods on behalf of third parties.

Captive warehouse

A captive warehouse is granted to a given importer for the exclusive needs of his industry or business over which he has a monopoly, whether he is owner or tenant.

- 2) Special warehouse
A warehouse is qualified as special when it is laid out in such a way as to house goods that do not require special precautions or facilities. The dwell time is twelve months.

IV.3.1.2. Transit

This regime is intended for the duty, tax and penalty-free transportation of goods under bond from one customs office to another, or from one customs office to another country. There are two categories of transit regimes

1) National or ordinary transit

Admissible goods are foreign goods directly imported into Senegal and those extracted from bonded warehouses and bound for another customs office.

National transit pertains to importations based on a transit bond note declaration that guarantees the payment of duties and taxes and possible penalties should the case arise. Measures are taken to identify the goods and ensure observance of the initial undertakings. Some formalities are to be carried out along the itinerary, at the office of destination and at the Central Monitoring Unit for inspection.

2) International transit

1) International Transit by Railway (TIF)

This form of transit is provided for under the convention signed between Senegal and Mali, whereby an international declaration model has been adopted: submission of TIF. This is a simplified declaration of international transit by railway featuring some characteristics of the goods and the mode of transport.

2) Inter-State Road Transit (TRIE)

TRIE is a regime that allows for road transportation of goods from a customs office of a State (office of departure) to another office of another State (office of destination) without cargo breakdown, under the cover of a single document and free of duty. Taxes, duties and penalties are guaranteed through a bond.

IV.3.1.3 Transshipment

This is a regime whereby imported goods under bond are offloaded from one means of transport and loaded on board another means of transport for export.

IV.3.1.4 Temporary export for outward processing

This regime makes it possible, under certain conditions, to temporarily export and re-import in a prescribed deadline and under special taxation modalities, some goods originating from Senegal and due to be processed.

IV.3.1.5. Exceptional temporary admission

Exceptional temporary admission is granted to natural persons or corporate entities, or any foreigner willing to temporarily settle in Senegal, and it is granted in the case of the importation of :

- items for repairs, testing, experiments and objects included as part of international conventions;

- packages to be re-exported empty or filled with national products;
- vehicles for tourists pursuing no income-generating activity;
- Items presenting an individual and exceptional character that cannot be generalized;
- vehicles for the use by technical assistance staff, diplomatic missions, international organisations, nongovernmental organisations and for which a convention provides for their temporary admission

IV.3.1.6. Special temporary admission

This is a customs regime whereby natural persons or corporate entities can import for a short given period, in partial suspension of entrance duties and taxes and upon authorisation of the Director General of Customs:

- Corporate equipment when the goods are solely destined for work presenting an undisputable character of public utility ;
- Equipment or items destined to other uses and which are rented and used for commercial and/or industrial purposes;
- New construction site machinery imported by Senegalese companies that do not carry out works of public utility and amounting to less than 50 million CFA;

The dwell time in special temporary admission is 12 months renewable.

IV.3.2. Customs regimes favourable to industrial processing activities

Before they are assigned a commercial use, goods subjected to international trade integrate industrial processing channels.

The regimes open to industrial activities are: temporary admission for outward repairs, manufacturing under bond, processing of goods for domestic use, drawback and prior exportation.

IV.3. 2.1. Temporary admission for active perfecting

The temporary admission for active perfecting is a customs regime that makes it possible to process in Senegal goods imported and due to be re-exported in the form of compensating products without payment of duties and taxes.

Dwell time is 12 months

IV.3. 2.2. Manufacture under bond

Through this regime, businesses engaged in exports and/or working for the domestic market can process, in a location under customs control, imported goods free of duty.

The regime enables the beneficiary, upon processing of the products, to re-export 40% of the products and put the remaining 60% in the domestic market.

The goods dwell time is twelve months.

IV.3.2.3. Processing of goods for domestic use

Goods imported under this regime can be processed or transformed, under customs control and before they are made available for consumption. Duties and taxes applicable to the products thus obtained are lower than for those the equivalent imported products.

