Islamic Chamber of Commerce, Industry & Agriculture
La Chambre Islamique de Commerce, d'Industrie et d'Agriculture

Report on Investment Environment in OIC Member Countries

Shawwal 1433H (September 2012)

Table of Contents

Executive Summary

This report, prepared by IDB and ICCIA at the request of COMCEC, presents information on investment environment in OIC member countries. It also features laws and regulations governing investment in OIC countries. The report is aimed at consolidating investment information on member countries from various reliable sources with the view to improve investment flows as well as create awareness about the driving factors for favourable investment climate in OIC member countries. As of today, most of OIC countries have investment promotion agencies, which provide information and advisory services to potential investors. Some of the available information on the websites of these agencies are either not regularly updated or do not contain the much-needed information to address the concerns of the users. This report brings together the investment fact-sheets on OIC countries as well as provides an analysis of the major factors that affect investment environment in member countries. The factors include: macroeconomic stability, favourable doing business environment, institutional environment, financial market development, infrastructure status, goods market efficiency, and corruption.

It is a known fact that the 57 OIC member countries represent 23 percent of the world population but account for only 10.8 percent of the global GDP with the OIC least developed countries accounting for less than 1 percent of total world GDP. Despite ongoing global economic and financial crisis, the macroeconomic economic outlook of OIC member countries is encouraging but vulnerable to global external shocks. Therefore, the investment climate of OIC countries needs to be flexible and conducive in order to attract investors in key economic sectors with the aim to create jobs and alleviate poverty among the citizens.

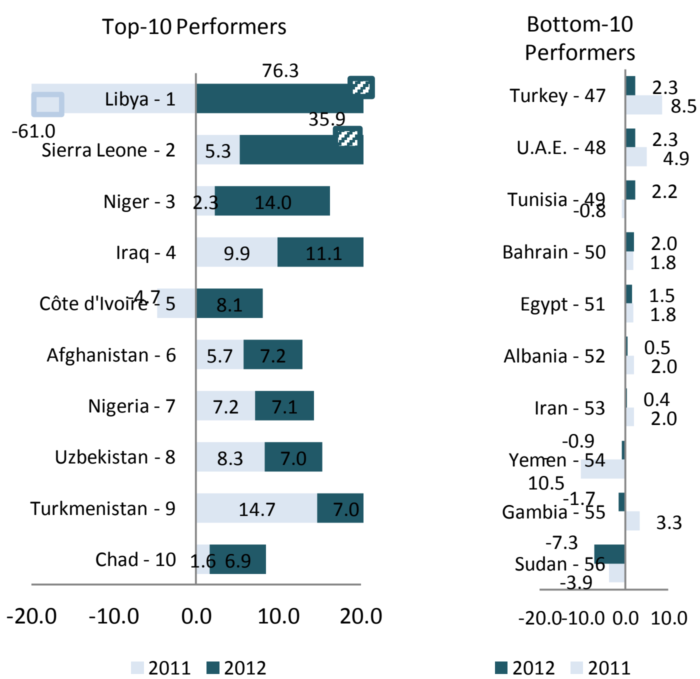
The report is structured into three chapters with 2 annexes. Annex A presents tables associated with investment climate indices while Annex B deals with the investment laws and regulations in OIC countries. Apart from ranking the OIC member countries in terms of investment climate indices, the report also highlights the way forward and emphasises that member countries need to be creative in forging economic alliances to enhance their strategic economic interests. They need to come into terms with the dynamics of emerging global challenges and initiate appropriate policy responses to cope with these challenges, minimize the risks and optimize the gains arising from the changing global economic landscape. This will require far-reaching structural, institutional and macroeconomic policy reforms to remove bottlenecks to investment activities to attract FDI into real sectors to stimulate high and sustainable growth of their economies.

1. Macroeconomic Outlook, Challenges and Prospects of OIC Member Countries

1.1 Economic Growth

The OIC member countries have formidable economic potentials that are yet to be fully realized, thereby lacking the economic strength to emerge as global economic players, even though three member countries -- Indonesia, Saudi Arabia and Turkey --- are members of the G20. The 57 OIC member countries represent 23 percent of world population but account for only 10.8 percent of global GDP while the 21 OIC Least Developed countries account for less than 1 percent of the total world GDP. The share of OIC member countries in developing countries' GDP declined by 1.5 percent over the period 2006-2010 and this is projected to continue. In terms of per capita GDP, the gap between member countries and other developing countries increased from $475 to $1,255 while the gulf between OIC member countries as a group and the world ae increased from $5,071 to $5,980 over the period 2006-2010.

The economic growth of OIC member countries as a group slowed down from 5.9 percent in 2010 to 5 percent in 2011, and is projected to decelerate further to 4.4 percent in 2013. Oil exporting member countries are not spared as their economies are projected to slow down from 4.6 percent in 2011 to 4.3 percent in 2012 while the economies of non-exporting member countries are projected to slow down from 5.4 percent in 2010 to 5.2 percent in 2012. Chart 1 depicts 10 highest and 10 lowest economic growth performance of member countries in 2011. It shows that high economic growth rate performance range between 6.9 percent (Chad) and 76.3 percent (Libya) while 10 lowest performances range between -56 percent (Sudan) to 2.3 percent (Turkey).



