Africa Incentive Survey 2016

"Africa is open for business"

A guide to tax / incentives in Africa

March 2016

Foreword

Africa is open for business

Leaders in Africa are no strangers to dealing with difficult economic and political challenges, and this resilience will stand them in good stead to institute a framework of intra-Africa trade that will benefit all African economies.

I say this with conviction because this *Africa Incentive Survey - Africa is open for business*, is a clear indication of how Africa is rising. I believe that the survey is an invaluable guide and if you're looking to understand the various incentives available in Africa, this is the perfect roadmap for you.

The response from our African team in conducting this survey was tremendous, and we are grateful to all of our personnel that have contributed to it. KPMG's African footprint is well established, with professionals ready to assist in advising you across the continent. In addition, I am pleased to let you know that we are developing an Africa Incentives desk which will be headed up by Mohammed Jada (Head: R&D Tax and Incentives) and his thoughts are on page 5, including the impact of trade agreements and the growing trend of trade regionalism within Africa.

There's an African Proverb that says "If you want to go fast, go alone. If you want to go far, go together."

Trevor Hoole. Chief Executive, KPMG in Southern Africa

Not only does this Survey provide a very good insight on the tax regimes in 28 countries across Southern, Eastern, Northern and Western Africa, but it also provides valuable local "Good to Know" facts from our KPMG network of tax professionals across Africa.

For example, if purchase orders for capital equipment are placed before receipt of Ministerial pre-approval confirmation, then a company would be precluded from accessing the grants intended to be available for such capital investment in South Africa!

It is interesting to note that more than three-quarters of the countries surveyed have Special Economic Zones regimes in place, and this confirms my view that Africa is very much part of the global trend wherein governments are rapidly moving to create specialised, bespoke regional zones of development to stimulate trade and investment.

I believe that this survey is an excellent first reference for any company looking to invest or expand their business into Africa, and this survey cements the fact that Africa is indeed open to business.

Jane McCormick, KPMG Global Head of Tax

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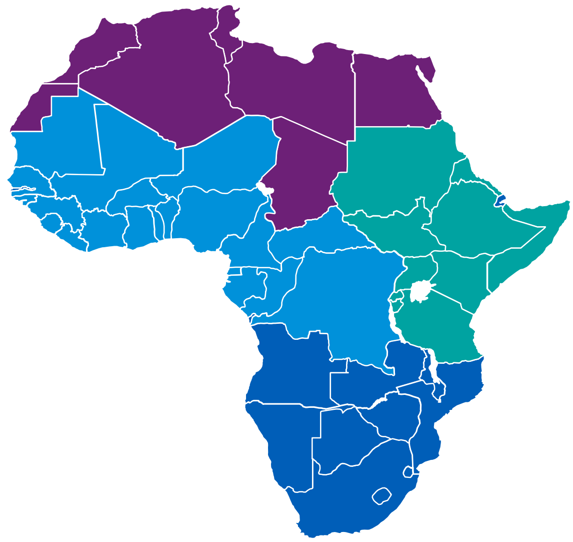


Special Economic Zones (SEZ), Export Processing Zones (EPZ) and Free Trade Zones (FTZ) are trending as an industrial developmental model in African countries after the success of these zones in Asia. At least 21 of the 28 countries surveyed in Africa have incentives relating to SEZ, EPZ or FTZ

Overview - Africa is rising

Introduction

The purpose of the survey is to understand the landscape of incentives offered by African countries, both to local and foreign investors. Whilst in an ideal world, information relating to all countries in Africa would have been included in such a survey, for a variety of reasons (including time limitations), this survey contains information across 28 countries in Africa that represent 81% of Africa's USD 2.4 trillion GDP and which are home to three-quarters of Africa's 1.2 billion population[1].

More than a third of the 28 countries surveyed have incentives related to manufacturing. It appears that African countries are reforming the incentive policies to include manufacturing incentives, to attract manufacturing FDI within their countries.

South Africa, Nigeria and Morocco are notably the only countries in Africa that offer cash grants in addition to tax incentives, all of which require prior approval by government.

Summary tables for quick reference have been provided on Pages 9 to 11, and these have been divided into four regional areas, with detailed information provided for each country from page 13 to 64:

	Countries included in the Survey	Average CIT Rate
Southern Africa	Angola, Botswana, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe	27.8%
Eastern Africa	Djibouti, Ethiopia, Kenya, Rwanda, Tanzania, Uganda	30%
Northern Africa	Algeria, Chad, Libya, Morocco, Sudan, Tunisia	28.8%
Western Africa	Cameroon, DRC, Ghana, Nigeria, Senegal, Sierra Leone	30.5%

Source: https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online.html

The countries participating in this survey have achieved a 9% average growth in their GDP (2012 to 2014), whilst their populations have grown by 43.2 million to just under 870 million people during this period.

What this means is that the sheer size of the population in Africa (approximately 18% of the world's population) and the opportunities this affords to business – cannot be ignored.

The global average corporate tax rate is 23%, with the average rate for countries surveyed being 29%.

Overview - Africa is rising (cont.)

Global trend towards regionalism

When conducting a survey on the tax/cash incentives that African countries avail to both local and foreign investors, it is also important to understand this against the background of the political and economic trade relations between African countries, as well as that between Africa and other regional trading blocks outside of Africa.

In this context, an understanding of the various trade agreements that African countries have entered into and the ability to traverse the unique complexities of each trade agreement, is necessary in order for business to understand the level of access for their products into and within Africa. This, together with the extent of costs associated to get such products to the markets that need them – is essential in any supply chain operating within Africa.

In the current global economic downturn, protectionism on both a local and regional level is expected to gain momentum. In particular, food and domestic manufacturing production capabilities are expected to take on much more political significance in many countries across the world. An example is the recent year-long prolonged negotiations on the continuation of the AGOA[2] treaty benefits between South Africa and the USA, with South Africa being compelled to compromise in allowing US poultry and beef imports into South Africa in order to continue to benefit from the valuable AGOA trade agreement.

Free Trade Agreements (FTAs) can mitigate the impact of protectionist measures, reducing or removing tariff duties and opening access to a market or markets.

We note the plethora of FTAs that have been concluded within Asia, the EU and most recently the Trans Pacific Partnership (TPP) involving the USA and 12 countries across the Pacific Rim in what President Obama has described as a prototype for a 21st Century trade agreement and a potential vehicle to establish a free market in the Asia Pacific region.

The world has also seen an increasing number of bilateral and multilateral trade agreements being entered into in the past decade. More than 130 new trading arrangements have been notified since the creation of the World Trade Organisation, and more than 400 regional trade agreements are currently being implemented.

The ASEAN countries are central to the development of regionalism in the East Asian region, and it is expected that their 'circle' would extend to encompass China, Korea and Japan (known as ASEAN + 3), and later possibly to include Australia, New Zealand and India (referred to as ASEAN + 6). The latter process would create a market of over 3 billion people, having a combined GDP of US$14 trillion. This has come close to fruition in that the TPP mentioned above, has recently being signed by 12 countries in Asia and the Americas across the Pacific rim, and is currently awaiting ratification by the US Senate.

According to the World Bank, 5 African countries in Sub – Saharan Africa (Uganda, Kenya, Mauritania, Benin and Senegal) were among the top ten improvers globally in the 2015 Doing Business rankings for 2013/2014.

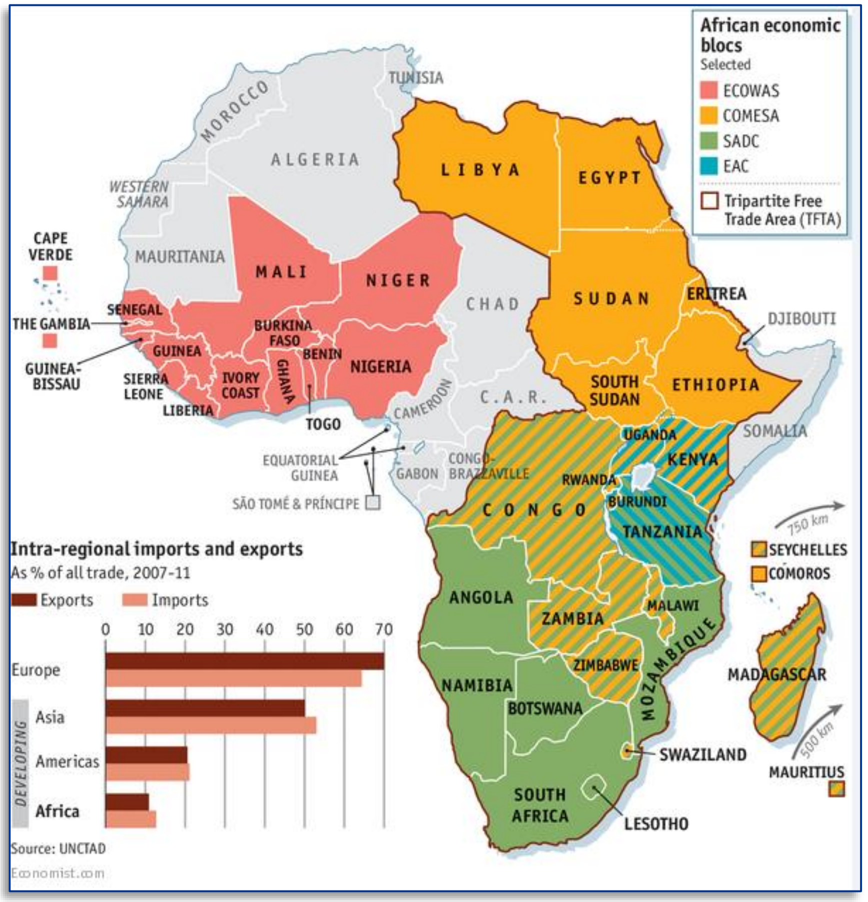
[1] Figures are at 2014, Source: World Development Indicators (World Bank) http://data.worldbank.org/country
[2] The African Growth and Opportunity Act (AGOA) offers tangible incentives for African countries to continue their efforts to open their economies and build free markets with preferential access to the USA.
Reference 1 : see Page 65

Overview - Africa is rising (cont.)

The future: a united African trade market

Africa too, is party to a growing number of bilateral and multi-lateral trade agreements, providing African exporters with an opportunity to claim preferential treatment. Africa's answer to the above is the **Tripartite Free Trade Area (TFTA)**, which covers 26 (out of 54) African countries and is aimed at creating the biggest free-trade area on the African continent.

The African continent features 17 trade blocs and the TFTA will result in consolidating the three significant trade blocks: the East African Community (EAC), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). The graph below[3] is a good illustration of the impact that the TFTA could have.



As can be seen by the almost decade long time-frame for the TPP to be negotiated, getting a TFTA across Africa would also not be without its own challenges. Not only would African countries need to significantly expand its range and volume of goods manufactured and produced, but it would also need to focus on Africa-2-Africa supply chains and its means of production.

[3] Tear down these walls, 27 Feb 2016, The Economist www.economist.com/news/21693562

Overview - Africa is rising (cont.)

From the survey conducted it is clear that many African countries specifically offer tax incentives to stimulate the manufacturing, agricultural, and industrial base in their respective countries, with some more advanced economies also offering incentives to localise financial services industries. A case in point is Kenya and Cameroon which provides tax breaks for companies that list on its stock exchange.

We have noticed a recent trend in more African countries attempting to diversify their economies to shift away from an over-reliance on extractive industries and to branch into mainstream industries such as manufacturing and value-added services industries. African countries appear to be introducing new or revised incentives, seemingly to compete more favourably for both local and foreign direct investment.

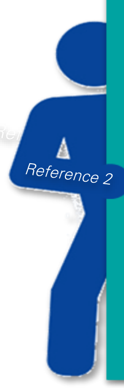
The success of South Africa in having a diversified economy appears to be rubbing off on its northern neighbours. For example:

- Nigeria is currently striving to attract foreign direct investment to grow other sectors of the economy (such as the motor manufacturing industry) given the decline of revenue from the oil sector. This is evident in the various tax incentives and government grants that have been introduced;
- Rwanda has recently published in the Official Gazette of the Republic of Rwanda, the new Regulating Investment Promotion and facilitation (Investment code), which contains a package of investment incentives to Foreign as well as local investors; and
- Kenya has recently enacted a Special Economic Zone Act to extend incentives to other sectors including Services which are established in designated zones.

Lessons to learn

No trade deal provides any country with a guaranteed return of extra revenue, and every trade agreement is unique with complex negotiations on the details therein. Teamwork and commitment is required by African leaders to remedy common problems, such as regional power production, local supply chain beneficiation of mineral wealth and rolling out port, rail and road infrastructure. This, in itself, offers the opportunity for Africa to start doing business with itself, for itself, and will no doubt assist in better regional integration.

The benefits to Africa of a *Pan- African* FTA (when this eventually is negotiated!), would be mainly accessible to those companies that are prepared to do the hard yards understanding the many regional agreements, building relationships with potential customers and developing the products that meet their requirements. In the interim, companies that are best at 'sorting the chaff from the wheat' will be able to take full advantage of the potential of such trade agreements.



The top recipients of FDI inflows in Africa during 2014 were South Africa (USD 5.7 billion); DRC (USD5.5 billion), Mozambique (USD4.9 billion); Egypt (USD4.8 billion) and Nigeria (USD 4.7 billion). The primary industries of FDI were in the extractive industries, such as oil and gas and mining.

Reference 2 : see Page 65

Tables and useful data

Four of the 28 African countries in this survey offer a CIT rate of 23% or lower, with Mauritius being the lowest (15%).

Survey Comparison Table

Country	Offer Tax Incentives	Offer Cash Grants	Pre-approval requirements	SEZ/Export Free-zones	CIT Rate (%)	Reduced CIT Rate (SEZ /Free-zones)	Job creation requirement	Training incentive
Algeria	Yes	No	Yes	Yes	23	0 (i)	Yes	No
Angola	Yes	No	Yes	Yes	30	-	Yes	No
Botswana	Yes	No	Yes	No	22	15	Yes	Yes
Cameroon	Yes	No	Yes	Yes	33	0	No	No
Chad	Yes	No	Yes	No	40	-	No	No
DRC	Yes	No	Yes	No	35	0 (ii)	No	No
Djibouti	Yes	No	Yes	Yes	25	0	No	No
Ethiopia	Yes	No	Yes	Yes	30	Tax Holiday Period	No	No
Ghana	Yes	No	Yes	Yes	25	0	No	No
Kenya	Yes	No	Yes	Yes	30	0	No	Yes
Libya	Yes	No	Yes	No	20	Tax Holiday Period	No	No
Malawi	Yes	No	No	Yes	30	-	No	No
Mauritius	Yes	No	No	Yes	15	15	No	No
Morocco	Yes	Yes (iii)	Yes	Yes	30	10	No	Yes
Mozambique	Yes	No	Yes	Yes	32	Tax Holiday Period	No	Yes
Namibia	Yes	No	Yes	Yes	33	-	No	Yes
Nigeria	Yes	Yes	Yes	Yes	30	0	Yes	Yes
Rwanda	Yes	No	Yes	Yes	30	0	Yes	No
Senegal	Yes	No	Yes	No	30	15 (iv)	No	No
Sierra Leone	Yes	No	Yes	No	30	-	Yes	Yes
South Africa	Yes	Yes	Yes	Yes	28	15	Yes	Yes
Sudan	Yes	No	Yes	Yes	35	0	No	No
Swaziland	Yes	No	No	Yes (v)	27.5	-	No	Yes
Tanzania	Yes	No	Yes	Yes	30	Tax Holiday Period	No	No
Tunisia	Yes	Yes	Yes	No	25	-	No	Yes
Uganda	Yes	No	Yes	Yes	35	-	No	No
Zambia	Yes	No	Yes	Yes	35	15	No	No
Zimbabwe	Yes	No	Yes	No	25.75	15 (iii)	No	No

i. For 5 years when creating 100 jobs.

ii. Provided DRC government has approved specific project or co-operation agreement entered into.

iii. Contribution by Moroccan government of 20% of expenses where large scale projects > MAD 100m are undertaken, and co-operation agreement is entered into.

iv. For approved export centred companies.

v. Not yet in-force.