The regime is open to businesses essentially working for the domestic market, notably the assembly, pharmaceutical, and publishing industries, and which process themselves the goods that they import.

The accreditation application is sent to the Minister of Finances, care of the Director General of Customs.

The dwell time is six months renewable in justified cases.

IV.3.2.4. Drawback

This regime entitles the beneficiary company to the refund, in whole or in part, of the customs duties and taxes on goods used in the manufacturing of products re-exported after processing.

The accreditation application is sent to the Minister of Finances, care of the Director General of Customs.

The refund requests are sent to the Director General of Customs and must:

- Make reference to the licensing decision;
- Include all details on the taxes borne by the imported and processed goods;
- Be accompanied by supporting documents.

IV.3.2.5. Prior export

This regime, instead of allowing for a refund of the customs duties and taxes, enables the beneficiary to import, without payment of duties, products of the same characteristics as those destined for domestic use and that have been used in the manufacturing of goods subjected to final exportation.

It is granted through a decree of the Minister of Economy and Finance fixing the method of operation and the beneficiary's obligations.

Expert opinion: DELOITTE Firm

Deloitte is one of the world leaders in the field of audit and professional services.

The Dakar office, opened in 2008, wraps up Deloitte's establishment in the UEMOA space. This office comprising some fifty officials, covers the bulk of services to clients and contributes to enhancing the reputation of the position of Dakar in the economy of the sub-region.

Senegal has improved its business climate by implementing structural reforms.

Tax framework

The fiscal policy implemented by Senegal and which translated into a general reform of the Tax Code is an illustration of the public authorities' resolve to transform taxation into an instrument of economic growth.

The tax provisions contained in the different media that are not incorporated in a General Tax Code, engenders uncertainty both for the Tax Administration and for investors.

The new General Tax Code, which became effective in January 2013, merged the tax laws and allow for a simpler and more comprehensible reading of these provisions.

With respect to value added tax, the basic rules concerning the notions liable, taxable transactions, tax base, taxable event were restructured to facilitate their understanding.

With respect to registration fees, the high taxation rates which were considered as an obstacle to investment dropped substantially. In this area, the major innovation was the simplification of the system through the significant reduction of the number of items and wording that is accessible to all.

With regard to incentives, the new Code establishes an attractive common law, which consists in generalizing investment incentive provisions. Henceforth, the new tax arrangements provide companies fulfilling certain conditions with the possibility to benefit from significant tax breaks, without unnecessary bureaucracy.

The new Code reinforces taxpayers' rights while clearly underlining their obligations.

Finally, the new code takes public investment needs into account by instituting an attractive tax system meant to encourage businesses to cooperate with the State within the framework of "build-operate-transfer" (BOT) operations.

General investment incentive framework

Senegal has, since 2004, acquired a new incentive system (Investment Code and Free Export Company Status) to further protect investments, improve investment incentives and take priority sectors into account.

The Investment Code (law n° 2004-06 of 06/02/2004) allows you to benefit from several advantages in connection with the creation of an activity in some economic sectors. Applications for certification are considered within a short period (about 10 days) and the investor wishing to create and develop his investment project will be provided with APIX's guidance every step of the way.

In addition to "standard" guarantees offered to investments: freedom to transfer capital and earnings and equality of treatment (no discrimination between nationals and foreigners in transactions with the administration and for access to property rights), benefits shall be granted for both the investment and the operation

Customs framework

The Customs code provides for a wide array of economic systems meant to facilitate the following operations, under certain conditions: production (temporary admission, industrial warehouse, draw back, pre-export and operating plants), storage(warehouses).

The Customs Administration was firmly committed to wide-ranging reforms which translated into a Strategic Plan, funded by the Ministry of Finance and the Economy, through a Performance Contract. Henceforth, the economic mission entrusted to the customs is no longer restricted to simply protecting local production but also to ensure the efficiency of businesses by providing them with useful advice.