In terms of regional grouping, economic growth of the Sub-Saharan Africa (SSA) group of member countries slowed down from 6.5 percent in 2010 to 4.5 percent in 2011 and is projected to recover mildly to 5.4 percent in

2012. The Middle East and North Africa (MENA) member countries experienced economic growth slowdown from 5.8 percent in 2010 to 4.7 percent in 2011 and projected to further slowdown to 4 percent in 2012. For Asian group of member countries, their economic growth slowed down from 5.9 percent in 2010 to 5.3 percent in 2012 and projected to slow down slightly to 5.2 percent in 2012. Economies of Countries in Transition (CIT) group of member countries slowed down slightly from 6.8 percent in 2010 to 6.6 percent in 2011 but slowed to 5.4 percent in 2012. The slow growth of two consecutive years is attributable to slump in effective demand in advanced economies, weakening international trade arising from falling global demand and decrease in resource inflows arising from the sovereign debt crisis in the euro zone as well as the fiscal strain in the US.

1.2 Inflation and Current Account Balance

Inflationary trend in member countries is on the rise reaching 8.9 percent in 2012 compared to 8.6 percent in 2011. It is however projected to decrease to 7.9 percent in 2013. This is far higher than the world average of 4.8 percent in 2011 and 4.0 percent in 2012. The level of inflation among Sub-Saharan group of member countries is the highest among regional groupings at 9.3 percent in 2011 and 10.7 percent in 2012. It is followed by inflation rate of MENA group of member countries at 9 percent in 2011 and 9.8 percent in 2012. For Asia group of member countries, inflation rate was 7.3 percent in 2011 and 7.1 percent in 2012 while it was 9 percent in CIT member countries in 2011 and 6.8 percent in 2012.

Current Account Balance (CAB) of OIC member countries as a group improved from 3.7 percent of GDP in 2010 to 6.4 percent in 2011 and to 6.9 percent in 2012. This is largely due to the influence of oil revenues that accrued to oil-exporting group of countries. While for instance, oil-exporting group of member countries recorded a current account surplus of 13.6 percent of GDP in 2011 and 14.3 percent in 2012, non-oil exporting countries recorded deficit of 3.7 percent in both 2011 and 2012. In terms of regional groupings, MENA region have the highest level of CAB with a surplus of 8.3 percent in 2011 and 9.8 percent in 2012. This is mainly due to significant number of oil-exporting countries in the region. Sub-Saharan African group of member countries recorded a current account surplus of 1.3 percent of GDP in 2011 and 0.6 percent in 2012. Current account balance in Asia group of member countries was in surplus at 2.8 percent in 2011 and 11.9 percent in 2012 while the CIT group of member countries have surplus of 9.2 percent in 2011 and 7.6 percent in 2012.

1.3 Investment Indicators

Investment activities, measured in terms of gross fixed capital formation (GFCF) as a percentage of GDP, in member countries are relatively high compared to global average but are characterized by low-level of value addition in the real sectors of the economy. This stifles the capacity of the economy to generate high sustainable growth. GFCF in OIC member countries as a group was 24.8 percent of GDP in 1990, decreased to 21.2 percent in 2000 but improved to 24.2 percent in 2010. This is while the world average was 23.4 percent in 1990, 22.3 percent in 2000 and 19.8 percent in 2010. However, the performance of member countries fell below developing countries average of 25.8 percent in 1990, 23.7 percent in 2000 and 29.1 percent in 2010. Considering the developing status of member countries, they are expected to attract high investments from both domestic and external sources to increase the effective utilization of their resources for achieving high sustainable growth.

Domestic credit to private sector is a key factor in motivating domestic investments, yet OIC member countries' performance is relatively low in channelling domestic credit to private sector activities. Even though there was significant improvement from 27.3 percent of GDP in 1990 to 43 percent in 2010, it is far below world average of 130.2 percent in 1990 and 169.4 percent in 2010 as well as below developing countries average of 39.3 percent in 1990 and 91.5 percent in 2010. Asia group of member countries channels much of its domestic credit to the private sector than other regional group of OIC member countries at 43.8 percent of GDP in 1990 and 45.7 percent in 2010. The SSA member countries channeled 16 percent of GDP credit to the private sector in 1990 which improved to 22 percent in 2010.

Foreign Direct Investment (FDI) is a potent source of increasing investment activities especially for developing countries. In addition, FDI provides opportunities for technological acquisition that could be leveraged by developing countries to strengthen their capabilities for effective utilization of resources for attaining optimal economic growth paths. In recent years, FDI flows to OIC member countries have not been strong enough to match the investment needs for accelerating economic growth. In 2008, FDI flows to OIC member countries amounted $172.6 billion. Due to the adverse effects of the global financial and economic crisis of 2008, FDI flows to member countries slumped to $131.2 billion, a 24 percent decrease, but improved marginally to 131.6 billion in 2010. This trend, thus shows, that some of the OIC Countries are still unable to create a favourable environment and condition to attract more FDI flows.