GDP and Population data of countries surveyed

Southern Africa	GDP (2014) USD (billion)	Population (2014) million	Growth in GDP (2012 – 2014)	Growth in Population (2012-2014)
Angola	138.4	24.2	10.25%	6.80%
Botswana	15.8	2.2	6.90%	4.08%
Malawi	4.3	16.7	0.41%	6.34%
Mauritius	12.6	1.3	10.35%	0.40%
Mozambique	15.9	27.2	9.66%	5.76%
Namibia	13.0	2.4	-0.16%	4.85%
South Africa	350.1	54.0	-11.90%	3.17%
Swaziland	4.4	1.3	-10.18%	3.04%
Zambia	27.1	15.7	8.53%	6.32%
Zimbabwe	14.2	15.2	14.56%	4.67%
Total	**595 billion**	**160.3 million**	**Average growth in GDP: 3.84%**	**Average growth in population: 4.5%**

Source: http://data.worldbank.org/country

Eastern Africa	GDP (2014) USD (billion)	Population (2014) million	Growth in GDP (2012 – 2014)	Growth in Population (2012-2014)
Djibouti	1.6	0.9	17.39%	2.71%
Ethiopia	55.6	97.0	28.40%	5.17%
Kenya	60.9	44.9	20.88%	5.45%
Rwanda	7.9	11.3	9.29%	4.85%
Tanzania	48.1	51.8	22.95%	6.53%
Uganda	27.0	37.8	16.19%	6.73%
Total	**201.1 billion**	**243.6 million**	**Average growth in GDP: 19.1%**	**Average growth in population: 5.2%**

Source: http://data.worldbank.org/country

GDP and Population data of countries surveyed (cont.)

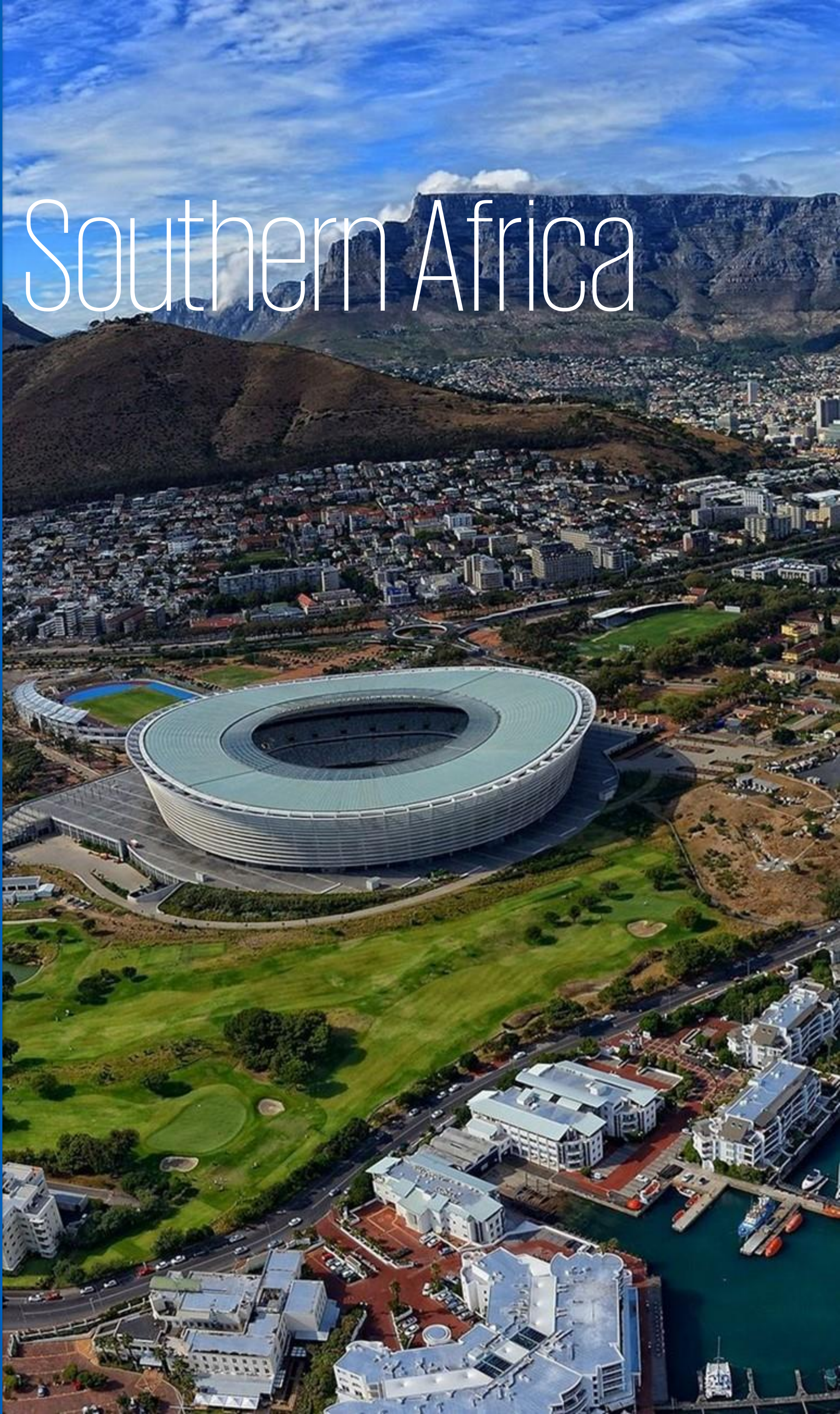
Northern Africa	GDP (2014) USD (billion)	Population (2014) million	Growth in GDP (2012 – 2014)	Growth in Population (2012-2014)
Algeria	213.5	38.9	2.14%	3.99%
Chad	13.9	13.6	12.57%	6.85%
Libya	41.1	6.3	-49.77%	-0.39%
Morocco	110.0	33.9	11.95%	2.84%
Sudan	73.8	39.4	17.75%	4.34%
Tunisia	48.6	11.0	7.71%	2.03%
Total	**501 billion**	**143 million**	**Average growth in GDP: 0.4%**	**Average growth in population: 3.3%**

Source: http://data.worldbank.org/country

Western Africa	GDP (2014) USD (billion)	Population (2014) million	Growth in GDP (2012 – 2014)	Growth in Population (2012-2014)
Cameroon	32.1	22.8	21.07%	5.14%
DRC	33.1	74.9	20.60%	6.52%
Ghana	38.6	26.8	-7.92%	4.86%
Nigeria	568.5	177.5	23.33%	5.49%
Senegal	15.7	14.7	11.48%	6.48%
Sierra Leone	4.8	6.3	29.33%	4.51%
Total	**692.8 billion**	**322.9 million**	**Average growth in GDP: 16.3%**	**Average growth in population: 5.5%**

Source: http://data.worldbank.org/country

Southern Africa



Green Point stadium, Cape Town

Southern Africa: Angola

A New Private Investment Law ("PIL") was published in Angola establishing the general basis of private investment in the Republic of Angola. The PIL sets out the principles and rules regarding the eligibility of incentives and other facilities to be granted by the State.

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	Tax incentive			
	New PIL Tax incentives	**New PIL Extraordinary tax benefits**	**Industrial Tax Code Tax Benefit regarding the Reinvestment of Voluntary Reserves**	**Special Economic Zones ("SEZ") Luanda-Bengo**
Minimum Investment required	• **Foreign investments** - total amount equal or higher than the amount in Kwanzas corresponding to USD 1 Million. • **Domestic investments** - total amount equal or higher than the amount equivalent in Kwanzas corresponding to USD 0.5 Million.	Investments equal or higher than USD 50M. **Criteria:** • Create 500 or 200 jobs for Angolan citizens, in Zone A or B, respectively.	Profits which were taken to reserves and reinvested, within the following three fiscal years, in new facilities or equipment for manufacturing or administrative activities.	None.
Maximum benefit available	100% tax reduction on Industrial Tax, Real Estate Transfer Tax ("Sisa") and Tax on Invested Capital for a period of 10 years (the percentage of reduction is based on a certain score attributed to each investment project according to a table attached to the new PIL).	To be negotiated with the relevant authorities, and expected to be more beneficial than the standard PIL Tax Incentive.	Up to 50% of the investment amount may be deducted to the taxable income.	To be negotiated with the SEZ Management Company.
Type of benefit	Tax reduction	Extraordinary Tax benefits	Tax deduction	Tax exemption, Tax reduction, Financial Support.
Training Benefit	None			Up to negotiation with SEZ Management Company.

Southern Africa: Angola (cont.)

	Tax incentive			
	New PIL Tax incentives	**New PIL Extraordinary Tax benefits**	**Industrial Tax Code Tax Benefit regarding the Reinvestment of Voluntary Reserves**	**SEZ Luanda-Bengo**
Timeframe / How to claim	The incentive is available for a period between 4 to 10 years and can only be claimed after submission and approval of the investment project.	The incentive can only be claimed after submission and approval of the investment project.	The deduction is divided in the three years following the conclusion of the investment.	
Good to know	**Criteria for the granting of tax benefits:** • Investment amount; • National jobs creation; • Investment location; • Angolan shareholders participation; • Domestic value-added; • Export-oriented production; • Agricultural, livestock, and agro-industries; • Investment location (Zone A or Zone B). **Zone A:** Province of Luanda and the head municipalities of the Provinces of Benguela, Huíla and the municipality of Lobito. **Zone B:** Provinces of Cabinda, Bié, Cunene, Huambo, Cuango Cubango, Lunda-Norte, Lunda-Sul, Moxico, Zaire, Bengo, Cuanza-Norte, Cuanza-Sul, Malanje, Namibe and Uíge and the other municipalities of the Provinces of Benguela and Huíla.	• It is not entirely clear whether the limits related to the PIL regarding the percentage of reduction and its duration period should also be applicable to the extraordinary tax benefits. We recommend that this is classified prior to investment decisions being effected. • "APIEX – Angola" since September 2015, is the entity responsible for the promotion of domestic and foreign investment projects.	This tax deduction is not automatic and to obtain this tax benefit, taxpayers must submit an application to the General Tax Administration before the end of February of the following year after the conclusion of the investment, with supporting documentation.	• The right to access Luanda-Bengo SEZ depends on the submission of proposal to the SEZ Management Company. • The implementation of SEZ is subject to certain requirements. • Prior interaction with the authorities and the Luanda-Bango SEZ is essential before investment decisions are made.

Southern Africa: Botswana

The Ministry of Finance and Development Planning administers manufacturing and development incentives within Botswana. In this regard, a number of incentives are available, particularly in the manufacturing and financial sectors.

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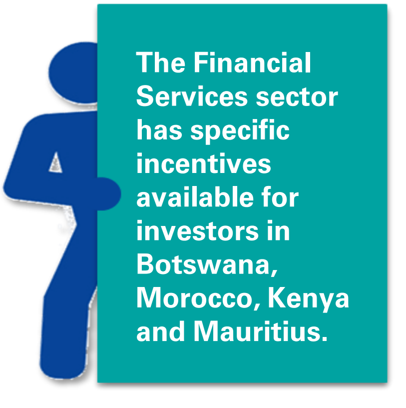
	Tax incentive			
	International Financial Services Centre (IFSC)	**Manufacturing Development Approval Order**	**Development approval order**	**Tax agreements**
Minimum Investment required	None			
Maximum benefit available	• A reduced corporate tax rate of 15% applies to approved activities. • No withholding tax on dividends, interest, royalties and management or consultancy fees paid to a non-resident. • Capital gains on disposal of qualifying foreign shareholdings are exempt. • Dividends from qualifying foreign participation are exempt. • Investors exempt from capital gains tax on divestment.	A reduced corporate tax rate of 15% and additional deductions as prescribed by the Minister.	• The Minister of Finance may issue a development approval order granting additional relief to any project which he considers would be beneficial to the development of the Botswana economy or to the economic advancement of its citizens. • Any order issued will specify the types and rates of additional tax relief to be granted to the project in question.	• The Minister of Finance and Development planning can enter into an agreement with any taxpayer. • Once the agreement is approved, a reduced tax rate, additional deductions and exemptions prescribed by the Minister, would be available.
Type of benefit	Tax reduction, Tax exemption	Tax reduction, Tax deduction		Tax reduction, Tax deduction, Tax exemption
Training Benefit	200% tax deduction for approved citizen training, only to the extent to which such expenditure is not entitled to reimbursement.			

Southern Africa: Botswana (cont.)

	Tax incentive			
	International Financial Services Centre (IFSC)	**Manufacturing Development Approval Order**	**Development approval order**	**Tax agreements**
How to claim / Timeframe	The Company needs to first apply for certification.	The Company needs to apply for pre – approval before it can claim.	The company needs to apply for pre-approval before it can claim.	The agreement has to be approved by resolution of the National Assembly.
Good to know	Certification is dependent on the level of participation of citizens in management and training of citizen employees.	The order is issued on condition that business has to contribute to economic development and up-skilling of citizens. If conditions of the order are breached the Minister may amend or revoke the development approval order.	The economic significance of the project is a major determining factor in the award of a Development Approval Order. In addition, consideration will be given to the plans or facilities in place for the training of citizens and localisation plans of non-citizen held positions.	The agreement can only be amended or cancelled by the National Assembly.



Southern Africa: Malawi

Malawi introduced a one stop incentive platform known as Malawi Investment Trade Centre ("MITC") where investors can go and get hold of all information on incentives available in Malawi. MITC collaborates with Ministry of Trade and Industry including other parastatal organizations like the Malawi Revenue Authority ("MRA").

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	Tax incentive		
	Tax Allowances		Export Processing Zones (EPZ)
	Claimed once-off	Claimed Annually	
Minimum Investment required	None.		
Maximum benefit available	**Initial allowances** Initial allowances are available on capital expenditure during the year of acquisition at the following Rates: (i) Industrial buildings, improvements, railway line 10% (ii) Farm fencing 33.33% (iii) Machinery 20% (iv) Automobiles forming part of a commercial hire fleet 20%. **Investment allowances** • There is also an additional of 15% allowance for investment in designated areas of the country. • Loss carry forward of up to six years. • Manufacturing companies may also deduct operating expenses incurred up to 25months prior to the start of the operations. • There is also duty draw back when dealing in non-traditional exports for all raw materials including packaging when registered with Malawi Export Promotion Council.	**Annual allowances** Annual allowances are available for qualifying assets on a declining balance basis at the following Rates: • Industrial buildings, farm improvements & railway lines 5% • Farm fencing 10% • Heavy machinery and installations 15% • Light machinery 10% • Trucks and tractors 33.33% • Light commercial vehicles 25% • Motor vehicles 20% • Commercial Buildings costing more than K100 million 2.5% **Export allowance** A registered exporter, shall in every financial year during which he exports products of Malawi, be entitled to an income tax allowance of 25 percent of his taxable income derived from his export sales.	• Capital Equipment and raw materials are duty free. • No excise tax is imposed on purchase of raw materials and packaging materials made in Malawi. • No Value Added Tax, to enjoy this you need to be operating in the designated areas.

