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IVORY COAST

NEW INVESTMENT CODE

ADOPTED IN 2012 TO STIMULATE INVESTMENT

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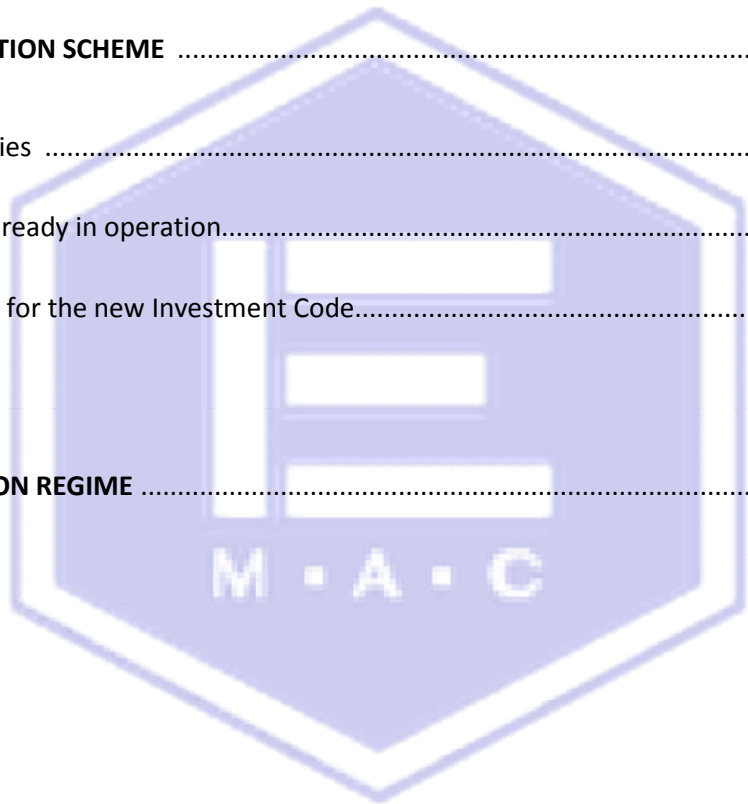
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PRESENTATION

Ivory Coast has started an ambitious process of economic reforms. In this context, the authorities adopted in November 2012 a new Investment Code were designed to stimulate private investment, for both domestic and international stakeholders.

Several tax benefits are provided under the new Investment Code of Ivory Coast. They are divided into two forms of incentive plans: the accreditation scheme and the regime of declaration.

A. THE ACCREDITATION SCHEME

This is a very broader incentive plan. Indeed, it is focus both for companies and investors, whether you are already an existing investor in the country or a new investor. Several tax benefits are provided.

If the company is already operating, the exemptions apply only to the investment phase of your project. For a new business, the benefits would be applied both to the investment phase and the operational phase of the project.

1. For new companies

The tax advantages provided during the investment phase are:

- Reduction of 40% or 50% of the amount of customs duties on imported equipment and materials for the envisaged investments, as well as the first batch of spare parts for these investments;
- Exemption from VAT on all purchases.

At the operating phase, the benefits comprise of:

- Exemption from Business License Tax for the investment;
- Exemption from tax on industrial and commercial profits (BIC), taxes on wages and salaries (ITS) Contributions to the Fund for the Development of Vocational Training (FDDP) and property taxes (in the thresholds applicable).

2. For companies already in operation

They only enjoy the benefits attached to the investment phase.

3. Other modalities for the new Investment Code:

- Duration of exemptions: The duration of exemptions varies.
- All economic sectors are eligible for the scheme of accreditation, except;
 - Buildings for non-industrial use;
 - Trading companies;
 - Banking and Financial services.

B. THE DECLARATION REGIME

This scheme is intended for business men and project managers whose investment budget is minimal. It provides a “Guichet Unique”, which is a one stop service at the Promotion Centre of Ivory Coast (CEPICI), where contractor can go and get all the necessary documents and forms to create their business.

The file includes mainly a business plan that allows the state to judge the relevance and timeliness of the project, and helps the promoter to demonstrate the mastery of his project.

When the file is validated at the “Guichet Unique”, the promoter continues its approach to the tax authority to obtain an attestation for exemption for the income tax on profits (BIC) and Business License Tax (“Patente”) under the current fiscal year.

Several tax benefits are granted for this regime during declaration:

- Exemption from Industrial and Commercial profits (BIC) Tax and the Business License Tax;
- Partial exemption from taxes on salaries (ITS) over time

Exemption period: it is variable (five to fifteen years) and also depends on the investment realization area.

In conclusion, as we have just noted, the new Investment Code in Ivory Coast is a very good vehicle for attracting foreign investors and encouraging local entrepreneurship. It offers guarantees such as freedom guarantees to invest, protection of private property and freedom of access to raw materials. In addition, work visas and residence visas for establishment are facilitated and highly effective by an online visa service.

According to statistics provided by the General Director of CEPICI, by November 25, 2013, "484 billion FCFA of approved investments under the Investment Code for 5434 generated jobs, 2462 companies created at the "Guichet Unique" (More than 1,000 registered visitors). And what are the areas that most interest investors? "The agro-industry remains the natural potential for Ivory Coast."