While there is a worldwide decline in FDI flows, OIC share of global FDI flows at 11 percent and 21 percent of total FDI flows to developing countries is not encouraging. In terms of regional groupings, SSA with $15.9 billion, which is about 9.2 percent of total FDI inflows to OIC member countries, had the least FDI inflows in 2008, while MENA group of member countries recorded the highest in the same year with 66.4 percent of total FDI inflows to OIC member countries. There was a slight improvement for SSA in 2009 in absolute terms but significant increase in the share of total OIC at $16 billion and 12.6 percent respectively but declined in 2010 to $13.2 billion and 10 percent of total FDI inflows to OIC member countries. The MENA group of member countries maintained the highest share of FDI inflows to OIC member countries in subsequent years but at a decreasing proportion of 64.6 percent in 2009 and 58.6 percent in 2010 with $84.8 billion and $77 billion respectively. Inflows of FDI to Asia member countries in 2008 was $23.9 billion (14% of total OIC), $10.2 billion (7.8% of total OIC) in 2009 and $26.3 billion in 2010, representing 20 percent of total FDI inflows to OIC member countries.

2. Critical Challenges to Favorable Investment Environment

2.1 Major Determinants

The OIC member countries, as a group, include some of the richest as well as some of the poorest countries in the developing world. Over the past two decades, member countries have diverged significantly in terms of economic growth. Malaysia has evolved from a developing country to an industrial economy. Turkey, Jordan, and United Arab Emirates have lifted their economies to the ranks of the world's middle income countries. The growth performance variations across countries and regions indicate that the determinants of growth are not the same for all countries. The growth pattern is linked to characteristics of countries such as economic base, unemployment rate, and investment in physical and human capital, flow of foreign investment, industrial growth, inflation and development of financial institutions. When assessing pattern of investment in member countries, it is useful to look for changes in the performance of underlying factors which can significantly influence investment performance.

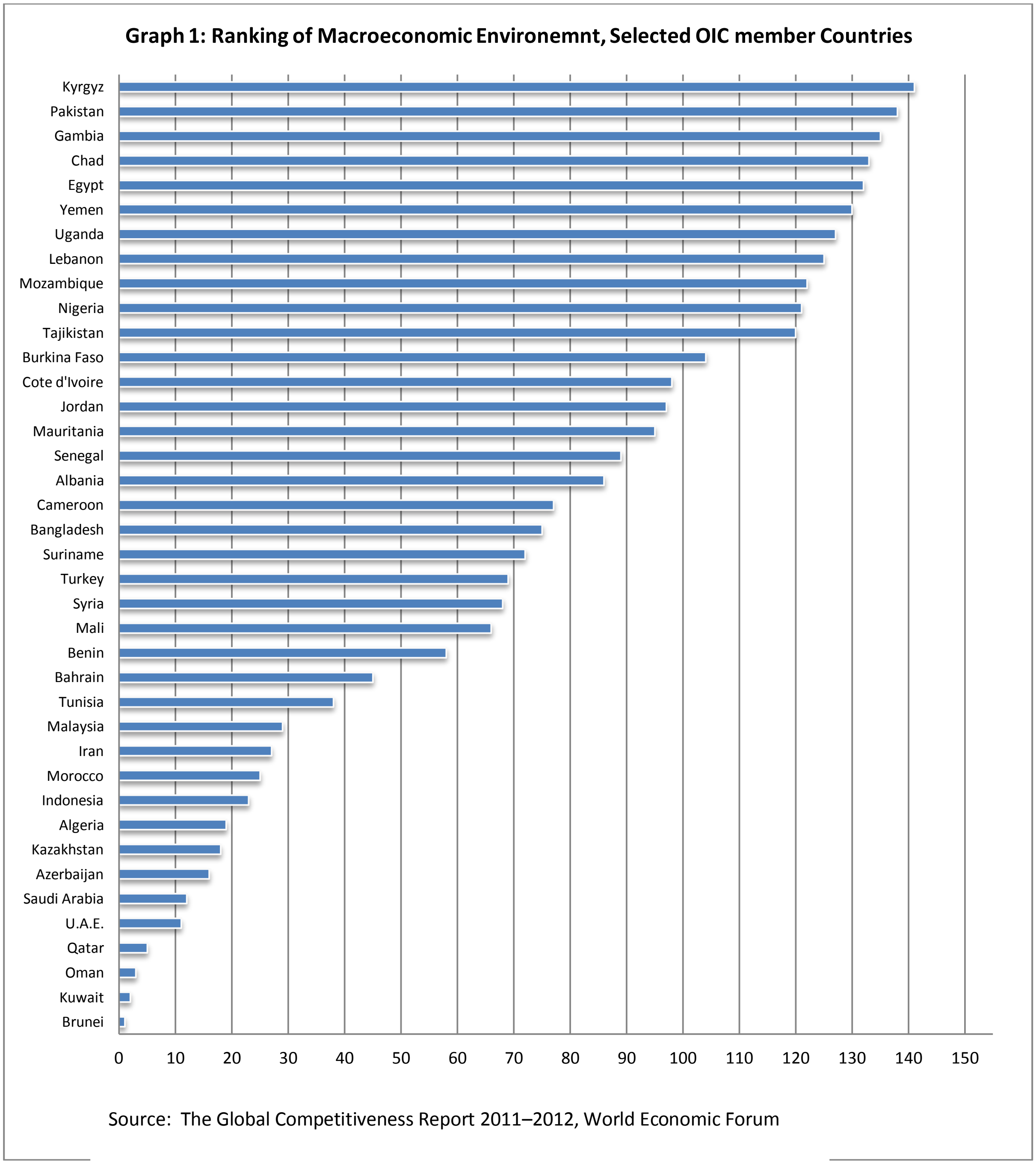
Investment is one of the most important factors that promote economic growth. Investment spending makes a direct contribution to economic activity and feeds into capital which, in turn, is one of the factors of production that directly determine the economy's productive capacity. However, investment will not happen in vacuum and it requires a conducive environment. In addition to domestic investment made mainly by the domestic firms, foreign direct investment requires much more stable and favorable environment to take place. Keeping in view the significance of investment in sustaining economic growth and prosperity, the section attempts to provide an overview of the performance of OIC member countries in this area. The main purpose is to create awareness about investment growth and the key indicators that influence such growth in member countries. This analysis will enable the respective institutions to devise their strategies and operational plans in light of member countries' standing in this critical area.