Southern Africa: Malawi (cont.)

	Tax incentive		
	Tax Allowances		Export Processing Zones (EPZ)
	Claimed once-off	Claimed Annually	
Minimum Investment required	None.		
Maximum benefit available		**Transport allowance** An additional allowance may be granted of 25 percent of the international transport costs incurred by a taxpayer for his exports whether produced by manufacturing in bond or otherwise, but other than exports of products specified in the Schedule to the Export Incentives (Exclusion) Order made under the Export Incentives Act. **Mining allowance** A person carrying on mining operations incurs mining expenditure in any year of assessment shall be entitled to an allowance equal to 100 percent of such expenditure in the first year of assessment	
Type of benefit	Tax deduction		
Training Benefit	None		
Good to Know	Initial and investment allowance may be claimed once but other incentives are annually claimed.		

Southern Africa: Mauritius

Some of the government incentives include a single corporate income tax rate ("CIT") of 15 percent; exemption from customs and excise duties on import of equipment and raw materials; exemption from tax on payment of dividends, no capital gains tax; a low 5% registration duty on registration of notarial deeds; free repatriation of profits, dividends, and capital; and reduced tariffs for electricity and water for vulnerable people.

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	Tax incentive			
	Smart Cities Scheme (SCS)	**Global Business Companies Category 1 (GBC 1)**	**Global Business Companies Category 2 (GBC 2)**	**Freeport Zone**
Minimum Investment required	None			
Maximum benefit available	• Exemption from CIT for 8 years from the issue of the SCS Certificate; • Exemption from VAT on capital goods; • Exemption from customs duty on import or purchase of any dutiable good; • Exemption from transfer tax and registration duty on transfer of land to a SPV subject to certain conditions; and • Exemption from Capital Gains (morcellement) tax.	• A GBC1 flat CIT rate of 15%. However, a deemed foreign tax credit of 80% is available against the Mauritian tax liability so that a GBC 1 will pay a net effective tax rate of 3% only. • A GBC1 may also claim actual foreign tax credit suffered, subject to meeting certain conditions, which may reduce its effective tax rate to nil.	• Exemption from CIT. • No requirement to file corporate tax return.	• Exemption from CIT except for sale to local market. • Exemption from customs duties on all goods imported into the Freeport zone. • Free repatriation of profits.
Type of benefit	Tax exemption	Tax reduction	Tax exemption	
Training Benefit	None			
Good to know	• The Incentive is effective as from 12 June 2015 • The Smart City Scheme provides an enabling framework and a package of attractive fiscal and non-fiscal incentives to investors for the development of smart cities across the island.	GBC1 can avail the double taxation treaty network Mauritius has with other countries, including that of the Southern African Development Community (SADC).	GBC2 cannot avail Mauritius treaty network.	Mauritius also benefits from trade agreements such as the Interim Economic Partnership Agreement (EPA), the Generalized System of Preferences (GSP) and the Africa Growth & Opportunity Act (AGOA), which provide preferential access for goods of Mauritian origin to the European Union and the United States, respectively.

Southern Africa: Mozambique

The incentives are authorized by a Government entity, Centro de Promoção de Investimentos (CPI). The government entity, GAZEDA, is responsible for the approval for Special Economic Zones ("SEZ") and Industrial Freeports/Zones ("IFZ"). A number of incentives are available depending on the investment sector and location.

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	Tax incentive							
	Foreign or National General Investment	**Basic Infra-structure**	**Manufacturing and Assembly Industry**	**Agriculture and Fishing**	**Hotel and Tourism**	**Large Dimension Projects**	**Special Economic Zones**	**Industrial Zones / Freeports**
Minimum Investment required	MZN 2,500,000 (1 USD = 49.0900 MZN)	MZN 2,500,000	Annual turnover over MZN 3,000,000 and add value to the product of more than 20%	MZN 2,500,000	MZN 2,500,000	MZN 12,500,000	MZN 2,500,000	MZN 2,500,000
Maximum benefit available	• Accelerated depreciation (more than 50%) for eligible assets; • Tax credit of 5%-10% of the investment; and • Exemption for customs duties and VAT on K class equipment.	• CIT reduction: 80% on the first five years- 60% between sixth and tenth year- 25% between eleventh to fifteenth year. • Exemption for customs duties and VAT on K class equipment.	Exemption of customs duties of material necessary for the production or assembly, including raw material.	• CIT reduction: 80% until 31 December 2015- 50% between 2016 to 2025. • Exemption for customs duties and VAT on K class equipment.	• Accelerated depreciation (more than 50%) for eligible assets; • Tax credit of 5%-10% of the investment; • Exemption for customs duties and VAT on K class equipment plus other equipment necessary for the project	• Accelerated depreciation (more 50%) for eligible assets; • Tax credit of 5%-10% of the investment done; • Exemption for customs duties and VAT on all equipment necessary for the project.	• CIT reduction: exemption on the first five years- reduction of 50% between sixth and tenth years- reduction of 25% for the rest of the project life. • Exemption for customs duties and VAT on equipment necessary for the project.	• CIT reduction: exemption on the first ten years- reduction of 50% between eleventh and fifteenth years- reduction of 25% for the rest of the project life. • Exemption for customs duties and VAT on equipment necessary for the project including goods and materials.
Type of benefit	Tax deduction							

Southern Africa: Mozambique (cont.)

<table>
<tr><th></th><th colspan="8">Tax incentive</th></tr>
<tr><th></th><th>Foreign or National General Investment</th><th>Basic Infra-structure</th><th>Manufacturing and Assembly Industry</th><th>Agriculture and Fishing</th><th>Hotel and Tourism</th><th>Large Dimension Projects</th><th>Special Economic Zones</th><th>Industrial Zones/ Freeports</th></tr>
<tr><td>Training Benefit</td><td>Training costs up to 5%-10% of the taxable profit.</td><td colspan="2">None</td><td colspan="3">Training costs up to 5%-10% of the taxable profit.</td><td colspan="2">None</td></tr>
<tr><td>Good to know</td><td>• Need to apply for pre-approval before company can claim. The process takes around 3 months.
• Benefits valid for 5 years.</td><td>• Need to apply for pre-approval before company can claim. The process takes around 3 months.
• The benefit is available for 5 years for the customs duties and 15 year for CIT.</td><td>• Need to apply for pre-approval before company can claim. The process takes around 9 months.
• Benefit is available for the project period.</td><td>Need to apply for pre-approval before company can claim. The process takes around 6 months.</td><td>Need to apply for pre-approval before company can claim. The process takes around 9 months.</td><td>Need to apply for pre-approval before company can claim. The process takes around 12 months.</td><td colspan="2">• Need to apply for pre-approval before company can claim. The process takes around 6 months.
• GAZEDA is the approving entity.</td></tr>
</table>

Southern Africa: Namibia

All manufacturing and Export Processing Zones ("EPZ") enterprises claiming incentives must register with the Ministry of Trade and Industry and in terms of taxation incentives, and the entities are also required to register with the Namibia Inland Revenue Authority ("NIRA").

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	Tax incentive		
	Export Processing Zone (EPZ) Tax Incentives	**Registered Manufacturers Tax Incentives**	**Exporters of manufactured goods Tax Incentives**
Minimum Investment required	None		
Maximum benefit available	• Exemption from: VAT, CIT, Stamp and Transfer duty, Customs and Excise duty, No duty or tax on any goods exported from Namibia; and • Exemption from import VAT charged on the import of raw materials and machinery used in the manufacturing process.	• An additional 25% deduction on any expenditure incurred directly in the manufacturing process; • An additional 25% deduction of transportation cost incurred by road or by rail; • Building allowance of 20% in the first year and the balance at 8% per year over the ensuing 10 years; and • An additional 25% deduction of expenditure incurred as a result of marketing for exportation purposes.	A deduction of 80% of taxable income (excluding the exporting of fish and meat products).
Type of benefit	Tax exemption	Tax deduction	
Training Benefit	75% refund of expenditure incurred in training Namibian citizens.	An additional deduction of 25% from income will be allowed on approved technical training expenses.	None
Good to know	• Tax incentives are of unlimited duration. • No strikes or lock-outs are allowed in an EPZ thus the enterprises should enjoy industrial calm. EPZ enterprises are allowed to hold foreign currency accounts in local banks and they are free to locate their operations anywhere in Namibia.	• Tax incentives are limited to the period the enterprise retains its manufacturing status. • A physical inspection of the premises is required before manufacturing status can be granted.	Registration with authorities is required.

Southern Africa: South Africa

The South African government has introduced a range of generous incentives, from tax incentives (see Table 1 below) to financial grants (see Table 2 below), covering diverse activities primarily in the area of manufacturing, infrastructure and research and development ("R&D") projects.

The Department of Trade and Industry ("DTI") administers the manufacturing and development incentives and provides grant funding to applicants. The R&D Tax Incentive is administered by the Department of Science and Technology ("DST") and the South African Revenue Service ("SARS") to increase private sector investment and conducting of R&D in the country. South Africa also has a long history of supporting the Automotive Industry (both manufacturing of vehicles and components), through a range of cash grants and rebates (more details are available on request in this regard).

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	Tax Incentives (Table 1)				
	Research and Development ("R&D") Tax Incentive (Section 11D)	**Greenfield and Brownfield Expansion projects (Section 12I)**	**Special Economic Zones**	**Energy Efficiency Tax Deduction (Section 12L)**	**Employment Tax Incentive**
Minimum Investment required	None	Greenfield projects: • R50 million. Brownfields: • R30 million; or • Lesser of R50 million; or 25% of expenditure on existing assets.	None, however project needs to be located in a designated SEZ.	None	None, but need to be an employer duly registered for Pay As You Earn ("PAYE") and must employ employees earning between R2 000 to R6 000 per month.
Maximum benefit available	Unlimited benefit. 150% tax deduction on qualifying expenditure at a corporate tax rate of 28%. This is effectively an additional 14% tax saving on qualifying expenditure with no upper cap or limit on the allowed expenditure.	R98 million to R252 million net tax benefit.	15% corporate tax rate, accelerated 10 year allowance on buildings, VAT and Customs relief and the Section 12I tax incentive is available as well as an employment tax incentive to hire more people.	The deduction is calculated at 95 cents per kilowatt hour of energy efficiency savings or energy efficiency savings equivalent.	• Reduction in 50% of PAYE during each month of the first 12 months in respect of which an employer employs a qualifying employee; and • Reduction in 25% of PAYE during each of the 12 months after the first 12 months that the same employer employs the qualifying employee.

Southern Africa: South Africa (cont.)

	Tax Incentives (Table 1 – continued)				
	Research and Development ("R&D") Tax Incentive (Section 11D)	**Greenfield and Brownfield Expansion projects (Section 12I)**	**Special Economic Zones**	**Energy Efficiency Tax Deduction (Section 12L)**	**Employment Tax Incentive**
Type of benefit	Tax deduction				
Training Benefit	Not applicable.	R36 000 per employee up to a maximum of R30 million.	None		
How to claim / Timeframe	From 1 October 2012, the effective 14% tax saving can only be claimed from the date a pre – approval application form has been lodged with the DST.	A Company needs to submit an application, which must be approved before contracting for or acquiring any assets.	The SEZ Act was promulgated on 9 February 2016, and is currently effective.	The energy efficiency savings have to be measured and confirmed by a certified and accredited body.	The incentive is available from 1 January 2014 to 31 December 2017.
Good to know	The time frame for pre – approval from date of lodgement is generally about 9 months, with expenditure qualifying from the date of lodgement of the pre – approval application to the DST.	The time frame for approval from date of lodgement is generally at least 2 - 3 months.	Various zones have been identified across South Africa: • Dube Trade Port; • Richards Bay; • Saldanha Bay; • Atlantis; • Upington; • Harrismith; • Johannesburg (x2); • Rustenburg; • Tubatse; • Port Elizabeth; • East London; and • Messina.	• No deduction is allowed if the taxpayer receives a concurrent government benefit in respect of energy efficiency savings; and • A deduction for captive renewable energy is only allowed under section 12L if the kilowatt hours of energy output of the respective captive power plant is more than 35% of the kilowatt hours of energy input in respect of that year of assessment.	• Eligible employers must employ qualifying employees who are between 18 to 29 years old at the end of the month the incentive is claimed, and who have South African Identity documents or asylum seeker permits; and • Age limit is not applicable if the employee renders their services to an employer who operates in a SEZ.

"Global economic conditions are affecting all countries and in an increasingly inter-connected world, no country is immune from its effects. South Africa remains an attractive investment destination that is open for business"

— Minister Rob Davies

in the article "South Africa open for business", published by The Public Sector Manager, February 2016

Southern Africa: South Africa (cont.)

	Government Grants (Table 2)			
	Aquaculture Development and Enhancement Programme ("ADEP")	**Critical Infrastructure Program (CIP)**	**Business Process Services (BPS) (e.g. call centre / shared services)**	**Film Incentive**
Minimum Investment required	None, but need to conduct activities that fall under the Standard Industry classifying code (SIC) 132 (fish hatcheries and fish farms) and SIC 301 and 3012 (production, processing and preserving of aquaculture fish).	None	Create at least 50 new jobs in South Africa over a three year period and maintain the jobs for a period of five years.	• R 12 Million for foreign Films. • R 2.5 Million for South African Films.
Maximum benefit available	The grant ranges between 25% and 45% of the cost for a new, upgrade or expansion project (based on a point scoring system), capped at R40 million.	Cash grant of between 10% to 30% of investment, Capped at R30 million.	• Average cash incentive of R22 000 to R34 000 per job retained (2014 to 2023). • 20% bonus if more than greater than 400 but less than 800 jobs created. • 30% bonus if more than greater than 800 jobs created.	20% - 50% of production expenditure and up to 5%- 25% of Post production Expenditure. Capped at R50 million.
Type of benefit	Cash grant			
Training Benefit	None			
Good to Know	• Claim application must be submitted to the DTI at least 2 months before commencement of operations, for grant to be disbursed. • Projects will be granted an incentive payment and disbursement period based on their investment spread as: (i) Projects with a proposed one year investment are granted an incentive, and disbursement over two six monthly periods (ii) Projects with a proposed two year investment are granted an incentive payment and disbursement over four six monthly periods.	• Applications must be submitted 3 months before start of construction of infrastructures; and • Incentive applies to both mining and manufacturing industries. • Applicants claim is linked to a scorecard, measuring level of investment and percentage of black ownership.	• Must commence commercial BPS operations no later than six months from the approval date. • The 50 new jobs created must be retained.	• The incentive consists of three categories: – Foreign Film and Television Production and Post-Production incentive; – South African Film and Television Production and Co-Production incentive; and – South African Emerging Black Filmmakers incentive. • Applications must be submitted before commencement of principal photography or post production.