Chapter 5

Investment opportunities in Senegal

Sectors considered to have high economic potential include chemicals, agriculture, horticulture, tourism, medicine, financial services, real estate and telecommunications, all of which are likely to generate economic growth for Senegal. Yet, the optimal exploitation of these sectors is hindered by structural constraints related to low work productivity and significant shortage of funding. Low agricultural productivity has led to shortages in subsistence products (e.g rice, onions), which results in high importations and increasing inflation.

- Substantial water potential in the main river valleys and the coastal Niayes region;
- An advantageous geographical position in relation to major export markets;
- Developmental infrastructure under construction, essentially in the Northern and Southern areas (*irrigation schemes, installation of paddy rice processing units, and establishment of storage and packaging units, etc.*)

V.1. Agribusiness

V.1.1 Overview of the sector

Senegal has attracted foreign investment in the agriculture sector due to its having:

- A good climate, suitable for the cultivation of off-season crops destined for the European market ;
- Several types of soils adapted to cereal and horticultural crops;

V.1.2. Investment opportunities

Senegal's agricultural policy is in line with the National Economic and Social Development Strategy (SNDES 2013/2017). The major strategic guidelines defined in the SNDES place horticulture for exports as a key vector for the development of the agricultural sector and thus, for economic growth.

Thanks to diversification of production and discovery of new markets, Senegal has, since 2006, registered a steady rise in export volumes of fruit and vegetables. The total volume of



exportation of off-season crops to Europe for the 2011/2012 crop year stood at over 48,000 tons of products (Source: Department of Horticulture), representing a 11% increase in products of Senegalese Origin compared to the 2010/2011 crop year. Sweet corn, cherry tomatoes and melon are among the main exports.

The Senegalese Government has identified cut flowers and decorative flowers as export products that are currently under-exploited in Senegal.

Opportunities for private investors also exist in the modernization of agricultural practices, in the infrastructural platform (post-harvest facilities, cold chain, etc.), and in the processing and marketing of the produce.

V.2. ICT and Teleservices

V.2.1 Overview of the sector

The Government of Senegal is keen to make Information and Communication Technologies a powerful vector to accelerate economic growth and modernise its administration.

The following legal and institutional measures have been taken since 2001:

- Adoption of a new Telecommunication Code in 2011;
- Creation of the Agence de régulation des télécommunications et des Postes- ARTP (Telecommunication and Post Service Regulation Agency) ensuring a sound and fair competition in favour of users of telecommunication networks and services;
- Creation of the Agence pour le Développement de l'Informatique de l'Etat- ADIE (Agency for the Development of State Automation)
- Creation of a ministry in charge of information and communication technologies;
- Total liberalization of the telecom sector;
- Adoption of Law N° 2008-08 on electronic transactions;
- Adoption of Law N° 2008-11 on cybercrime;
- Adoption of Law N° 2008-12 on the protection of personal data.

V.2.2. Investment opportunities

Senegal has, in the past decade, become a leading destination for the outsourcing of customer care and value-added computer services.

The Senegalese government hopes to attract investment in a number of areas including:

- Business Process Outsourcing (BPO) (e.g customer call centres, remote data entry, data processing, etc.);
- Computer engineering (Third-party application maintenance, System integration, development of specific applications, Mobile banking etc.);
- Contact centre (Telemarketing, Hotline, remote technical support, etc.)

V.3. Tourism

V.3.1 Overview of the sector

The second foreign currency earner behind fisheries, the tourism sector creates about 100,000 direct and indirect jobs and is, in some areas, the main source of income. The majority of tourists come for Senegal's beaches (especially on the Petite Côte and in Casamance). Other popular destinations include the historic town of Saint Louis and the Senegal River Valley, the hills and tribes of the Kedougou region in South-East Senegal and the beaches, lagoons and waterways of the Sine Saloum region. The country also has a number of national parks, of which the most visited are the Parc de Djoudj (for its birdlife) and the Parc du Niokolokoba. Offshore fishing is also popular.

V.3.2. Investment opportunities

To boost the development of the tourist sector, the Senegalese authorities have undertaken a number of steps including extending the remit of the Société d'Aménagement de la Petite Côte (SAPCO) to the entire coastline, the establishment of a national airline, the implementation of infrastructure projects such as a world-class international airport planned for 2015 and a toll-motorway.