To this end, this section focuses on seven fundamental factors which can significantly influence investment environment at the national level. These are: macroeconomic stability, favourable doing business environment, institutional environment, financial market development, infrastructure status, goods market efficiency, and corruption

2.2 Macroeconomic Stability

Macroeconomic performance shows the ability of countries to create and maintain a suitable economic environment for sustaining investment growth. Macroeconomic instability including economic, social and political deters investment by making future rewards more uncertain or undermining the value of assets. It also increases the risk of firms going bankrupt, experiencing slower growth or contracting if political conflict ensues. For example, as proxies for economic instability, high inflation and volatile real exchange rates can weaken the position of creditors, making access to credit more difficult. Moreover, the impact of instability is more likely to be felt by medium and small firms rather than large firms, because the latter are more likely to have tools at their disposal to cope with these risks. There are many different indicators to evaluate macroeconomic stability.

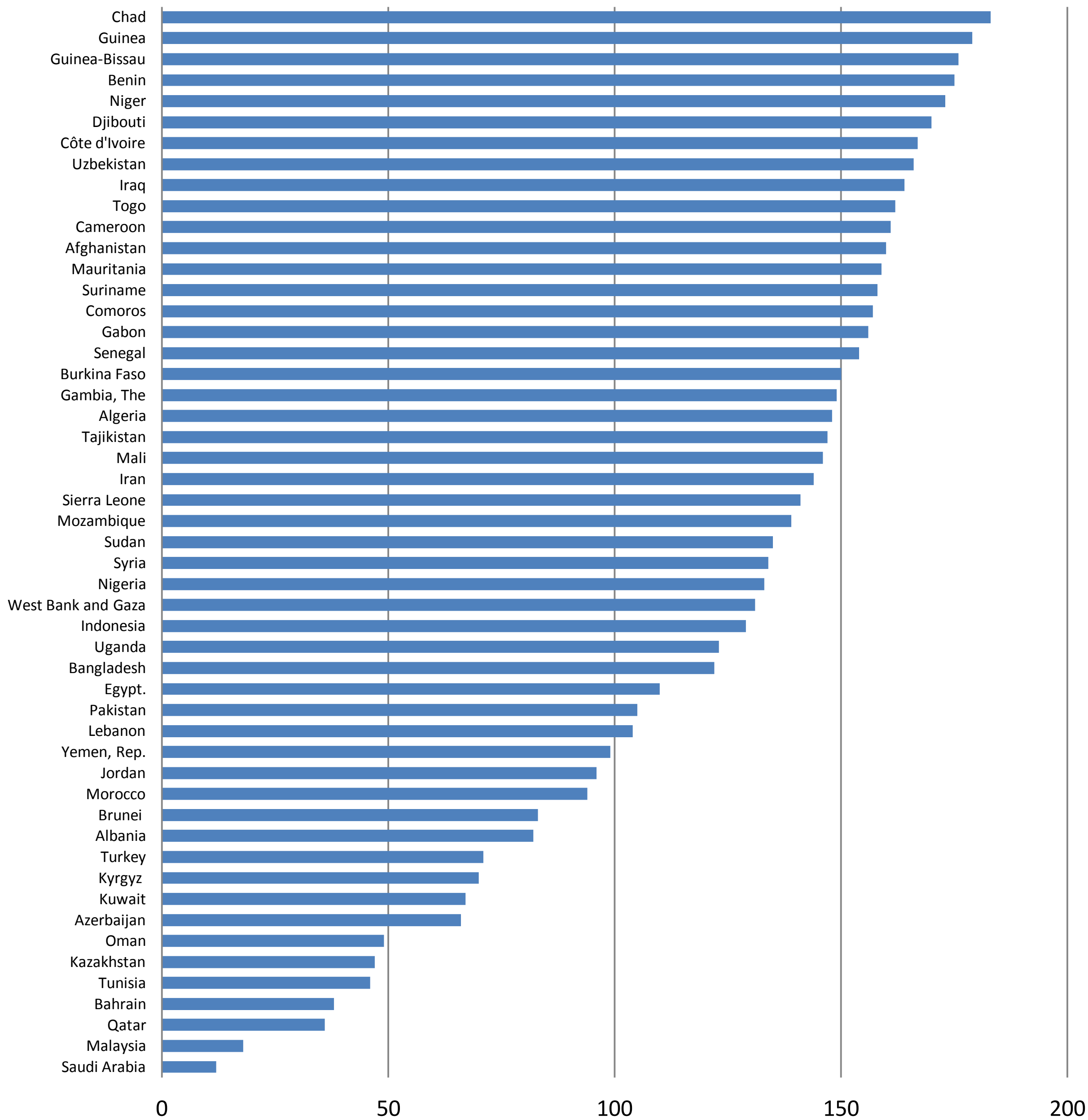
The choice between them depends on the purpose and on the availability of data. Macroeconomic stability, in this section, is meant to reflect the level of government budget balance, gross national savings, inflation, interest rate spread, general government debt, and country credit rating. Graph 1 rank OIC member countries in terms of the macroeconomic stability. Brunei, Kuwait and Oman followed by Qatar, UAE, and Saudi Arabia have the most conducive macroeconomic conditions attractive for investment among OIC member countries. These countries experience steady and remarkable progress in political and socio-economic reforms, with the development landscape changing positively. Notably, this has led to marked improvements in budgetary management, tax systems, reduction in costs of doing business, support services for policy coordination, contract enforcement, public sector accountability and transparency, as well as, a more conducive environment for private investment and growth. Kyrgyz Republic, Pakistan, Gambia, Chad, Egypt and Yemen are at the very last of the ranking (see Graph 1).