Southern Africa: Swaziland

Swaziland does not offer cash grants to companies, but has put in place a relatively competitive incentive package. The rationale for incentives is premised on the notion that it eliminates the need for direct government funding to business, indicates a generous long term environment with a promise of competitive return to the investor and it offsets the low domestic savings which are oftentimes insufficient to finance investment expansions. There is no capital gains tax in Swaziland.

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	Tax Incentives				
	Development Approval Order (DAO)	**Duty free access for capital goods and machinery**	**Rebates for raw material**	**Building Initial Allowance**	**Special Economic Zones**
Minimum Investment required	None				Royal Science and Technology Park and the King Mswati III International Airport have been earmarked as SEZ's.
Maximum benefit available	10% maximum CIT payable for 10 years and no withholding tax on dividends paid. The normal CIT rate is 27.5%.	Exemption of equipment and machinery from duties (only those imported for purposes of manufacturing or direct operations).	Exemption from import duty on raw material used to manufacture goods to be exported outside the Southern African Customs Union ("SACU").	Industrial Building Allowance. Initial allowance of 50% of the actual cost of a building, for the first year and 4% thereafter.	
Type of benefit	Tax reduction	Tax exemption		Tax reduction	
Training Benefit	Yes	None			
Good to Know	The incentive is available for 10 years and can be renewed after the 10 year period.	• The incentive can be claimed upon importation by completing certain documents at the border. Private clearing agents are also available to assist taxpayers. • This incentive is administered under the SACU Common External Tariff ("CET") Framework.		• An application needs to be submitted to the Swaziland Revenue Authority ("SRA") on commencement of the project. An inspection of the completed project will be conducted by SRA. • Similar allowances are available for hotel buildings and plant and machinery used in a manufacturing process.	Government is currently working on the legislation to ratify these areas and the additional benefits to be made available.

Southern Africa: Zambia

Fiscal and non-fiscal incentives are available for investors in specific 'priority sectors' (currently manufacturing, infrastructure development and energy and water development) where the investments are made in an industrial area, rural area or multi-facility economic zone. These incentives are available for certain sizes of investments which receive approval from the Zambia Development Agency ("ZDA").

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	Tax incentive		
	ZDA investment incentives	**Special Economic Zones (Industrial Zones/Freeport's)**	**Industry Specific Incentives**
Minimum Investment required	Currently $500k, (please note that this may be been increased to $2.5m per latest proposed amendment of ZDA bill).	Multi-facility economic zones or industrial parks are located both in Lusaka and the Copper belt. Investment in rural areas also qualifies for incentives.	None
Maximum benefit available	• 0% corporate income tax for 5 years; • Dividend withholding tax at 0% for 5 years; • Improvement allowances of 100% on certain capital expenditure; and • The suspension/deferment of import duties and import VAT on plant and machinery for 5 years.	ZDA incentives as described across are only available in the approved multi-facility economic zones, industrial parks or rural areas.	• 10% corporate income tax rate (35% standard rate) and increased capital allowances; • The export of non-traditional goods benefits from a 15% corporate income tax rate; • The manufacture of certain fertilizers benefits from a 15% corporate income tax rate; and • Rural enterprises benefit from a 30% corporate income tax rate for the first 5 years.
Type of benefit	Tax reduction		
Training Benefit	None		
Good to Know	In order to claim these, the investment must initially be approved by the Zambia Development Agency, and then confirmed by the Zambia Revenue Authority. The incentives are available for 5 years from the commencement of the business. Please also note that companies listed on the Lusaka Stock Exchange can benefit from slightly reduced corporate income tax rates in the year after listing, provided that certain conditions are met.		

Southern Africa: Zimbabwe

Investment incentives in Zimbabwe are outlined in the Income Tax Act [Chapter 23:060, and the rates are outlined in the Finance Act [Chapter 23:04]. The incentives are administered by the Commissioner General, of the Zimbabwe Revenue Authority ("ZRA"). Incoming investments have to be registered by the Zimbabwe Investment Centre ("ZIC"). Currently Zimbabwe is working towards developing an SEZ regime but this is still in a very preliminary phase.

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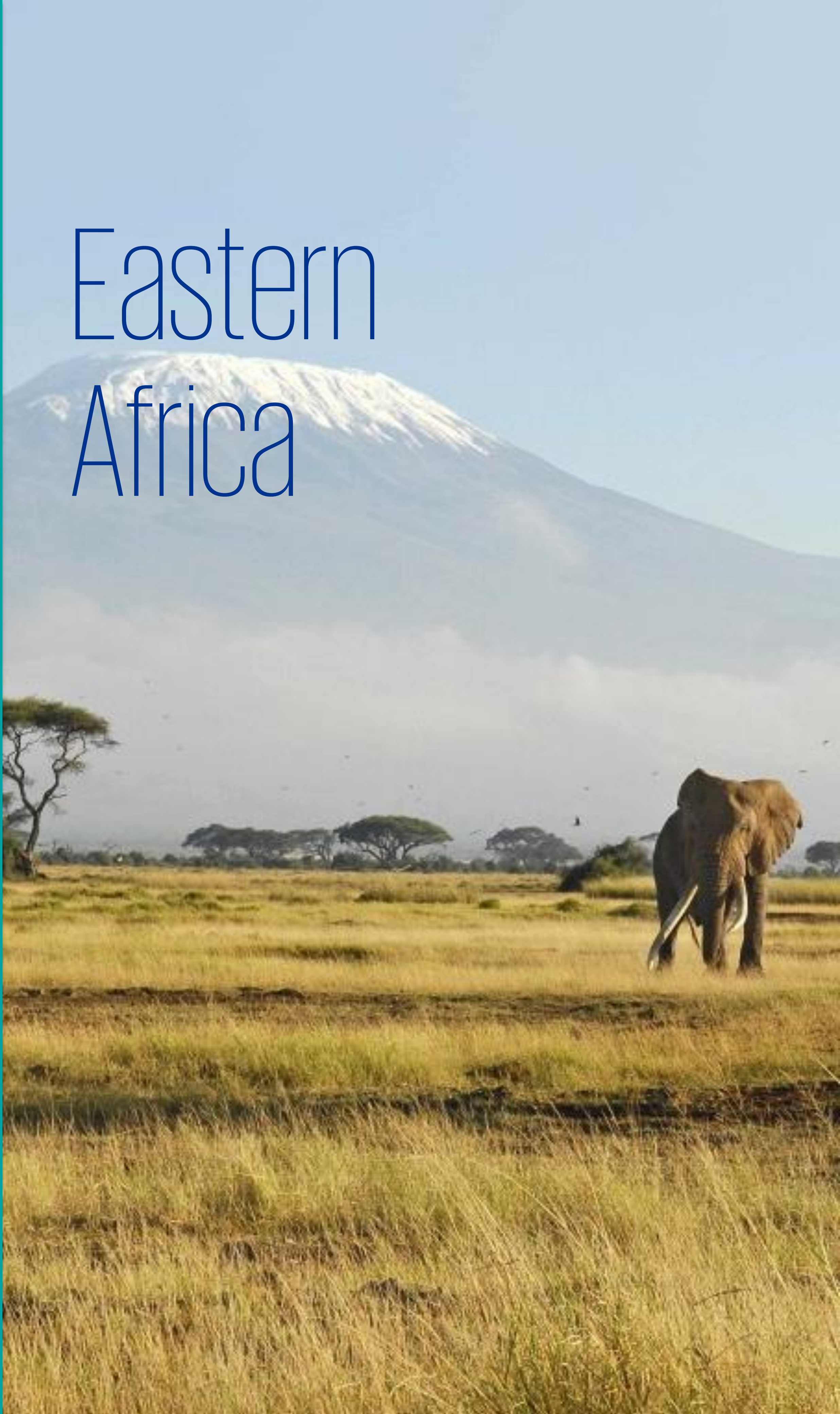
	Tax Incentives (Table 1)			
	Build, own, operate and transfer (BOOT or BOT)	**Industrial Park Developer**	**Tourist development zones**	**Manufacturing exporter**
Minimum Investment required	None, but usually encompasses large scale construction projects such as construction of roads, infrastructure, etc.	None, but needs to operate in an approved industrial park.	None, but needs to operate in tourist development zone.	None, but needs to conduct manufacturing operations in Zimbabwe and, in any year of assessment, 30% or more of its total manufacturing output is exported from Zimbabwe.
Maximum Benefit available	The rate of tax for BOOT or BOT operations is 0% in the first five years, 15% in respect of the second five years and then 25% thereafter.	Taxed at 0% in first five years and 25% thereafter.		Company which exports between 30% to 41% of its output will be taxed at the preferential rate of 20%. If the Company exports more than 41% but less than 51% , the CIT rate drops to 17.5%; If the company exports more than 51%, then the CIT rate comes down to 15%.
Type of benefit	Tax reduction	Tax exemptions, Tax reduction		Tax reduction
Training Benefit	None			
Good to know	An approved BOOT or BOT arrangement is a contract / arrangement approved by the Commissioner-General, to construct an item of infrastructure for the state or a statutory corporation, and the right to operate or control it for a specified period, (after which period the ownership or control is transferred or restored to the state or the statutory corporation).	"Industrial park" means any premises or area which is approved by the Minister by statutory instrument and in which two or more persons, independently of the industrial park developer, carry on the business of: manufacturing or processing goods for export from Zimbabwe; or manufacturing or processing components of goods which are intended for export from Zimbabwe.	An "approved tourist development zone" means a tourist development zone declared under regulations made in terms of section 57(2)(k) of the Tourism Act [Cap. 14:20] and approved by the Commissioner-General.	Percentages of a company's manufacturing output are calculated by quantity or volume rather than according to value.

Eastern Africa



Mount
Kilimanjaro
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Eastern Africa: Djibouti

There are various tax incentives put in place by the government of Djibouti to stimulate investment.

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	Tax incentive	
	The Investment code (Regime A and Regime B)	**Special regime applicable to Free zone companies**
Minimum Investment required	• Minimum investment amount : 5.000.000 FDj (~ 28 000 US$) to benefit from the regime A. • Minimum investment amount : 50.000.000 FDj (~ 281 000 US$) to benefit from the regime B .	None
Maximum Benefit available	**REGIME A :** • Exemption from domestic consumption tax on the materials and equipment necessary for the realisation of the investment program as well as imported raw materials and those used effectively **during the first 3 years** by the approved company. **REGIME B:** • Exemption from land tax for construction of buildings for a **period of 7 years**; • Exemption from tax on business profits resulting from the approved activities, subject to a maximum of 7 years; • Exemption from domestic consumption tax for raw materials imported and used in the first year; and • Authorized investments pursuant to provisions of Plan B may be exempt from the tax on building permits.	• The companies and operators individual operating in free zones are **not** subject to any direct or indirect tax or taxation including income tax, except in respect of VAT. For VAT purpose the entities of the free zone are subject to the provisions of the General Code taxes. • Goods imported or manufactured in the free zone are exempt from all customs and tax liability, unless they are imported into the customs territory of the Republic of Djibouti. Thus, the flow in the local market of goods from the free zone is subject to the payment of duties and taxes due on importation.
Type of benefit	Tax exemption	
Training Benefit	None	
Good to know	• Need to apply for pre-approval before company can claim.	• Need to apply for pre-approval before company can claim • The company has to apply for the free zone license during its incorporation, so it can benefit from all the advantages. • This tax exemption is granted for a period of up to 50 years, which run from the date of issuance of the free zone license. • Conditions: The Company has to export at least 80% of its production. The benefits of this regime remain valid for a period of 25 years and can be renewed.

Eastern Africa: Ethiopia

Ethiopia offers a comprehensive set of fiscal and non-fiscal incentives to encourage investment into priority areas and industries, of which investments are regulated by the Ethiopian Investment Agency (EIA). The incentives are applicable to both domestic and foreign investors. Industries applicable for incentives include, but are not limited to, Manufacturing, Agro-industries, ICT, Textiles, Timber, Chemical and Pharmaceutical, Food and Minerals. Non- fiscal incentives are given to all investors who produce export products.

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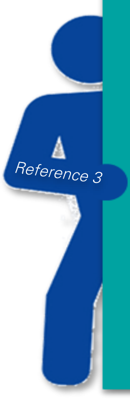
	Tax incentive			
	Income Tax Holidays	**Regional Income Tax deductions**	**Non Fiscal (Export) Incentives**	**Customs Duty Exemptions**
Minimum Investment required	None, but an investor must be engaged in manufacturing, agribusiness; generation, transmission and supply of electrical energy; and ICT.	None, but an investor must establish a new enterprise in one of the following regions: Gambella; Benshangul/ Gumuz; Afar; Somali; Guji and Borena Zones (in Oromia); or South Omo Zone, Segen (Derashe, Amaro, Konso and Burji) Area Peoples Zone, Bench-Maji Zone, Sheka Zone, Dawro Zone, Keffa Zone, Konta and Basketo Special Woredas (in Southern Nations, Nationalities and Peoples Region).	None, but must be designated as either a 'producer exporter', 'indirect producer exporter', 'raw material supplier' and 'exporter'.	• None, but all foreign investors in Ethiopia are required to invest at least US$ 200,000 (or an equivalent amount in Ethiopian birr at the prevailing exchange rate) in a single investment project; and • Investor must be engaged in manufacturing, agribusiness, generation, transmission and supply of electrical energy; and ICT.
Maximum benefit available	Income tax exemptions for a period ranging between 1 and 9 years, depending on the specific activity and the location of the investor.	30% income tax deduction for three consecutive years after the expiry of the tax holiday period, as shown on the left hand column, under "Income Tax Holidays".	• Qualifying investors are allowed to import machinery and equipment necessary for their investment projects through a suppliers' credit.	100% exemption from customs duties and other taxes levied on: • importation of capital goods and construction material; and • imports on spare parts (the value of which is not greater than 15% of the total value capital goods).

Eastern Africa: Ethiopia (cont.)

	Tax incentive			
	Income Tax Holidays	**Regional Income Tax deductions**	**Non Fiscal (Export) Incentives**	**Customs Duty Exemptions**
Type of benefit	Tax exemption	Tax deduction	Suppliers Credit, Tax exemption	Customs Duty Exemption
Good to Know	• Companies that incur losses during the income tax holiday period are allowed to carry forward such losses for half of the income tax holiday period after the expiry of the holiday period, however the period may not exceed a 5-year income tax period. • The tax holidays may be extended for an additional period of 2 years subject to meeting certain export requirements.	An investor who expands or upgrades his existing enterprise and increases its production or service capacity by at least 50%, or introduces a new production or service line at least by 100% percent of an existing enterprise, may be entitled to the income tax exemption on the left hand column, under "Income Tax Holidays".	Business enterprises that suffer losses during the income tax exemption period can carry forward such losses, following the expiration of the income tax exemption period, for half of the tax exemption period but up to a maximum of 5 years.	• Although no particular time frames are given for approval, approvals must be obtained in advance before such importation of duty free goods. • The incentive is available for the importation of spare parts is limited to a period of 5 years.



Africa accounted for the largest number of regulatory policy reforms in 2014, with 75 of the 230 policy reforms worldwide coming from Africa.

Reference 3 : see Page 65

Eastern Africa: Kenya

Kenya provides a number of incentives, especially for investors in the manufacturing sector. However, the recently enacted Special Economic Zone Act extends incentives to other sectors including services which are established in designated zones.