In addition, the Government has developed a policy centred on the improvement of the business environment and incentive measures in the tax, customs and regulatory areas, the latest measure being the reduction from 18 to 10 per cent of VAT in the tourism sector, in force since 2012.

The tourism sector offers a wide range of opportunities in different sub-sectors and activities including the development of tourist areas, the hotel industry and catering, tourist transportation, the strengthening of capacities and services, the holding of conferences and congresses, leisure and sports activities, etc.

The Senegalese authorities are targeting new investment in a number of areas on the Petite Côte, including at:

- Joal Finio.
- Pointe Saréne
- Mbodiène

In addition the programme for the development of the *Grande Côte* north of Dakar provides for the implementation, in the medium term, of projects in the area of St Louis, Potou-sur-mer, Djoudj National Park and Louga, and in the Saloum Islands, mainly in Fatick, Foundiougne, Kaolack, Ndolette, Sandicoly, Missirah, Simal Fimela.

V.4. Aquaculture

V.4.1 Overview of the sector

In Senegal, there are six geographical zones conducive for aquaculture. The eco-geographical conditions in Senegal are favourable, with fresh and unpolluted maritime waters and good soils.

Some areas with abundant water resources offer ideal

characteristics for aquaculture production, These include :

- 718 km of coastline ;
- The Senegal River stretching over 1700 km;
- The Gambia River (750 km);
- The Casamance River (300km) ;
- Estuaries of Sine-Saloum ; and
- The Lake de Guiers (280 km²) and its retention basins.

The Sine Saloum and the Lower and Middle Casamance areas facilitate the breeding of aquaculture species, thanks to the regular presence of target species in the wild and the optimal conditions for their breeding.

V.4.2. Investment opportunities

- Feed
- Production of young fish;
- Production and marketing of species such as Tilapia, Nile Tilapia and giant tiger prawn;
 - For Tilapia, there is production potential in Saint-Louis (mainly in the flood-prone valleys) and the *Petite Cote*, in an intensive breeding system;
 - The giant tiger prawns are found in the regions of Sine Saloum and Casamance
- Aquaculture equipment.

V.5. Health

V.5.1 Overview of the sector

Senegal has become a regional centre for health services.

Many specialized clinics have been set up in various sectors of medicine and provide medical care to many people from the sub-region. Medical imaging, retinal surgery, mammography, biological research have since 2004/2005 been following an upward trend.

The health sector in Senegal builds on the following assets:

- A developed network of private clinics and specialized health centres offering a variety of health care;
- Modern diagnosis centres and medical analysis laboratories ;
- World-class institutions (ENDSS, St-Christopher Iba Mar Diop Medical School, etc.) and a highly regarded medicine faculty that trains would-be doctors from the sub-region and North Africa;
- An ethics code based on international standards;
- A secured statutory and institutional framework;
- The presence of several major companies (Pfizer, Sanofi-Avantis, GlaxoSmithKline, etc.) active in the processing of generic medication and the distribution of various medical equipment and devices;
- The intellectual protection of patents;

- The existence of a wide range of medicinal plants and a solid know-how in terms of phytotherapy, forming a solid basis for research and development in this area.

V.5.2. Investment opportunities

Senegal offers good prospects for investment through the entire value chain, from research/development and the production of generic medicines and pharmaceutical products.

The Senegalese authorities are also trying to attract investment in biomedical and genetic research, convalescence and welfare centres, reconstructive plastic surgery and the pharmaceutical industry.

V.6. Mining

V.6.1 Overview of the sector

Senegal is one of the world's top phosphate producers, with the exploitation of major rock phosphate deposits in Taiba, in the region of Thies. The country has succeeded in attracting investors to revive and develop the traditional sectors of phosphate and the cement industry, as well as the exploration and exploitation of gold, iron and marble in South-eastern Senegal and zircon and titanium along the *Grande Cote*.

Other resources such as industrial limestone, attapulgit, peat and natural gas are also available.