2.3 Favourable Doing Business Environment

Doing Business covers the regulations that enhance business activity and those that constrain it. The Doing Business environment is a key indicator of progress made in instituting reforms aimed at making it easier to do business which in turn facilitate inflow of capital to the country. A high ranking on the ease of doing business index means the regulatory environment is more conducive to the starting and operation of a local firm. Regulations impose necessary costs on firms such as the need to adapt the business to meet regulatory requirements or to pay licensing fees, but too often these costs are unnecessarily high because of rent seeking behavior, inefficient administration, or poor institutional fit (World Bank (2005a)), thereby reducing business entry and firm growth.

Graph 2: Ranking of Ease of Doing Business, Selected OIC member Countries



Source: The World Bank Group, 2012

Ease of Doing Business in this report reflects the Starting a Business, Dealing with Construction Permits, Getting Electricity, Registering Property, Getting Credit, Protecting Investors, Paying Taxes, Trading Across

Borders, Enforcing Contracts, and Resolving Insolvency. Streamlining of procedures and providing a "One Window Operation" contributes to the ease of doing business. As graph 2 shows, Saudi Arabia is on the top followed by Malaysia, Qatar, Bahrain, and Tunisia. In contrast, Chad, Guinea, Guinea Bissau, and Benin are ranked last; all from SSA region. For more details on the various components of Doing Business indicator, please refer to the Table 2 in the Appendix.