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	Tax incentive			
	Export Processing Zones (EPZ)	**Special Economic Zones (SEZ)**	**Nairobi Stock Exchange (NSE) listing incentive**	**Investment Deduction (ID)**
Minimum Investment required	None, but need to be located in a designated EPZ.	None, but need to be located in a designated SEZ.	20% issued shares.	• 100% ID no minimum investment is required. • 150% ID in an area outside major cities and a minimum investment of KES 200 million is required.
Maximum benefit available	• 10 year corporate tax holiday and 25% tax rate for next 10 years. • 10 year withholding tax holiday on dividends and other remittances to non-residents. • Exemption from VAT and customs import duty on inputs and stamp duty. • Exemption from VAT registration. • Exemption from payment of excise duty. • 100% investment deduction on new buildings and machinery within the EPZ.	Exemption from Corporation tax, VAT, import duties and excise duty.	Corporate tax rate at 20% for first 5 years after listing 40% or more issued shares.	150% Deduction on qualifying cost of investment.
Type of benefit	Tax exemption, Tax reduction	Tax exemption	Tax reduction	Tax deduction
Training Benefit	Taxpayers registered with the National Industrial Training Authority (NITA) contribute monthly Industrial Training Levy and are entitled to a reimbursement of training costs so long as the training is carried out by NITA Certified Trainers.			

Eastern Africa: Kenya (cont.)

	Tax incentive			
	Export Processing Zones (EPZ)	**Special Economic Zones (SEZ)**	**Nairobi Stock Exchange (NSE) listing incentive**	**Investment Deduction (ID)**
Timeframe	10-20 years.	None	3 – 5 years depending on listed shares.	None
Good to Know	• Manufacturing, commercial or service activities may be undertaken in an EPZ. • May be 100% foreign owned. • Licensing of EPZ done by EPZ Authority of Kenya.	The enabling legislation is effective from 15 December 2015.	• Company that lists 20% issued shares enjoy 27% corporate tax for the first three years. • Company that lists 30% issued shares enjoy 25% corporate tax for first five years. • Company that lists 40% issued shares enjoy 20% corporate tax for first five years.	• Available to qualifying investments (infrastructure or development). • Investments located within Nairobi, Mombasa, Kisumu and below KES 200 million qualify for 100% deduction.

Eastern Africa: Rwanda

To attract more foreign and local investors in Rwanda, the Agency of Investment, called the Rwanda Development Board (RDB), in partnership with the Government of Rwanda has recently published (in 2015) in the Official Gazette of the Republic of Rwanda, the new Regulating Investment Promotion and facilitation (Investment code), which contains a package of investment incentives to foreign as well as local investors.

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	Tax Incentives				
	Preferential corporate income tax rate of zero per cent (0%)	**Preferential corporate income tax rate of fifteen percent (15%)**	**Corporate income tax holiday of up to seven (7) years**	**Corporate income tax holiday of up to five (5) years**	**Special Economic Zones (Industrial Zones/ Freeports)**
Minimum Investment required	An international Company with headquarters or regional office in Rwanda, fulfilling investment requirements such as to invest 10,000,000 USD, provide employment to Rwandans, conduct international financial transactions of at least 5,000,000 USD a year, as well as others requirements.	An investor exporting at least 50% of its turnover or investing in one of the Economic priority sector, such as Information Communication Technology (ICT), Transport, Energy etc.	An investor investing at least 50,000 USD and contributing at least thirty percent (30%) of this investment in form of equity in the Economic Priority Sectors, such as Energy, Tourism, Health, Manufacturing, ICT.	Microfinance institutions approved by National Bank of Rwanda (TBNR) are entitled to a tax holiday of five years from the time of their approval, which may be renewed.	None, but the investor need to be located in a designated SEZ (such as Kigali) investing in products for Export purposes.
Maximum benefit available	Corporate Income Tax at a rate of 0%.	Corporate Income Tax at a rate of 15%.	Tax holiday for a period of seven(7) years.	Tax holiday for a period of five (5) years.	The investor is exempted from customs tax for products used in Export processing zone, pays corporate Income tax at a rate of 0%, exemption from withholding tax, tax free repatriation of profit.

Eastern Africa: Rwanda (cont.)

	Tax Incentives				
	Preferential corporate income tax rate of zero per cent (0%)	**Preferential corporate income tax rate of fifteen percent (15%)**	**Corporate income tax holiday of up to seven (7) years**	**Corporate income tax holiday of up to five (5) years**	**Special Economic Zones (Industrial Zones/Freeports)**
Type of benefit	Tax reduction				Tax reduction. VAT refunded within 15 days and benefits of duty free or free trade zones.
Training Benefit	None				
Timeframe / How to claim	Application of the incentives is applied during the registration process.		Applications must be submitted 60 days before start of production.	Application must be approved by the National Bank of Rwanda (BNR).	Effective from 27 May 2015, with the investment code.
Good to know	All registered investor shall not pay capital gains tax, and all foreign investors are entitled to immigration assistance.	The Ministerial Order will come to list all Specific sectors which will be subjected to this Incentive.		However, this period may be renewed upon fulfilling conditions prescribed in the Order of the Minister in charge of finance.	An SEZ was prepared in Kigali.

Eastern Africa: Tanzania

Tanzania applies a wide range of tax incentives for both local and foreign investors provided they are registered in the Tanzania Investment center (TIC) and/or the Tanzania Revenue Authority. The incentives are structured according to the lead and priority sectors including; Agriculture & Livestock, Tourism, Manufacturing, Commercial Building, Transportation, Broadcasting and Telecommunication, Natural Resources, Financial Institutions, Energy, Human Resources Development, Economic/Infrastructure.

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	Tax incentive		
	Export processing zones (EPZs)	**Special Economic Zones (SEZ)**	**Other incentives**
Minimum Investment required	For EPZ User Licence, the minimum capital is US$ 500,000 for foreign investors and US$ 100,000 for local investors. The investment must be new and the project needs to be located in a designated EPZ.	For SEZ User Licence, the minimum capital is US$ 500,000 for foreign investors and US$ 100,000 for local investors.	• Qualifying investments are investments made in the priority sectors with an investment capital amount of above US$ 100,000 in the case of local investors and above US$ 300,000 in the case of foreign investors. • Special strategic investment status may be granted to project, which meet among other criteria of which, a minimum investment capital of not less than US$ 300,000,000 is required.
Maximum benefit available	• Exemption from payment of corporate tax for 10 years; • Exemption from payment of withholding tax on rent, dividends and interest for 10 years; • Reduction of customs duty, VAT and any other tax payable on raw materials and goods of a capital nature; • Exemption from payment of all local taxes and levies imposed on goods and services produced or purchased in the EPZ for a period of 10 years; • Exemption from VAT on utility and wharfage charges; and • No stamp duty.		A certificate of incentives guarantees: • fiscal stability for a 5-year period, i.e. protection against adverse changes in taxation legislation; and • the right to transfer outside the country 100% of profits (including foreign exchange earned) and capital.
Type of benefit	Tax exemptions	Tax reduction	Tax reduction
Training Benefit	None		

Eastern Africa: Tanzania (cont.)

<table>
<tr><th></th><th colspan="3">Tax incentive</th></tr>
<tr><th></th><th>Export processing zones (EPZs)</th><th>Special Economic Zones (SEZ)</th><th>Other incentives</th></tr>
<tr><td>Timeframe / How to claim</td><td colspan="2">For certain type of taxes, you will need to show the certificate of incentives issued by the EPZ or SEZ and an application letter in order to claim exemption. However, for certain tax exemption, there is no pre-approval requirements.</td><td>An application must be submitted to the TIC.</td></tr>
<tr><td>Good to know</td><td>Only holders of licences granted by the EPZA may:
• Conduct a business or undertake a retail trade in an EPZ in respect of any goods manufactured in, or imported into, such EPZ;
• Remove goods manufactured in an EPZ for any purpose other than conveyance to another EPZ or export into a foreign market, or for purposes of processing such goods only; or
• Use goods manufactured in an EPZ for consumption in such EPZ or in any other EPZ.</td><td>The investment must be new and the project needs to be located in a designated SEZ.</td><td>The Investment Act ("IA") provides for issuance of "certificates of incentives" to qualifying investors who have made applications for such certificates to the TIC.</td></tr>
</table>

Eastern Africa: Uganda

The government of Uganda is providing a wide range of tax incentives to businesses to attract greater levels of foreign direct investment (FDI) into the country. The Government has prioritized building and improving infrastructure, including boosting energy production, lowered tariffs and trade barriers for regional trade, and generally welcomes foreign direct investment. The Ministry of Finance, Planning and Economic Development is responsible for granting tax incentives and exemptions.

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	Tax Incentives (Table 1)			
	Agriculture	**Horticulture**	**Energy and Natural Resources**	**Training**
Minimum Investment required	USD100,000			
Maximum benefit available	• The supply of livestock, unprocessed foodstuffs and agricultural products except wheat grain is an exempt supply for VAT purposes. • The supply of machinery, tools and implements for use only in agriculture is an exempt supply under the VAT Act. • The supply of seeds, fertilizers, pesticides and hoes is a zero-rated supply.	20% of the amount of expenditure on the establishment or acquisition of a horticulture plant or the construction of a green house, in the year of income and in the following four years income in which the plant or green house is used in the business of horticulture.	• Licensees for mining operations are allowed 100% deduction of mining exploration expenditure. • Licensees of petroleum operations are allowed 100% deduction of exploration and development expenditure. • The supply of power generated by solar is an exempt supply under the VAT Act. • The supply of goods and services to the contractors and sub-contractors of hydro-electric power projects is an exempt supply under the VAT Act.	• 100% of training expenditure incurred during the year of income on a citizen or permanent resident who is employed by the employer in a business, the income of which is included in gross income, is an allowable deduction. • This allowance should not exceed five years in aggregate, and the education should be relevant to the person's employment but not leading to a degree.
Type of benefit	Tax deduction	Tax deduction	Tax deductions, exemptions and incentives	Tax deduction
Training Benefit	Yes			

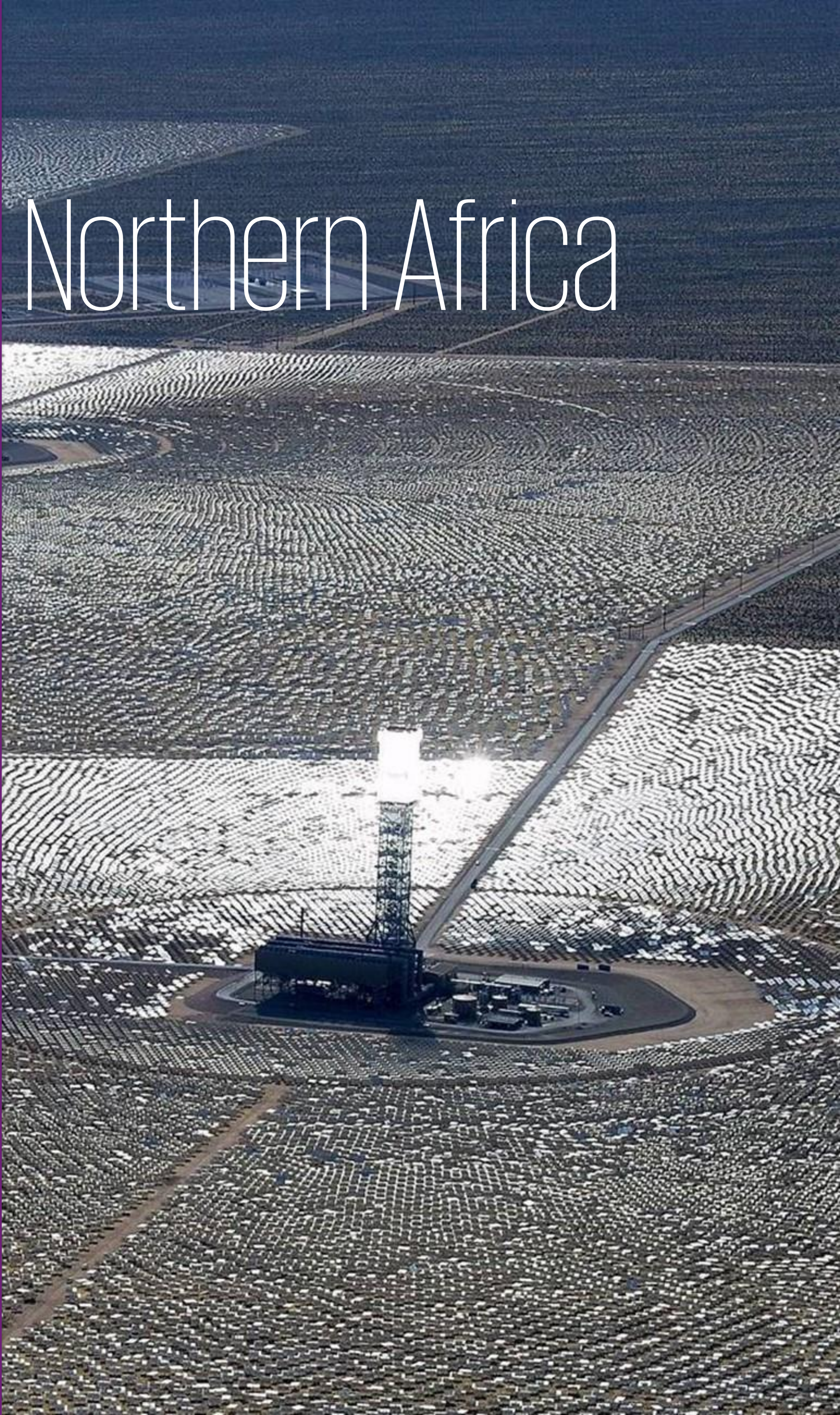
Eastern Africa: Uganda (cont.)

	Tax Incentives (Table 1 – continued)			
	Agriculture	**Horticulture**	**Energy and Natural Resources**	**Training**
How to Claim / Timeframe	The benefit arises when the zero-rated or exempt supply is made.	The benefit is to be claimed within 5 (five) years inclusive of the year of income in which it was incurred. It is claimed at a rate of 20% of the expenditure per year over the 5 years.	• The mineral exploration expenditure, rehabilitation expenditure, decommissioning expenditure, and petroleum exploration and development expenditure is allowed in the year of income in which it is incurred. • The supply of power generated by solar and goods and services to contractors and sub-contractors of hydro-electric power projects is exempt when a supply is made.	Training expenditure is limited to training or tertiary education not exceeding 5 years in aggregate for an employee.
Good to Know	Pesticides packaged for personal or domestic use are not zero-rated.	Horticulture includes propagation or cultivation of seeds, bulbs, spores, fungi or similar things in environments other than soil, whether natural or artificial.	The above deductions and exemptions are only available for licensees.	A permanent resident means a resident individual who has been present in Uganda for a period or periods in total of five years or more.

Eastern Africa: Uganda (cont.)