The Senegal government is keen to establish a legal and regulatory framework that will attract foreign investment in this sector while at the same time ensuring the country benefits from the extraction of its resources.

V.6.2. Investment opportunities

According to the Senegalese authorities Senegal's subsoil indicates the presence of minerals that could offer new opportunities to investors in the mining sector.

For instance, the sand dunes alongside the Atlantic coastline contain major deposits of industrial minerals such as zircon and titaniferous and ilmenite minerals.

In the region of Matam, the existence of a major deposit of phosphates with proven reserves of about 40 million tons and a potential of more than 100 million tons of high quality rock phosphate has been confirmed since 1984.

Mining exploration and geological mapping works in Eastern Senegal have indicated the presence of the following metallic and non-metallic minerals: platinum, chromium, silver, uranium, manganese, industrial clay minerals, ornamental stones and building materials such as marble.

Senegal's first international standard gold mine started production in 2009. Others are likely to follow with growing optimism among mining companies of the scale of the country's gold reserves.

The region of Kedougou is also said to have large reserves of quality marble estimated at several million cubic meters. Six varieties of marble have been identified in the areas of Ndébou, Bandafassi and Ibel.

In addition to traditional mining activities, opportunities also exist for foreign companies to provide equipment, infrastructure and services to the mining industry in Senegal

V.7. Social housing

V.7.1 Overview of the sector

In order to address a shortage of housing for the growing middle class population in Senegal, the Government has launched a large-scale programme for the promotion of the social housing sector with the aim of facilitating access to housing in Dakar and in the other 13 regions of the country.

The Government is keen to attract private developers and has made land available that is already connected to water and power supply networks.

V.7.2. Investment opportunities

The Government of Senegal has decided to offer dedicated sites to real estate developers at reduced cost. To this end, it has identified the following sites, among others, for social housing:

- 500 ha of land in the Lac Rose area;
- the Diass-Diamniadio-Pout triangle ;
- 50 ha of land destined for social housing in each of the 13 regions of the country.

There are also opportunities for companies who can supply prefabricated construction materials that fulfil the specific requirements of the social housing promotion policy launched by the Government.

Thanks to the quality of life and the prevailing security, Senegal attracts many tourists and expatriate residents in spite of the high cost of living that made Dakar the 50th most expensive city in the world in 2012, according to Mercer. The global consumer price index stands at 102.3 - a 3.4% increase compared to 2010 - resulting essentially from the food price hike and the rise in transport and "housing, water, gas, power and other fuel" services. (Source: National Agency of Statistics and Demography).



Chapter 6

Living in Senegal

VI.1. Entry and stay formalities

To enter Senegal, a valid passport is mandatory (preferably one with at least three months validity beyond the end of stay).

As from 1st July 2013, an entry visa will be required for nationals of countries not belonging to the UEMOA/WAEMU space. At the time of publication details of how the new visa regime will be implemented (including whether it will be possible to obtain a visa on arrival at the airport in Dakar) had not been announced.

- Visitors based in the UK will be able to apply for visas from the Embassy of the Republic of Senegal in London: 39 Marloes Road, London W8 6LA, United Kingdom
- Tel/Fax: 0207 938 4048 / 0207 938 2546
- <http://www.senegalembassy.co.uk>

For any stay lasting more than three months, foreign nationals must apply for a foreigner's ID card. This application can be submitted with the assistance of APIX. Documents to be provided to this end are the following:

- Application for administrative assistance to the attention of APIX Managing Director;
- Application to the attention of the Minister of Interior;
- 3 ID photos;
- Birth certificate dating back less than 3 months;
- Police record dating back less than 3 months and issued in the applicant's country of origin;
- A copy of the passport (Identification page and the one featuring the date of the last arrival in Senegal) ;
- Medical certificate issued by a doctor established in Senegal;
- Certificate of residence issued by the city hall or the police;
- Certified copy of the company statutes for corporate partners and directors; Job contract stamped by the Labour Inspectorate for employees ;
- A pay slip for employees;
- Certified copy of the NINEA ; Every organisation recorded in Senegal is required to obtain this number which is linked to the organisation's fiscal information.
- Revenue stamps worth 15,200 CFA (approx £20) ;
- Repatriation bond amounting to 115,000 CFA (approx £158) to be paid to *Caisse de dépôts et de consignations* (Deposits Fund).