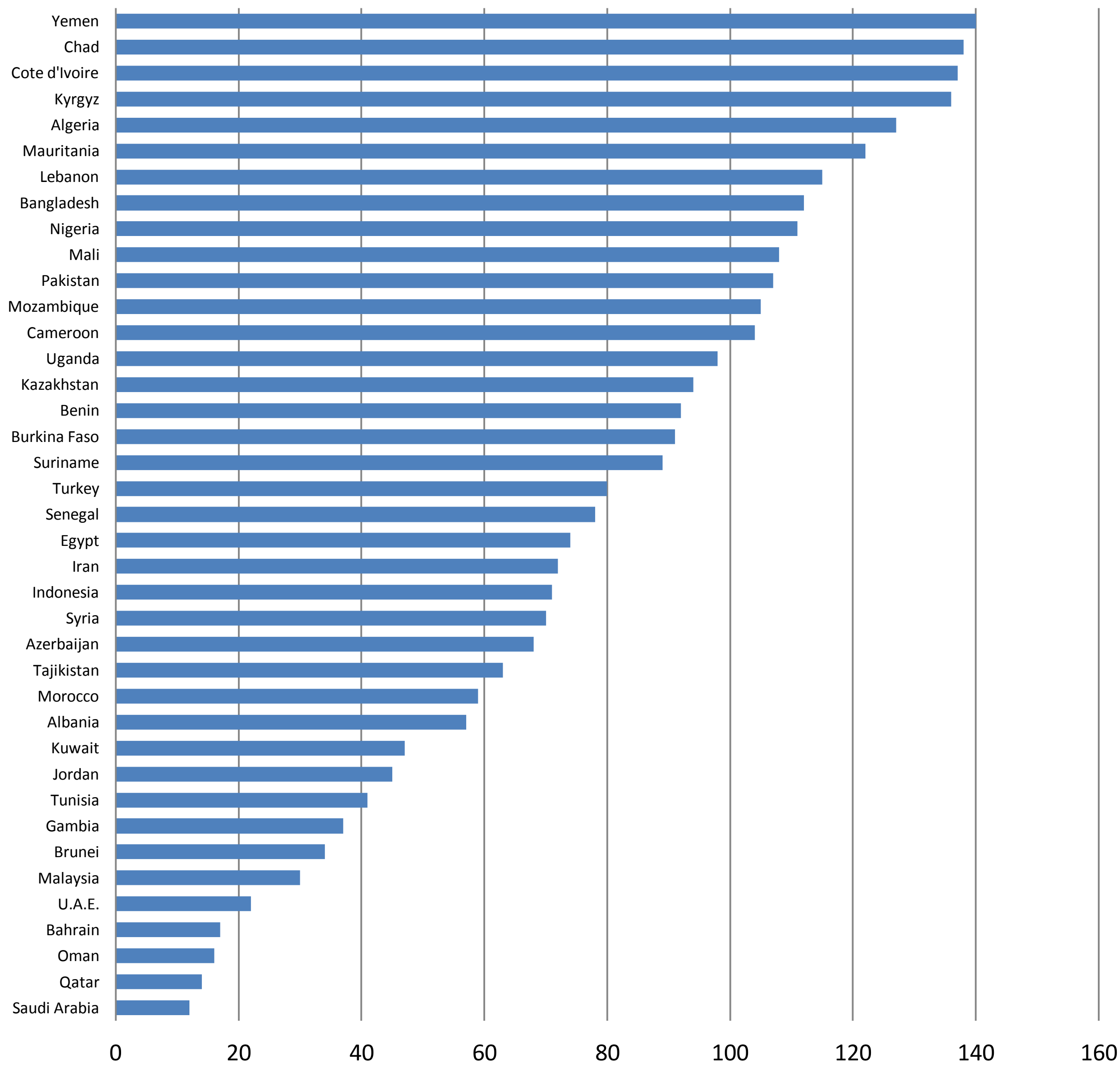
2.4 Institutional Environment

Firms and governments operate in the context of an institutional setting, determined mostly by historical and cultural factors, and by the government itself. Institutions have been defined as a series of rules, norms, and organizations that coordinate human behaviour (World Bank 2002). The main task of institutions "is to provide support to firms in exchange-related activities, such as marketing, communications, transport, the transfer of technology, credit and insurance". Successful institutions lower transaction costs, provide incentives, avoid or resolve conflict, and create the environment in which firms compete. The biggest differences between countries are in their institutions, and these differences are probably the most important for development (Rodrik et al. 2002). In this sense, it can be argued that the quality of institutions ultimately determines the level of competitiveness of a country, and influences investment decisions.

A reliable institutional and legal system is essential for firms to invest as it reduces the risks and uncertainties that they face when entering into commercial agreements. The weak institutions, particularly for the protection of property rights, and an ineffective judiciary that is unable to enforce contracts, reduce investment and growth. This is supported by firm level evidence which shows that secure property rights and better contract enforcement enable firms to grow: they increase their incentives to invest longer term, feel secure in trying out new suppliers, and enter into more complex contracts (Department for International Development, UK, 2011). For example, delays or uncertainties in the enforcement of contracts governing exchange diminish the opportunities and incentives to invest as firms cannot commit to long term and complex commercial contracts.

In this report, the phrase "institutions" represents property rights, intellectual property protection, judicial independence, efficiency of legal framework in settling disputes, efficiency of legal framework in challenging regulations, transparency of government policymaking, ethical behavior of firms, efficacy of corporate boards, and strength of investor protection. Graph 3 ranks OIC member countries according to the institutional factors in 2012. Saudi Arabia, Qatar, Oman, Bahrain, and UAE have the most conducive institutional environment to support investment. In contrast, Yemen, Chad and Cote D'Ivoire are on the bottom.