	Tax Incentives (Table 2)				
	Start-up costs	**Export Processing Zone and Freeports**	**Manufacturing**	**Manufacturing Continued**	**Manufacturing Continued**
Minimum Investment required	USD100,000				
Maximum benefit available	Expenditure incurred in starting up a business is 100% an allowable deduction. The allowances are consumed in four equal instalments.	• Goods entering an export processing zone or a Freeport are exempt from duty. • The exports are zero rated under the VAT Act which allows the exporter to claim VAT incurred in Uganda in relation to the exports.	Income derived from exportation of finished consumer and capital goods may be exempt for a period of 10 (ten) years.	Manufacturing Under Bond facility can be extended to manufacturers to import plant, machinery, equipment and raw materials tax free, exclusive for use in the manufacture of goods for export. It's a 100% tax incentive.	Drawback of import duty may be claimed by an exporter on exportation. It's a 100% tax incentive.
Type of benefit	Tax deduction	Reduced Tax, VAT and Customs charges and benefits of duty free or free trade zones.	Tax exemption	Tax Incentive	Tax Incentive
Training Benefit	Yes				
How to Claim / Timeframe	25% of the amount of expenditure in starting up the business in the year of income the business is started up and 25% of the in the following three years of income in which the business is carried on.	As long as the licence is still valid			As long as the Manufacture remains compliant with the conditions given by the commissioner.
Good to Know	Non-recurring pre-linear costs such as registration charges, legal fees etc., form part of the start-up costs.	The Commissioner has the mandate of designating areas that are export processing zones or freeports in which customs formalities are to be carried out.	Export means to take or cause to be taken out of the East African Partner States.	Application for a licence is in a prescribed form and the licence must be paid for annually.	Drawback will not be allowed in respect of any goods where—the import duty on the goods was less than one hundred dollars.

Northern Africa



Ouarzazate Solar Power Plant in Morocco

Northern Africa: Algeria

In Algeria, investment projects carried out in activities of manufacturing and/or services may benefit from tax exemption and/reduction according to the nature of the project, its location, and impact on economic and social development. Other incentive's were also introduced by Finance Law 2015 for certain industrial activities.

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	Tax Incentives					
	The general tax regime	**Investment in development Zone**	**Investment of particular interest for the national economy (convention)**	**Residents of Illizi, Tindouf, Adrar or Tamanghasset**	**Hydrocarbon activities**	**Employment creation incentives**
Minimum Investment required	None			None, but must be located in Illizi, Tindouf, Adrar or Tamanghasset.	None	Investment project needs to create 100 Jobs.
Maximum benefit available	**Realisation period:** • Exemption from customs duties on non-excluded imported equipment; • Exemption from VAT on non-excluded goods and services; and • Exemption from property transfer tax in return for all property acquisitions. **Exploitation period:** • Exemption from company profits tax; and • Exemption from Professional activity tax (tax of 2% on the turnover).	**Realisation period :** • Exemption from transfer tax on real estate acquisitions; • Exemption from VAT on goods and services; and • 5% reduced customs duty on imported goods directly for the project. **Exploitation period** • Exemption from CIT for 10 years; • Exemption from Professional activity tax; and • Exemption from property tax on developed land for 10 years.	**Realisation period:** • Exemption from duties and taxes on all goods and services that are necessary for the realisation of the investment; and • Exemption from property tax on real estate. **Exploitation period:** • Exemption from CIT for 10 years; • Exemption from Professional activity tax; and • Other benefits upon decision of the National Council of Investment.	50% reduction in CIT for 5 years	**Upstream activities** • Exemption from VAT on goods and services, intended for use in the exploration of hydrocarbons; and • Exemption from customs duties; and • Exemption from CIT. **Downstream activities** • Exemption from VAT on goods and services, and • Exemption from customs duties on the importation of equipment, materials and products intended for use in relevant activities relating to pipeline transportation, gas liquefaction and the separation of liquefied petroleum gases.	Exemption from CIT when creating up to 100 employment positions;

Northern Africa: Algeria (cont.)

	Tax Incentives					
	The general tax regime	Investment in development Zone	Investment of particular interest for the national economy (convention)	Residents of Illizi, Tindouf, Adrar or Tamanghasset	Hydrocarbon activities	Employment creation incentives
Type of benefit	Tax exemption, Tax reduction.			Tax reduction	Tax exemption	
Training Benefit	None					
Good to Know	• Investments exceeding equivalent 20 million are subject to pre-approval from the CNI. • Beneficiaries who receive exemptions or reductions for all taxes, are required to reinvest the percentage of profits corresponding to exploitation period. • Failure to respect this obligation results in repayment of the tax benefit and the application of a tax penalty of 30%.	Pre-approval from the CNI for all investments is required.	Investment needs to contribute to environmental protection and Natural resources, Safe Energy or Sustainable development.	Mining companies which are established in this area are no longer entitled to the 50% reduction of corporate income tax.	Activities other than those relating to research and exploitation (e.g. transportation by pipeline, refining, hydrocarbon processing, marketing, storage and oil distribution) are entitled to other tax incentives, but are still subject to the general tax regime.	The exemption period is increased to 5 years when more than 100 employment positions are created.

Northern Africa: Chad

The government of Chad offers a tax reduction for investments by private individuals and corporate bodies. These incentives are detailed out in the Chadian tax code.

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	Tax incentive		
	Tax reduction for investments	**Exemption for reinvested capital gains**	**Incentives for new companies**
Minimum Investment required	Minimum 60 Million FCFA.	N/A	N/A
	40% of the invested amounts shall be deducted from the taxable base for personal income tax and corporate income tax.	An exemption from taxation on capital gains realized from the disposal of fixed assets if the gains are reinvested within a period of 3 years.	Time-limited exemption from corporate tax or from the tax on industrial and commercial profits.
Type of benefit	Tax reduction	Tax exemption	
Training Benefit	None		
Timeframe	Investors have a two years deadline to realize the investment.	3 Year time limit	• To benefit from this regime, the company must file a request with the Minister of Finance before its incorporation or the setting up of the new business. • The exemption is granted up to the end of the fifth year.
Good to know	Delay in processing to be expected.		The activity that the company is involved in should not be a simple development of an activity already performed by the company; • The new company should not have as its main object to compete with the activities of an existing company which are being performed satisfactorily; and • The activity should be of particular interest for the economic development of Chad given the size of the investment.

Northern Africa: Libya

The Libyan Investments' Incentives regime are ruled by the Law 9 of 2010 which applies to national, foreign, or joint venture capital jointly invested in specific business industries. The Free Trade Act of 1999 implemented the legal framework for establishing offshore free trade zones in Libya. The New Income Tax Law ("NITL") provides for a permanent exemption for income from farming activities. In 1999 the General People's Committee established the General Authority for Free Zones (GAFZ) with the purpose of supervising the establishment and development of Free Trade Zones ("FTZ") in Libya.

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	Tax Incentives	
	Incentives under the Law 9 of 2010	**Incentives under The Foreign Capital Investment Law 5 of 1997 (The Law)**
Minimum Investment required	N/A	Project must achieve one or more of the following goals: • increased exports or decreased imports; • creation of new employment or training opportunities to improve the technical skills of Libyan manpower; • use of modern technology or technical expertise; • provision of service(s) deemed necessary to the national economy or a contribution to the development of such services; • contribution to integration between existing economic activities through the reduction of the production costs of other activities; • projects or provision of materials and supplies for their operations; • use or help in making use of local raw materials; and • Contribution to the development of remote or less developed areas.
Maximum benefit available	• Exemption from customs duties, import fees, service charges and other fees and taxes of a similar nature on the importation of machinery, equipment; • Exemption from all fees and taxes for a period of 5 years, on facilities, spare parts, transport means, furniture, requirements, raw materials, publicity and advertising items, related to the operation and management of the project; • Exemption from CIT for a period of 5 years; • Exemption of the returns of shares and equities, arising from the distribution of the investment project's interests; • Exemption from interest arising from the project's activity if re-invested; and • Exemption from all documentary records, registers, transactions, agreements that are made, ratified, signed or used by the investment project, from the stamp duty.	• Exemption from CIT for a period of 5 years; • Exemption from customs duties and similar taxes on the importation of machinery, tools and equipment; • Exemption from customs duties and similar taxes for a period of 5 years on the importation of equipment, spare parts and raw materials required for the running of the project; • Carry-forward of losses sustained within the exemption period to subsequent years; • Exemption of exported goods from fees and taxes on exports; and • Exemption from stamp duty on commercial documents and bills.

Northern Africa: Libya (cont.)

	Tax Incentives	
	Incentives under the Law 9 of 2010	Incentives under The Foreign Capital Investment Law 5 of 1997 (The Law)
Type of benefit	Tax exemption	
Training Benefit	None	

Good to know	Other incentives are available, subject to a decision from the General People's Committee, under a proposal from the Secretary, to offer for the investment projects, tax privileges and exemptions for a period, not exceeding 3 years, or other additional privileges, if those projects prove that:
	• They contribute to the achievement of food security.
	• Utilize measures that are capable of achieving abundance in energy or water or contribute to environmental protection.
	• Contribute to the development of the area.
		• The exemption is granted by a decision of the General People's Committee upon a request of the Secretary of the General People's Committee for Economy and Commerce.
		• The Law applies to projects funded by foreign capital (whether held by Libyan nationals or foreigners) in the following sectors: industry, Health, tourism, services and agriculture.
		• Time frames as set out above, additionally, the Law provides that the exemption period from income taxes and customs duties may be doubled if the project:
		  • is established in a local development area; or
		  • contributes to food security; or
		  • uses installations and means conducive to saving energy or water; or
		  • contributes to the protection of the environment.

Northern Africa: Morocco

The Moroccan tax code provides several tax incentives to promote foreign investment (Export activities, Casablanca finance city, agricultural actives, listed shares, Export free zones, etc.) The Agency Marocaine De Développement Des Investissements (AMDI) is an organization which is in charge of the development and promotion of investment in Morocco.

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	Tax Incentives				
	Entities established in Casablanca Finance City	**Specific incentives granted to important projects**	**Export Promotion and hotel incentives**	**Bank and holding companies located in offshore zones**	**Business activities within Export free zones (EFZs)**
Minimum Investment required	A minima of the turnover with foreign companies between 20% and 60%.	Investments exceeding 100 Million MAD (Other criteria can be taken into account).	None		
Maximum benefit available	• National or international headquarters are subject to reduced corporate tax at a rate of 10%; • Profit relating to export turnovers are fully exempt from CIT during the first 5 years of operations and subject to 8.75% for the following years; • Gross salaries and wages paid to employees are subject to income tax on salaries at a rate of 20% during 5 years; and • Foreign exchange facilities.	• Up to 20% participation of the Government in the expenses (i.e. external infrastructure expenses, land acquisition, vocational training); • Exemption from customs duties on equipment imported; and • Exemption from VAT.	• Profit relating to export turnovers are fully exempt from CIT during the first 5 years of operations. The applicable CIT rate is 17.5%.	**Offshore holding:** • Flat-rate of CIT (USD 500 during the first 15 years); • 20% flat rate personal income tax for first 5 years; and • Dividends are exempt from WHT in proportion to the offshore turnover. **Offshore banks:** • Can opt during the first 15 years for the CIT reduced rate of 10% or pay USD 25,000 as a flat amount; and • Dividends are exempt from WHT.	• Exemption from CIT for the first 5 years and applicable rate of 8.75% for the following 20 years; and • Exemption for the dividends paid to non-residents.
Type of benefit	Tax reduction	Tax exemption, Cash grant	Tax exemption		

Northern Africa: Morocco (cont.)

	Tax Incentives				
	Entities established in Casablanca Finance City	**Specific incentives granted to important projects**	**Export Promotion and hotel incentives**	**Bank and holding companies located in offshore zones**	**Business activities within Export free zones (EFZs)**
Training Benefit	Yes. Refund of part of vocational training.	Yes. Contribution up to 20% for professional training costs.	Yes.Contribution to professional training costs may be available depending on the sector of activities.	Yes. Refund of part of vocational training	Yes. Contribution to professional training costs may be available depending on the sector of activities
Good to know	• Need to apply for pre-approval before company is incorporated. • Casablanca Finance City ("CFC") is a financial area governed by the law 44-10 where financial and non-financial companies carrying out national or international activities can be located.	• Need to apply for pre-approval before company can claim. • The incentives are granted to important investments under an agreement signed with the Government.	N/A	• Need to apply for pre-approval before company can claim. • An offshore bank/holding should carry out all its transactions in foreign currency and its capital shall be expressed in foreign currency.	Need to apply for pre-approval before company can claim.

Northern Africa: Sudan

The Investment Supreme Council is established and designated as the authority to be responsible of investments as far as policies, plans and strategies are concerned. Moreover the Council has a coordinating role between parties concerned in the capital city and in the states. The Council may be approved to secure land for Investment activities, which may be available for use for a period range of 45 - 90 years.

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	Tax incentive		
	Exemption	**Special Economic Zones (Industrial Zones/Freeport's)**	**Exemptions under the Investment Encouragement Act**
Minimum Investment required	500000 SDG	None, but must be located in a Gari free zone.	None
Maximum benefit available	Exemption from VAT and Customs & Business Profit Tax (BPT).	• Exemption from profits tax for a period of 15 years; • Exempt from personal income tax; • Exemption of products imported into the free zone or exported abroad from all customs fees and taxes, except service fees; • Real estate establishments inside the free zones are exemption from all taxes and fees; and • Exemption from customs fees, depending on materials used and local costs incurred in production.	• Remittance of proceeds (net of all taxes and other obligations) in the event of sale or acquisition of the enterprise; • An automatic exemption from payment of customs duties, surcharges and other similar duties relating to imported machinery, equipment or apparatus necessary for production; and • Capital allowances are granted to investors who own depreciable assets and use the assets in the production of income.
Type of benefit	Tax exemption		
Training Benefit	None		
Good to Know		Among the measures aimed at promoting foreign investment is the **establishment** of free zones by the government, including: • the Khartoum free-trade zone, at El-Gaily (45 km from Khartoum); • the Port Sudan free-trade zone, near to the port; and • The Suakin free zone.	• All exempted activities are subject to development tax at rate of (5%); and • Agricultural activities are subject to (0%) BPT tax rate.

Northern Africa: Tunisia

Except for some specific economic sectors, Incentive Investments, for both national and foreign investors, is regulated in Tunisia by the Incentive Investment Code. This Code set up the principle of free foreign investment for manufacturing activities and several services sectors, including fully export service activities covered by this Code.