VI.2. Accommodation

Dakar has hotels to suit all budgets. Tourist areas also offer a variety of accommodation. Elsewhere options are limited. Rents in Dakar can be high, though vary depending on the district, the size of the home, the quality of the construction and the services offered.

VI.3. Education

Senegal's education system is largely modeled on the French equivalent, with the language of instruction remaining predominantly French. There are a few English-speaking/ bilingual schools in Dakar. The main anglophone school is the International School of Dakar (www.isd.sn), which follows the American system. There are no schools that follow the British school system. The main bilingual school (3-11 years) is the "Ecole Actuelle Bilingue" (www.ecole-actuelle-bilingue.com). There is also a bilingual college " College Bilingue" www.lecollegebilingue-dakar.net

VI.4. Health

In addition to the public health system Dakar has a wide range of private medical facilities including clinics, treatment centres, emergency services and home care.. Private clinics often have advanced medical services, diagnosis centres and modern laboratories.

Malaria

Malaria is a parasitic disease, potentially fatal, transmitted by mosquitoes, which requires the use of personal protective measures (sprays, creams, electric diffusers, impregnated mosquito nets, etc.).In addition to these measures, you may consider prophylactic drug treatment , please seek medical advice. In Senegal, the risk of malaria - mainly due to *P. falciparum* - exists throughout the year in the country, although the risk is lower from January to June.

Vaccinations

Vaccines against tetanus, polio, diphtheria, meningococcal, typhoid fever, hepatitis A and hepatitis B are recommended.

It is recommended to consult your doctor before departure and and look into insurance policy of repatriation.

HIV/AIDs infection rates are low at around 0.7% (though higher in at risk communities).

Controlled drugs (medicine)

When traveling to Senegal, any detention of controlled drugs, such as hypnotics and antidepressants must be justified by an order, under penalty of being accused of possession of a narcotic.

VI.5. Telecommunications

Senegal is a leader in Africa, in terms of ICT. During the period 2006/2010, the country managed to significantly extend coverage of the territory by the different telecom networks operated by Orange Senegal, Tigo and Expresso. A fourth provider is planned.

The proliferation of SSIs, call centres, Senegalese sites and portals is illustrative of the expansion of ICTs in the country. This opportunity has attracted the interest of major groups such as Nokia, Microsoft, Hewlett Packard and Ericsson. In addition, Dakar hosts the only permanent office of Google in francophone Africa, an office opened in 2009.

VI.6. Working hours

Working hours are officially set from 8:00 am to 5:00 pm, with a lunch break at 1:00 pm. Banks open from 7:30 and operate nonstop until 4:00 pm on week days and up to noon on Saturdays. Special working hours are applied during the fasting month of Ramadan, when office hours end at 4:30 pm. Public holidays are the following:

- January 1st ;
- April 4th (Independence Day) ;
- May 1st (labour Day)
- Christian holidays (Christmas, Easter, Ascension, Pentecost and Assumption).
- Muslim holidays whose dates change along with the Islamic calendar

VI.7. Leisure

Dakar and many other regions of Senegal offer cultural and architectural sites of note, some of which are classified by UNESCO as World Heritage sites (Goree Island, the historical city of St Louis, the national bird park of Djoudj). Dakar has a vibrant arts and music scene and a good nightlife.

Dakar has a wide variety of sports clubs (offering tennis, swimming, dance, martial arts, yoga, fencing etc) and gyms. Sailing, deep-sea diving, big game fishing and horse-riding are easy to do in Dakar and along the coast. Hunting is practiced in some inland regions.

Sea Plaza, Dakar's most up-market mall, offers international stores selling clothing, cosmetics, accessories. It also has restaurants, a spa and a large supermarket. There is a wide range of good restaurants in Dakar.