Graph 3: Ranking of Institutions, selected OIC member Countries

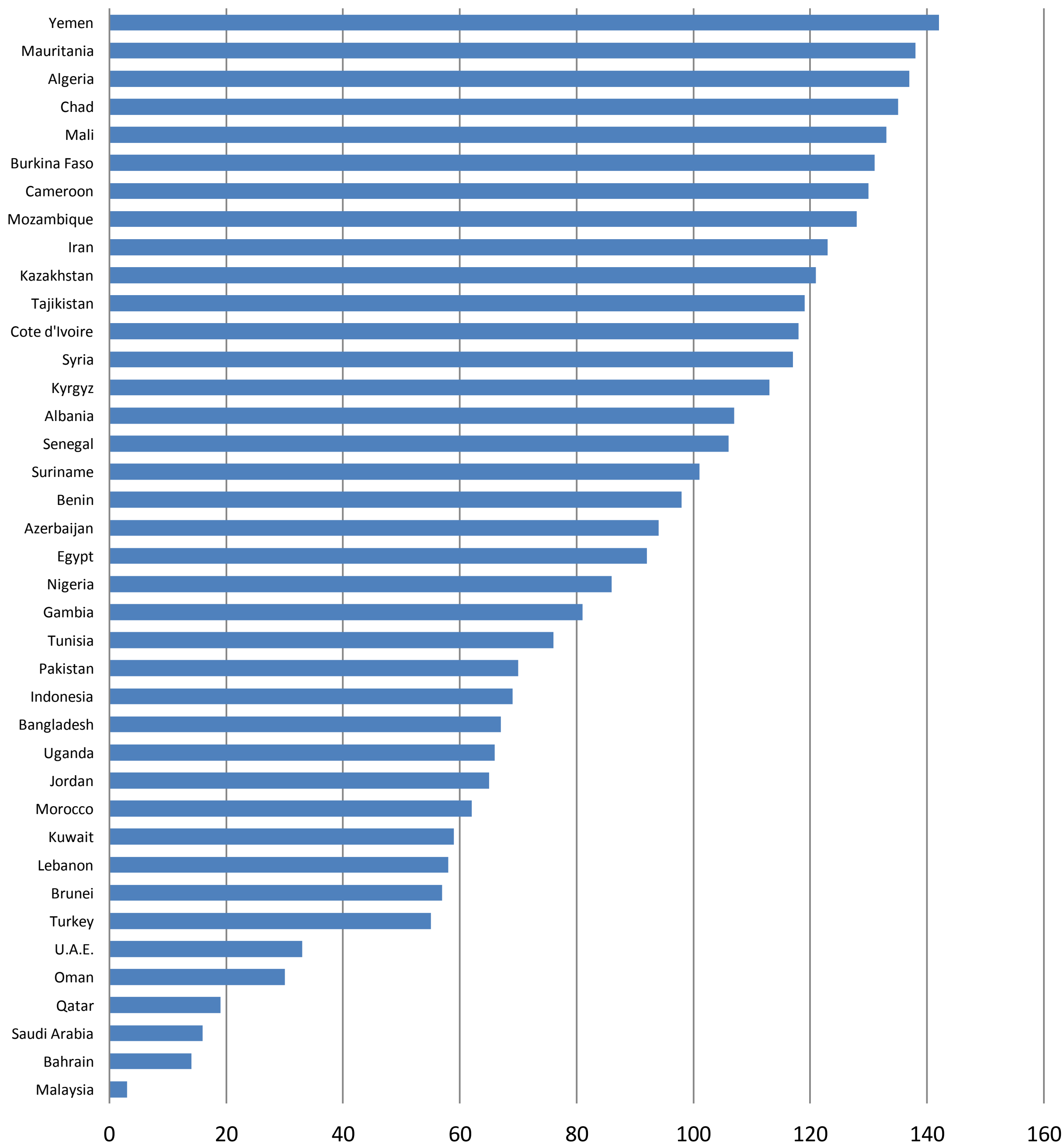


Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

2.5 Financial Market Development

A country's financial system plays a critical role in technological innovation and economic growth and development through mobilizing savings, monitoring managers, evaluating projects, managing and pooling risks, and facilitating transactions. Firms need to be able to access external finance and to those financial instruments such as loans from a sound banking sector, well-regulated securities exchanges, and venture capital that they needed in order to operate efficiently and invest more. An efficient financial sector allocates the resources to their most productive uses through channelling resources to those entrepreneurial or investment projects with the highest expected rates of return. Moreover, the higher the cost of capital the lower the expected rate of return to the entrepreneur, and the less incentive the firms will have to invest. Studies show that firms able to access external finance are more likely to survive, invest and grow than those denied access.