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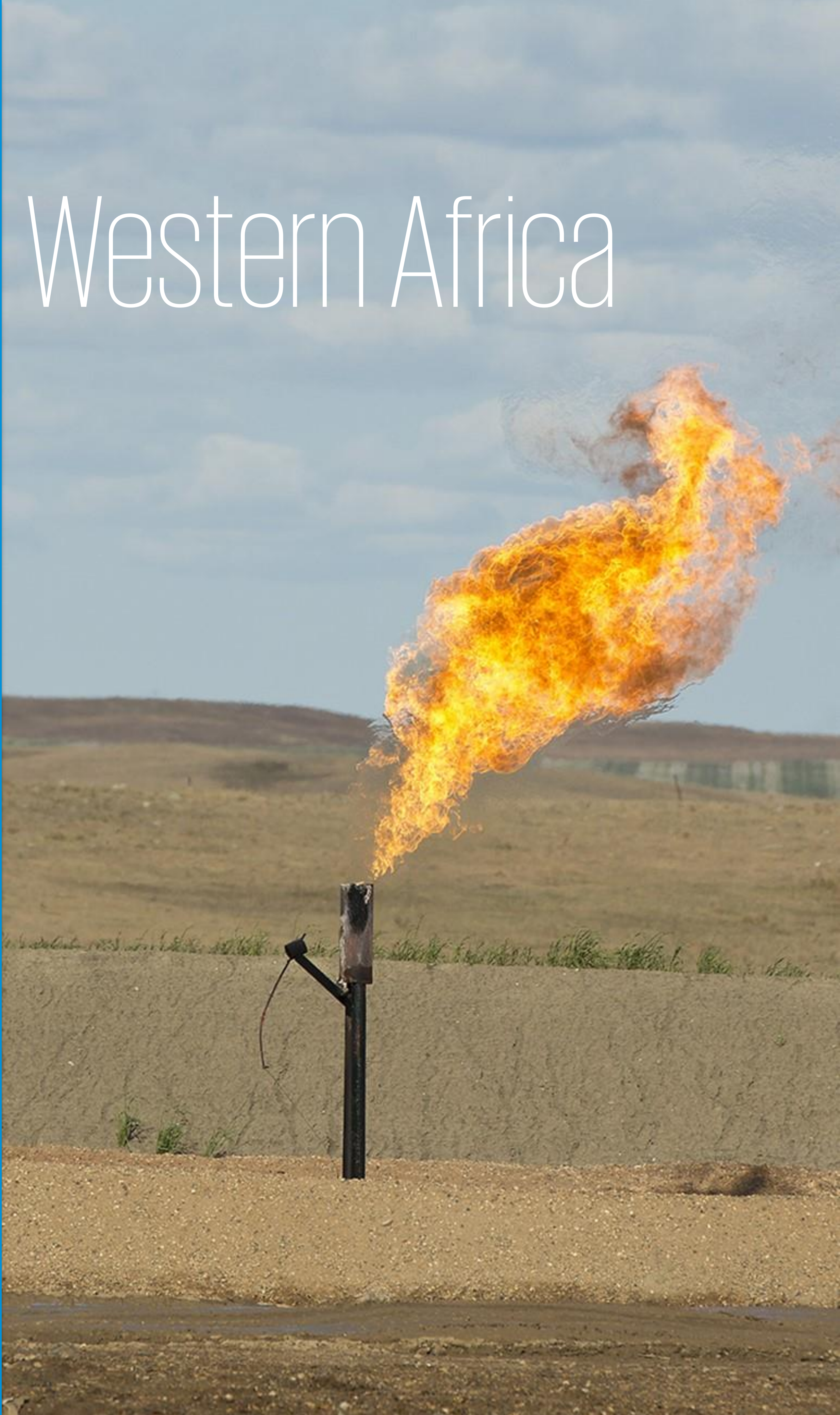
	Tax Incentives				
	General Tax incentives	**Tax incentives for fully exporting companies (Industry and services)**	**Regional developments Incentives**	**Technology and research Promotion Incentives**	**Agricultural Developments Incentives**
Minimum Investment required	None, but a minimum of equity ranging between 10% or 30% of the investment costs is required (depending on the category of the investment).	None	None, but a minimum of equity ranging between 10% or 30% of the investment costs is required (depending on the category of the investment).		None, but a minimum of equity of 10% or 30% of the investment costs is required (depending on the category of the investment).
Maximum benefit available	• Tax relief on reinvested profits limited to 35% of the profits subject to tax; • Customs duties exemption on importation of equipment; • VAT limited to 12% on importation of equipment; and • VAT Suspension and consumption duty on the local acquisitions of equipment.	• Reduced Corporate Income Tax rate of 10% on export profits; • Full exemption from corporate tax on reinvested profits; • VAT and Customs duties exemption on importation of the goods and products, necessary for the export activities of the company; • Local VAT suspension on any purchases of goods and services required for the export activity of the entity; • VAT zero rate on their exports; and • Exemption of payroll taxes.	• Income tax exemption on profits for 10 or 5 years depending on the regions and a 50% tax base reduction for a new period of ten or 5 years depending on regions as well; • Income tax exemption on reinvested profits; • Exemption of some payroll taxes; and • Social security contribution exemption of 100% for 10 years.	• Bonus for energy saving investment and development of renewable energies: Bonus generally ranging between TND 2500 and TND 500 000 (generally between 20% to 70% of the investment); • Reduction of Customs duties to the rate of 10% or full exemption (depending of the investment); and • VAT Suspension. • Social security contribution exemption of 50% for 5 years.	• Tax exemption on reinvested profits; • Full tax exemption for the 10 first years of operation; • VAT suspended on imported capital goods that have no locally-made similar counterparts; and • State Contribution may also apply to infrastructure expenses to develop areas meant for fish farming and for cultivation using geothermal water.

Northern Africa: Tunisia (cont.)

<table>
<tr><th></th><th colspan="5">Tax Incentives</th></tr>
<tr><th></th><th>General Tax incentives</th><th>Tax incentives for fully exporting companies (Industry and services)</th><th>Regional developments Incentives</th><th>Technology and research Promotion Incentives</th><th>Agricultural Developments Incentives</th></tr>
<tr><td>Type of benefit</td><td>Tax exemption</td><td colspan="3">Tax exemption, Tax reduction</td><td>Tax exemption</td></tr>
<tr><td>Training Benefit</td><td colspan="3">None</td><td>Full or partial coverage by the State of training staff costs</td><td>None</td></tr>
<tr><td>How to claim / Timeframe</td><td>An application process submitted within the APII needs to be followed with the Tax authorities mainly for the VAT suspension.</td><td>An application process submitted within the APII needs to be followed with the Tax authorities mainly for the VAT suspension
Time frame of 10 Years for the reduced Corporate Income tax rate incentive.</td><td>An application process needs to be followed with the competent authorities.</td><td>An application process needs to be followed with the competent authorities.</td><td>An application process needs to be followed with the APIA.</td></tr>
<tr><td>Good to know</td><td colspan="2">APII generally deliver the APII declaration granting the incentives within 15 days.</td><td colspan="3">The granting of the national social security incentives may take longer.</td></tr>
</table>

8 countries offer investors additional tax incentives for companies that invest in training of its own staff;

Western Africa



Gas flair:
Niger Delta
Nigeria

Western Africa: Cameroon

The government of Cameroon offers incentives to investments by private individuals and corporate bodies. These incentives are detailed out (as well as eligibility requirements) in the Law N° 2013/004 of 18 April 2013.

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	Tax Incentives			
	PPP Contracts	**Stock Exchange sector**	**Incentives for private investments**	**Industrial Free Zone & Special Free Zone**
Minimum Investment required	None.		5 million to 25 Million XAF	None, but need to carry out its activities under the free zone regime.
Maximum benefit **Available**	• Registration free of charge for deeds and conventions entered into during the first 5 years of the exploitation phase, and 5% reduction in the CIT rate; • VAT is borne by the public entity; and • Taxes and custom duties is borne by the public entity.	• Tax reduction of 20% for a period of three years for capital increase representing 20% of the share capital; • Tax reduction of 25% for a period of three years for spin-offs representing 20% of the share capital; and • Tax reduction of 28% for a period of three years from the date of listing for capital increase or spin-off representing less than 20% of the share capital.	Exoneration from VAT, reduced rate of 5% on custom duties, 50% reduction on registration duties, 50% to 75% reduction on CIT, 50% to 75% reduction on tax on income from stocks and shares.	Tax exemption over the first ten years of operation, customs exemptions on exports.
Type of benefit	Tax reduction		Tax exemption/reduction	Exemption from direct taxes
Training Benefit	None			
Good to know	Delay in processing are more frequent.	• Effective 1 January 2012. • Possibility of cumulating the stock exchange system with other systems such as reinvestment, public-private partnership.	• Delays in processing are more frequent. • In addition, approval may be denied to an investor in competition with one or more other investors benefiting from the incentives, provided that the investor qualifies.	N/A

Western Africa: DRC

The DRC Incentive regime is based on different codes and specific laws. The mining code, for example, is managed by the Ministry of Mines and Finances, the Investments Code is managed by "ANAPI" the National Agency for the Promotion of Investments, and the specific law on the co-operation agreement is managed by the DRC Government.

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	Tax incentive		
	Mining code / tax incentive	**Investment code / Tax incentive**	**Co-operation agreement with the government**
Minimum Investment required	None	200,000 $	1,000,000,000 $
Maximum Benefit available	Unlimited benefit. 30% corporate tax, decreasing method allowed, WHT on interest exonerated.	Unlimited, Corporate tax exonerated.	
Type of benefit	Tax deductions, Tax reduction.	Tax reduction	
Training Benefit	None		
How to claim / Timeframe	Need to obtain the exploration or operation permit before company can claim.	Applications must be submitted and approved before start of projects.	The co-operation agreement needs to be signed by both parties before start of project.
Good to know	Mining subcontractors are also a beneficiary; The reduced tax concerns assets (or goods) linked to the mining project; and the financials can be held in foreign currency.	Subcontractors are also a beneficiary, the reduced tax concerns only assets (or goods) linked to the project.	Subcontractors are also a beneficiary, the reduced tax concerns only assets (or goods) linked to the project.

Western Africa: Ghana

There are various tax incentives put in place by Ghana to stimulate investment. A new Income Tax Act, 2015 (Act 896) was signed into law by the President on 1 September 2015 and became effective on 1 January 2016. Specific incentives depending on the nature of the business and its importance or how strategic it is to the country can also be granted by The Ghana Investment Promotion Centre ("GIPC") in conjunction with the Commissioner General of the Ghana Revenue Authority ("GRA"). All such incentives or waivers will however, have to be approved by the Parliament of Ghana through the sector Ministry.

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	Tax Incentives				
	Tax incentives (available to companies in specific industries for specified number of years)	**Incentives available to companies engaged in agro-processing and cocoa by-products**	**Location incentives (manufacturing companies except agro processing/cocoa by-products)**	**Ghana free zones (industrial zones/ freeports)**	**General investment incentives on registration with the Ghana Investment Promotion Center (GIPC)**
Minimum Investment required	None			No minimum capital required. However, an investor should be able to show evidence of funding and also fulfill the 70% export requirement.	• For Joint Ventures with Ghanaian partners, a minimum contribution of USD 200,000 in cash or capital goods. • For wholly owned foreign ventures, the minimum equity is USD 500,000 in cash or capital goods.
Maximum benefit available	• Tax payable at the rate of 1% of chargeable income for the indicated number of years after which they will pay a standard rate of 25% CIT; • NB. The indicated number of years varies for different industries / sectors.	• New companies are taxed at 1% for the first 5 years. • Subsequently, a 25% tax rebate if located in the regional capitals of the country, and 50% tax rebate if located elsewhere, applies.	• 25% Tax rebate for companies in the regional capitals; and • 50% Tax rebate for manufacturing companies located elsewhere.	• 100% exemption from direct and indirect taxes on all imports and exports; • 100% exemption from payment of income tax on profit for 10 years; • Relief from double taxation; • Minimal customs formalities; and • Total exemption from payment of withholding taxes on dividends arising out of free zone investments.	Automatic Immigrant Quota's available: • For **One** expatriate when equity invested is over USD 50,000 and not more than USD 250,000; • For **Two** expatriates when equity is over USD 250,000 and not more than USD 500,000; • For **Three** expatriates when equity is over USD 500,000.00 and not more than USD 700,000; and • For **Four** expatriates when equity is more than USD 700,000.

Western Africa: Ghana (cont.)

	Tax Incentives				
	Tax incentives (available to companies in specific industries for specified number of years)	**Incentives available to companies engaged in agro-processing and cocoa by-products**	**Location incentives (manufacturing companies except agro processing/cocoa by-products)**	**Ghana free zones (industrial zones/ freeports)**	**General investment incentives on registration with the Ghana Investment Promotion Center (GIPC)**
Type of benefit	Tax reduction	Tax rebate		Tax exemption / Tax holidays for first ten years; 15% CIT after 10 years for exports; and 25% for local sales. All other reliefs and exemptions will be taxed at their respective applicable rates.	Automatic Immigrant Quota.
Training Benefit	None				
How to claim/ Timeframe	The time frame applicable for the benefit differs for each respective industry or sector.	None		10 years	None
Good to know	• Unrealised losses can be carried forward for between 3 to 5 years (5 years are for priority sectors and 3 years for all other sectors). • Currently, priority sectors have not been defined but it is believed it will be the same sectors which had losses carry forward in the repealed Act. Those sectors were; Mining, Farming, Agro-processing, Timber, manufacturing for export, Tourism, ICT (software development) and Venture Capital.	N/A		• A condition for the grant of a free zone license is that the licensed entity must export at least 70% of its output. • 30% output is allowed on the domestic market. • A free zone enterprise could be wholly-owned by a foreigner.	• The minimum capital requirement does not apply to portfolio investment and an enterprise set up solely for export trading and manufacturing. • Free transferability of convertible currency through an authorised dealer bank of investment guarantee, transfer of capital, profit, dividend and personal remittances.

Western Africa: Nigeria

Nigeria is currently striving to attract foreign direct investments to grow other sectors of the economy given the decline of revenue from the oil sector. Various Ministries, Departments, Agencies and Commissions are charged with administering these incentives.

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	Tax incentives (Table 1)						
	Pioneer Status Incentive (PSI)	**Work Experience Acquisition Program Relief**	**Employment Tax Relief**	**Infrastructure Tax Relief (ITR)**	**Bonds & Short Term Government Securities (bonds issued by corporate bodies and supranational also inclusive)**	**Companies engaged in gas utilisation (Downstream Operations)**	**Gas utilization incentive program (Upstream operations)**
Minimum Investment required	Capital expenditure of not less than ₦10 million to qualify for the pioneer status incentive.	Minimum net employment of 5 new employees, for a minimum of 2 years.	Minimum net employment of 10 employees in the relevant assessment period.	None			
Maximum benefit available	• 5 year tax holiday; • Dividends paid out of pioneer profits shall be tax exempt when distributed to the Company's shareholders.	Exemption from CIT up to 5% of assessable profit in the tax year in which the company qualifies.	Exemption from CIT up to 5% of assessable profit in the tax year to which the profits relate but limited to the gross emoluments paid to qualifying employees.	CIT exemption of 30% of cost incurred in providing infrastructure or facilities of a public nature.	Gains from acquisition / disposal and interest earned by holders of the securities above are tax exempt.	• Tax free period of 3 years renewable for 2 years or 35% investment allowance. • Additional investment allowance of 15% (only where the company chooses the tax free period). • Accelerated capital allowance. • Tax free dividend during the tax free period.	• Gas income is subject to tax at the rate of 30%. • Gas transferred from a Natural Gas Liquid (NGL) facility to the gas-to-liquids facilities is subject to 0% Petroleum Profits Tax and 0% royalty.

Western Africa: Nigeria (cont.)