APPENDIX

Useful Contacts Details

British Embassy

20 Rue du Docteur Guillet
BP 6025
Dakar, Senegal
Tel: + 221 33 823 73 92
Fax: + 221 33 823 27 66
Email: briteembe@orange.sn

UK Trade & Investment Accra (Regional hub)

Osu Link - off Gamel Nasser Avenue
P. O. Box 296
Accra, Ghana
Tel: +233 302 213 244
Email: DLAccraUKTIprotect@fco.gov.uk

National Agency for Investment Promotion and Major Projects (APIX)

52 - 54 Rue Mohamed V
BP 430
Dakar, Senegal
Tel: + 221 33 849 05 55
Email: infos@apix.sn
Web: www.apix.sn

Dakar Chamber of Commerce and Industry

1 Place de l'Indépendance
BP 118
Dakar, Senegal
Tel: + 221 33 823 71 89
Email: cciad@orange.sn
Web: www.cciad.sn

General Tax Office

31 Rue de Thiong
BP 1561
Dakar, Senegal
Tel: + 221 33 889 20 02
Web: www.impotsetdomaines.gouv.sn

Customs Office

8-10 Allées Robert Delmas
BP 4033
Dakar, Senegal
Tel: + 221 33 889 74 74/ +221 33 889 74 01
Web: www.douanes.sn

Ministry of Agriculture

Building Administratif 3rd Floor
BP 4005
Dakar, Senegal
Tel : +221 33 849 75 77 / +221 33 849 70 00
Web: www.agriculture.gouv.sn

Ministry of Tourism and Leisure

Building administratif, 3e étage
BP 4004
Dakar, Senegal
Tel: +221 33 849 73 11 / +221 33 822 43 03
Web: www.tourisme.gouv.sn

Ministry of Energy and Mines

Building administratif, 4e étage
BP 4021
Dakar, Senegal
Tel: +221 33 849 73 00

Ministry of Communication, Telecommunications and Digital Economy

2, Rue Béranger Ferraud X Assane Ndoye
BP 4027
Dakar, Senegal
Tel: +221 33 889 17 15
Web: www.communication.gouv.sn

Ministry of Ecology and Maritime Protection

Building Administratif 2e etage
BP 4055
Dakar, Senegal
Tel: +221 33 849 73 92

Dakar Port Authority

21 Bld de la Libération
BP 3195
Dakar, Senegal
Tel: + 221 33 849 45 45
Web: www.portdakar.sn

APPENDIX

Comparative Chart For Legal Entity Type Selection In Senegal

Legal Status	Single proprietorship	Limited Companies (SARL)	Business corporation (SA)	Economic Interest Groups (GIE)
Minimum number of partners	01	01	01	02
Minimum startup capital	0	1,000,000 CFA francs minimum to be paid up in full at incorporation	10,000,000 CFA francs minimum; ¼ of the capital to be paid up at incorporation, the balance within three(3) years	0
Credibility with third parties	Very low	Important	Very important	Low
Partner's liability	Unlimited (extended to the entrepreneur's personal properties)	Limited to the contributions	Limited to the contributions	Unlimited and joint and several (unless otherwise agreed with third parties)
Eligibility to CI or EFE	YES	YES	YES	YES
Registered auditors	None	Not mandatory*	Mandatory	None
Management	Entrepreneur	Manager (partner or not) appointed by the associates	General Manager or Managing Director	Chairman
Taxation on profits	Unique Global Contribution to the tune of 25 millions of CA for services and 50 millions for traded goods IS (corporate income tax) on option	Corporate Income Tax (IS) - 30% of the net profit	Corporate Income Tax (IS) - 30% of the net profit	Unique Global Contribution to the tune of 25 millions of CA for services and 50 millions for traded goods (or IS on option)
Minimum flat tax (IMF)	0 - IMF : minimum tax payable in case of loss-making results	Between 500,000 and 1,000,000 CFA francs (depending on the turnover)	Between 500,000 and 1,000,000 CFA francs (depending on the turnover)	0