<table>
<tr><th></th><th colspan="7">Tax incentives (Table 1 – continued)</th></tr>
<tr><th></th><th>Pioneer Status Incentive (PSI)</th><th>Work Experience Acquisition Program Relief</th><th>Employment Tax Relief</th><th>Infrastructure Tax Relief (ITR)</th><th>Bonds & Short Term Government Securities (bonds issued by corporate bodies and supranational also inclusive)</th><th>Companies engaged in gas utilisation (Downstream Operations)</th><th>Gas utilization incentive program (Upstream operations)</th></tr>
<tr><td>Type of benefit</td><td colspan="2">Tax holiday of 3 to 5years, accelerated capital allowance, tax free dividend.</td><td colspan="3">Tax exemption</td><td>Tax holiday of 3 to 5 years, accelerated capital allowance, tax free dividend and interest deductibility.</td><td>Tax exemption, Tax reduction.</td></tr>
<tr><td>Training Benefit</td><td colspan="7">None</td></tr>
<tr><td>How to Claim / Timeframe</td><td>Within the pioneer period.</td><td>Only claimable in the third year of employment of the new employees retained.</td><td>Can only be utilised in the first tax year in which employees were first employed.</td><td>Claimed in the assessment period in which infrastructure or facility is provided, over 2 assessment periods.</td><td>Exception is for a 10 year period from 2 January 2012.</td><td>There is a statutory requirement for companies engaged in gas utilisation to obtain Ministerial approval to claim interest deductions.</td><td>Within every fiscal year of filing tax returns.</td></tr>
<tr><td>Good to Know</td><td>Recently, the Nigerian Investment Promotion Commission proposed a processing fee of 2% of projected profits and that existing companies applying for PSI are required to have additional investment up to 200% of company's original investment.</td><td>Relief cannot be carried forward to other tax years.</td><td>At least 60% of those employees must be individuals without prior work experience and employed within 3 years of graduating from schools or vocation. Relief cannot be carried forward to another tax year.</td><td>To qualify for the exemption, the infrastructure facilities must be completed and be in use by both the Company and the public. Any unutilised portion can be utilised within 2 subsequent assessment periods.</td><td>Interest on federal government bonds enjoys indefinite exemption from CIT & Capital Gains Tax.</td><td>Grant of tax holiday is subject to confirmation that company is engaged in gas utilisation.</td><td>Investment required to separate crude oil and gas from the reservoir into usable products is also considered as part of oil field development.</td></tr>
</table>

Western Africa: Nigeria (cont.)

	Tax incentives (Table 2)				
	Free Trade Zones (FTZ)	**Export Expansion Grant (EEG)***	**Duty Drawback/ Suspension Scheme**	**Deep Offshore and Inland Basin Production Sharing Contracts Fiscal Incentives**	**Mining of Solid Minerals**
Minimum Investment required	In practice, the minimum investment varies from one FTZ to another depending on the approved activities.	Current minimum value of annual export turnover is ₦5 million. This is subject to review from time to time by the Nigerian Export Promotion Council (NEPC).	None		
Maximum benefit available	• Exemption from all federal, state and local government taxes, levies and rates. • Approved enterprises to import free of all duties any capital and consumer goods, raw materials, components, or articles to be used in respect of any approved activity within the zone .	Cash inducement for qualifying exporters to facilitate increase in export volume and diversify export products and market coverage.	Claim a refund of import duty paid on raw materials and intermediate products imported for use in the production of finished goods for export.	• Investment Tax Credit (ITC) at 50% of Qualifying Capital Expenditure (QCE) for Production Sharing Contracts (PSC) signed pre- July 1998. • Royalty rate of 10% for companies operating in the Inland Basin and graduated royalties rate for companies in Deep Offshore operations (ranging from 0% to 12% depending on water depth).	• Tax holiday of 3 years renewable for 2 years. • Exemption from customs and import duties in respect of plant, machinery equipment and accessories imported exclusively for mining operations. (However, the plant and equipment can only be disposed of locally upon payment of the applicable customs and import duties).

Western Africa: Nigeria (cont.)

	Tax incentives (Table 2 – continued)				
	Free Trade Zones (FTZ)	**Export Expansion Grant (EEG)***	**Duty Drawback/ Suspension Scheme**	**Deep Offshore and Inland Basin Production Sharing Contracts Fiscal Incentives**	**Mining of Solid Minerals**
Maximum benefit available (cont.)	• Repatriation of foreign capital investment and 100% foreign ownership allowable. • No import and export license required and remittance of profits and dividends earned by foreign investors in the export free zone allowable.				• Accelerated capital allowance on mining expenditure (95% initial allowance and retention of 5% until asset is disposed). • Actual amount incurred out of reserves made for environmental protection, mine rehabilitation, reclamation and mine closure shall be tax deductible, subject to certification by an independent qualified person.
Type of benefit	Tax exemption	Cash grant (Against Future duty payments)	Tax exemption	Tax credit	Grant
Training Benefit	None				
How to claim / Timeframe	Entire period of operating within the export free zone.	Applications must be submitted to the authority, along with evidence of full repatriation of export proceeds.	None	Within every fiscal year of filing tax returns.	None
Good to Know	• The 2 major legislation that regulate FTZ in Nigeria are; Nigeria Export Processing Zone Act (NEPZA) and Oil & Gas Export Free Zone Act (OGEFZA). • Rent-free land at construction stage, thereafter rent shall be determined by authority.	In practice, qualifying exporters must have fully repatriated all proceeds within 180 days from the day of export.	Apply for exemption or suspension of import duty to actual importation. (when this is done, the exporter is conferred with the status of manufacturer-in-bond).	Petroleum Investment Allowance (PIA) at 50% of QCE for PSCC's signed after July 1998.	A company may also be entitled to claim an additional rural investment allowance on its infrastructure cost, depending on the location of the company and the type of infrastructure provided.

Western Africa: Senegal

There are various tax incentives put in place by Senegalese government to stimulate investment.

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	Incentives				
	Tax treatment provided for by the Investment Code	**Special regime applicable to approved export firms**	**Reduction tax for export:**	**Oil & Gas and Mining**	**Law of 250 billions**
Minimum Investment required	None				Investment must be above 250 Billion FCFA (1 USD= 582.282 CFA).
Maximum benefit available	New enterprises and extension projects: • Custom duty exemptions (three years); • VAT suspension (three years); and • The tax credit of 40% for eligible investment but it is capped to 50% of the tax profit and should be applied within 5 years from the investment.	• The benefits of this regime remain valid for a period of 25 years and can be renewed. The corporate tax rate is 15%; • Exemption from customs duties and duty stamps on utilitarian vehicles and tourism vehicles and means of transportation clearly intended for production; • Exemption from taxes based on salaries paid by companies; • Exemption from all registration and stamp duties when registering a company and modifying its Articles of Association; • Exemption from patent fee, property tax on constructed and unconstructed property, and from the license fee; and • Exemption from the taxes on Income for Stocks and Shares drawn by the firm on the dividends distributed.	• Allowed to deduct 50% of their taxable income in the calculation of income tax; and • Indirect exports are excluded in the determination of the turnover.	Exemption from VAT and additional taxes on imports and purchases to companies involved in exploration of minerals through the means of an agreement with the Government.	For investments above two hundred and fifty billion CFA francs, the Government may grant to the investor special tax and custom regime derogating from the advantages in the investment code and the mining code.

Western Africa: Senegal (cont.)

	Tax Incentives				
	Tax treatment provided for by the Investment Code	**Special regime applicable to approved export firms**	**Reduction tax for export**	**Oil & Gas and Mining**	**Law of 250 billions**
Type of benefit	Tax exemption				Special tax benefit
Training Benefit	None				
Good to know	Need to apply for pre-approval before company can claim.	• Need to apply for pre-approval before company can claim. • The company has to export at least 80% of its production .The benefits of this regime remain valid for a period of 25 years and can be renewed.	Need to apply for pre-approval before company can claim • To receive this discount, companies must prove the export is effective and the repatriation of the revenues into Senegal; and • Mining and oil companies are excluded from this provision. • Industrial, agricultural and tele-services companies that export at least 80% of their production.	No need to apply for pre-approval, before company can claim.	Need to apply for pre-approval before company can claim.

Western Africa: Sierra Leone

Investment in Sierra Leone is regulated by the Investment Promotions Act 2004, which provides for investment incentives for both domestic and foreign investors. The Act was instituted to promote and attract private investment, both domestic and foreign, for the development of value adding opportunities, export creation and employment opportunities. Additional incentives can be given if applied for by investors, however any agreement granting tax breaks and incentives to a taxpayer is required to be ratified by the Parliament in order to have the force of law.

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	Investment and employment incentive	Infrastructure projects	Donation into Skills Development Fund	Refinery
Minimum Investment required	• For a period of 5 years: If workforce is at least 100 employees, minimum investment is $5,000,000. • For a period of 10 years if workforce is at least 150 employees, minimum investment is $7,500,000.	$20 Million	None	A minimum investment of $20,000,000 into a petroleum refinery project and employing at least fifty (50) Sierra Leonean citizens.
Maximum benefit Available	As of 1 January 2015, registered Businesses in SL that are at least 20% Sierra Leonean owned are entitled to corporate tax exemption.	Not specified	Up to 100% of the cost incurred is tax deductible in the same year	Corporate tax relief not exceeding 5 years. Import Duty exemption.
Type of benefit	Tax exemption	Tax Relief	Tax deduction	Tax Relief and Exemption
Training Benefit	None			
Timeframe/ How to claim	5 to 10 years depending on the investment criteria.	15 years.	1 year.	Up to 5 years.
Good to know	Such a provision may be revised in subsequent Finance Acts, but will remain in force till repealed or amended.			

References / Sources

Data included in the country by country tables in this survey has been obtained from the KPMG network of offices in Africa as well as from the following sources:

- Source: KPMG Fiscal Guides,
  http://www.kpmg.com/africa/en/kpmg-in-africa/pages/2015-african-country-reports.aspx
- Source : IBFD Database,
  http://k-online2.ibfd.org/kbase/

Data included in the tables on pages 9 to 11 have been obtained from the following sources:

- Source: Country Specific Economic Data,
  http://data.worldbank.org/country
- Source: Tax Rates Online,
  https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online.html

The following references relate to quote icons included in the body of this Survey.

1) Source: Sub – Saharan Africa economies among world's Top Improvers of doing Business, World Bank,
   http://www.worldbank.org/en/news/press-release/2015/10/27/sub-saharan-africa-economies-among-worlds-top-improvers-of-business-climate-says-doing-business-report
2) What are the current and future roles of natural resources in attracting FDI inflows to Africa?
   http://www.blog.kpmgafrica.com/what-are-the-current-and-future-roles-of-natural-resources-in-attracting-fdi-inflows-to-africa/
3) Source: Sub-Saharan regulatory reforms, World Bank,
   http://www.worldbank.org/en/news/press-release/2014/10/29/sub-saharan-africa-business-regulatory-reforms-worldwide

Acronyms

List of commonly or frequently used terms

ADEP	Aquaculture Development and Enhancement Programme
AGOA	Africa Growth and Opportunity Act
AMDI	Agency Marocaine De Développement Des Investissements
ANAPI	National Agency for the Promotion of Investments
APIEX	The Agency for Promotion of Investment and Export
APII	Agency for the Promotion of Industry and Innovation
BNR	Bank of Rwanda
BPT	Business Profit Tax
CET	Common External Tariff
CFA	Communauté Financière Africaine
CFC	Casablanca Finance City
CIP	Critical Infrastructure Programme
CIT	Corporate Income Tax
CITA	Corporate Income Tax Act
CNI	Conseil National de l'Investissement
CPI	Centro de Promoção de Investimentos
DAO	Development Approval Order
DRC	Democratic Republic of Congo
DST	Department of Science and Technology
DTI	Deartment of Trade and Industry
EEG	Expat Expansion Grant
EIA	Ethiopian Investment Authority
EFZ	Export Free Zones
EPA	Economic Partnership Agreement
EPZ	Export Processing Zone
FDI	Foreign Direct Investment
FDj	Djiboutian Franc
FTZ	Free Trade Zone
GAFZ	General Authority for Free Zones
GAZEDA	Gabinete das Zonas Economicas de Desenvolvimento Acelerado
GBC	Global Business Company
GIPC	Ghana Investment Promotion Centre
GRA	Ghana Revenue Authority
GSP	Generalized System of Preferences
ICT	Information Communication Technology
ID	Investment Deduction
IFSC	International Financial Services Centre
IFZ	Industrial Freeports/Zones
ITC	Investment Tax Credit
ITR	Infrastructure Tax Relief
KES	Kenyan Shilling
MAD	Moroccan Dirham
MITC	Malawi Investment Trade Centre
MK	Malawian Kwacha
MZN	Mozambican Metical Rate
NEPC	Nigerian Export Promotion Council
NGL	Natural Gas Liquid
NIRA	Namibia Inland Revenue Authority
NITL	New Income Tax Law
NSE	Nairobi Stock Exchange
OGEFZA	Oil and Gas Export Free Zone
PAYE	Pay As You Earn
PIL	Private Investment Law
PPP	Public/Private Partnership
PSC	Product Sharing Contract
PSI	Pioneer Status Incentive
QCE	Qualifying Capital Expenditure
R&D	Research and Development
RDB	Rwanda Development Board
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARS	South African Revenue Services
SCS	Smart Cities Scheme
SDG	Sudanese Pound
SEZ	Special Economic Zones
SIC	Standard Industry classifying code
SPV	Special Purpose Vehicle
SRA	Swaziland Revenue Authority
TIC	Tanzania Investment Centre
TND	Tunisian Dinar
USD	United State Dollar
VAT	Value Added Tax
WHT	Withholding Tax
XAF	Central African Franc
ZDA	Zambia Development Agency
ZIC	Zimbabwean Investment Centre
ZRA	Zimbabwean Revenue Authorities

Highlights of the survey

From the information provided by our KPMG African network of professionals, the term **'Africa is open for business'** is apt if one considers the following highlights of the survey:

- All countries surveyed offer a range of enhanced tax incentives, ranging from accelerated allowances for capital expenditure, special allowances for investments in certain industry sectors (such as manufacturing, infrastructure, tourism) as well as tax holidays ranging from 3 to 10 years;
- Only 7 countries have local participation or local job creation requirements for accessing the respective incentives;
- 8 countries offer investors additional tax incentives for companies that invest in training of its own staff;
- Nigeria and South Africa offer a diverse range of both tax incentives *and* cash grants from government agencies for investing in defined sectors (such as manufacturing, oil & gas, tourism, financial services and the 'green' environmental economy);
- Morocco offers a cash contribution to expenditure for large scale projects greater than MAD 100 million;
- South Africa appears to be the only country on the African continent that offers a dedicated R&D tax incentive regime, with an enhanced tax deduction (150%), equivalent to that offered by OECD countries.
- The introduction of Special Economic Zones and Free Port Zones (SEZ) now appear as a common theme among various African countries with 21 of the 28 countries surveyed offering SEZ areas as additional incentives for companies to invest in specific regions within a country;
- South Africa have also passed into law during Feb 2016 enabling legislation that will see an initial 15 areas designated as SEZ's, and countries such as Swaziland and Zimbabwe working on similar SEZ's to be introduced in the near future;
- Such SEZ's offer a reduced Corporate Income Tax (CIT) rate of between 0% to 15% (which compares favourably to the average 29% CIT rate across the countries surveyed), as well as other benefits for example exemptions from Value Added Tax and Customs and Import/Export Duties together with accelerated capital allowances;
- All countries have a requirement for either pre-qualification or pre-approval to be granted to the investing company by the respective country's regulatory agency, and in certain instances (such as in Botswana and the DRC for example) government agencies are also willing to enter into tax agreements and/or co-operation agreements for investment certainty.

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