(*) If the capital exceeds 10,000,000 CFAF or if the turnover exceeds 250 million CFA, or in case the staff exceeds 50 workers

Advantages – Drawbacks Chart

Legal status	Advantages	Drawbacks
Single proprietorship	<ul style="list-style-type: none"> No minimum capital required for start up; Rapid and simplified incorporation formalities ; Low incorporation costs ; Flat tax regime, incentive and very flexible. 	<ul style="list-style-type: none"> Unlimited liability of the entrepreneur. In case of bankruptcy, the entrepreneur's liability is engaged; Low credibility vis-à-vis third parties: banks, suppliers, clients... Uneasy access to credit.
Limited Companies (SARL)	<ul style="list-style-type: none"> Minimum capital required not very high (1,000,000 CFAF) Limited liability: associates are liable to the tune of their contributions; Associates have the possibility of exerting a close control on new partner's access to the company's capital ; The company will still exist in case of the demise of one of the partners or the manager (unless otherwise stipulated in the Articles). 	<ul style="list-style-type: none"> The minimum capital required blocks certain initiatives; Obligation to refer to a notary for the deeds of incorporation (statutes, statement of compliance...); High incorporation charges (over 40 percent of the minimum capital) Associates cannot freely transfer their shares.
Business corporation (SA)	<ul style="list-style-type: none"> Very credible with third parties; Great funds mobilization capacity (One S.A can call for public savings); Limited risks to contributions ; Possibility of only paying up one quarter of the capital; Possibility for partners to freely transfer their shares. 	<ul style="list-style-type: none"> High corporate capital; High incorporation charges; Heavy management system (Board, auditors...) for new companies
Economic Interest Groups (GIE)	<ul style="list-style-type: none"> Possibility of creating a GIE without a startup capital ; Flexible incorporation formalities ; Flexible organization and operation ; Flat tax regime, incentive and very flexible 	<ul style="list-style-type: none"> GIE members are supposed to have an activity. The GIE itself is not meant to have a goal of seeking and sharing profits, but it is rather aimed at « putting in place all the means likely to facilitate and develop the economic activity of its members, and improving or raising the wherewithals of this activity;» Low credibility vis-à-vis third parties, mainly banks ; GIE members are jointly and severally liable for the group's debts.

Overview of the main legal forms for a foreign company

Legal Status		Advantages	Drawbacks	Procedure	Taxation
Sales Agency		<ul style="list-style-type: none"> Flexibility Contracts are signed and executed by the parent store 	<ul style="list-style-type: none"> Long recognition procedure Impossibility to carry out commercial operations Difficult recruitment of the support staff 	Headquarter agreement with the Foreign Ministry	Since the agency is not supposed to undertake commercial operations in Senegal, it is therefore not under a fiscal regime
Branch		<ul style="list-style-type: none"> Flexible as opposed to the subsidiary Commercial structure Strong ties with the parent store 	<ul style="list-style-type: none"> A life time of maximum 2 years at the end of which the company is obliged to change its status or stop operating 	Two stages : <ul style="list-style-type: none"> Statutes established by the Notary (provide the manager's police clearance) Company recorded and registered by BCE 	30 percent of the net profit
Subsidiary	S.A.R.L	<ul style="list-style-type: none"> Rather credible with third parties; Minimum capital required not very high (1,000,000 CFAF) ; Limited liability: Associates are only liable to the tune of their contributions; Possibility for associates to exert a close control of new partners' access to the capital; 	<ul style="list-style-type: none"> Legal independence between the parent store and the subsidiary. On the operational front, nothing precludes the subsidiary from collaborating with the parent store in the execution of the contracts 	Two stages: <ul style="list-style-type: none"> Statutes established by the Notary (provide the manager's police clearance) Company recorded and registered by BCE 	30 percent of the net profit
	S.A.	<ul style="list-style-type: none"> Very credible with third parties ; Great funds mobilization capacity (S.A can call for public savings) ; Risk limited to contributions ; Possibility of only paying up one quarter of the capital; Possibility for associates to freely transfer their shares. 			

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