Graph 4: Ranking of Financial Market Development, Selected OIC member Countries



Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

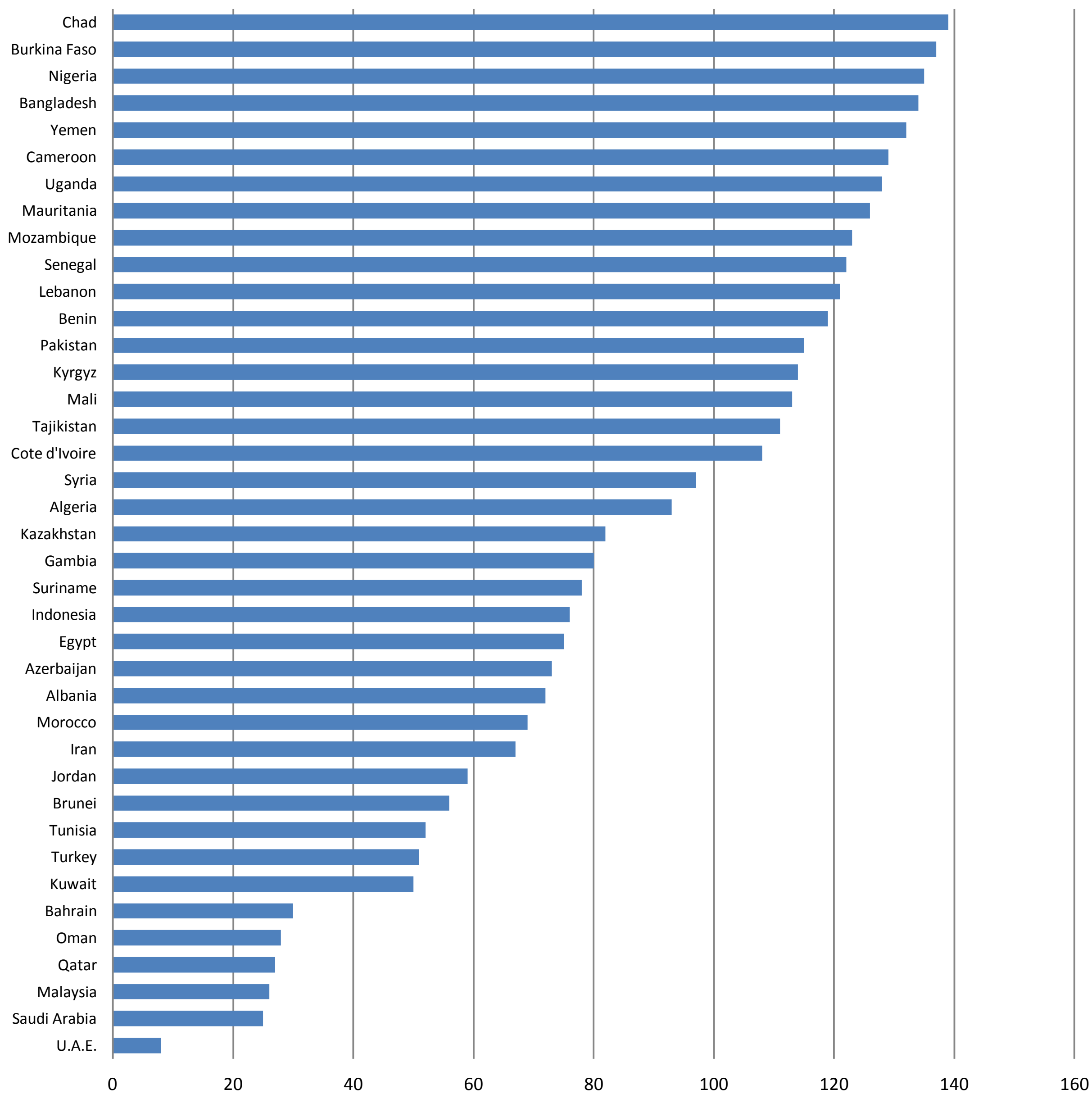
Financial market development refers to the availability of financial services, affordability of financial services, financing through local equity market, ease of access to loans, venture capital availability, soundness of banks, regulation of securities exchanges and legal rights index. The financial market development index is generated by combining the above seven indicators and intends to measure the level of financial intermediation and the efficiency of financial intermediation. Graph 4 ranks the performance of selected OIC member countries according to the financial environment for 2012. Most of the countries from the Gulf region plus Malaysia from the south-east Asia and Turkey had the most conducive financial conditions. In contrast, Yemen, Mauritania, Algeria, and Chad are the least developed member countries on financial markets.

2.6 Infrastructure Status

Economic theory suggests that the transition to a knowledge economy with sufficient infrastructure investment leads to economic growth and international competitiveness. By promoting connectivity of producers and markets, lowering transactions costs, and providing people with access to important services like education and healthcare, a reliable infrastructure network lays the foundation for a future of sustainable economic growth and investment. Firms need access to a high quality infrastructure including a reliable electricity supply, efficient transport links and modern telecommunications services to have the incentives to invest more. Access to infrastructure allows firms to become more productive (energy), reduce transaction (ICT) and transportation costs (roads, railways) and expand their businesses by reaching markets further afield. it is recognized that infrastructure investment enhances private sector activities including higher levels of investment, greater productivity and faster growth of firms by lowering the cost of production and opening new markets, presenting new production opportunities and trade and therefore leads to more investment, especially in the poorer member countries where infrastructure is less developed.

Broadly, infrastructure represents the quality of overall infrastructure, quality of roads, quality of railroad infrastructure, quality of port infrastructure, and quality of air transport infrastructure and electricity supply. According to the latest data, UAE staying at 8th place is among the top 10 countries in the world. Saudi Arabia is next at 25th place followed by Malaysia (26th), Qatar (27th), and Oman (28th). The five worst performers among OIC member countries comprise three countries from SSA region including Chad (139), Burkina Faso (137) and Nigeria (135), Bangladesh (134) from South Asia and Yemen (132) from the MENA region. Greater investment in infrastructure including public and private and higher expenditure on maintenance are needed to reduce this constraint in IDB member countries.

Graph 5: Ranking of Insfrastructure, Selected OIC member Countries

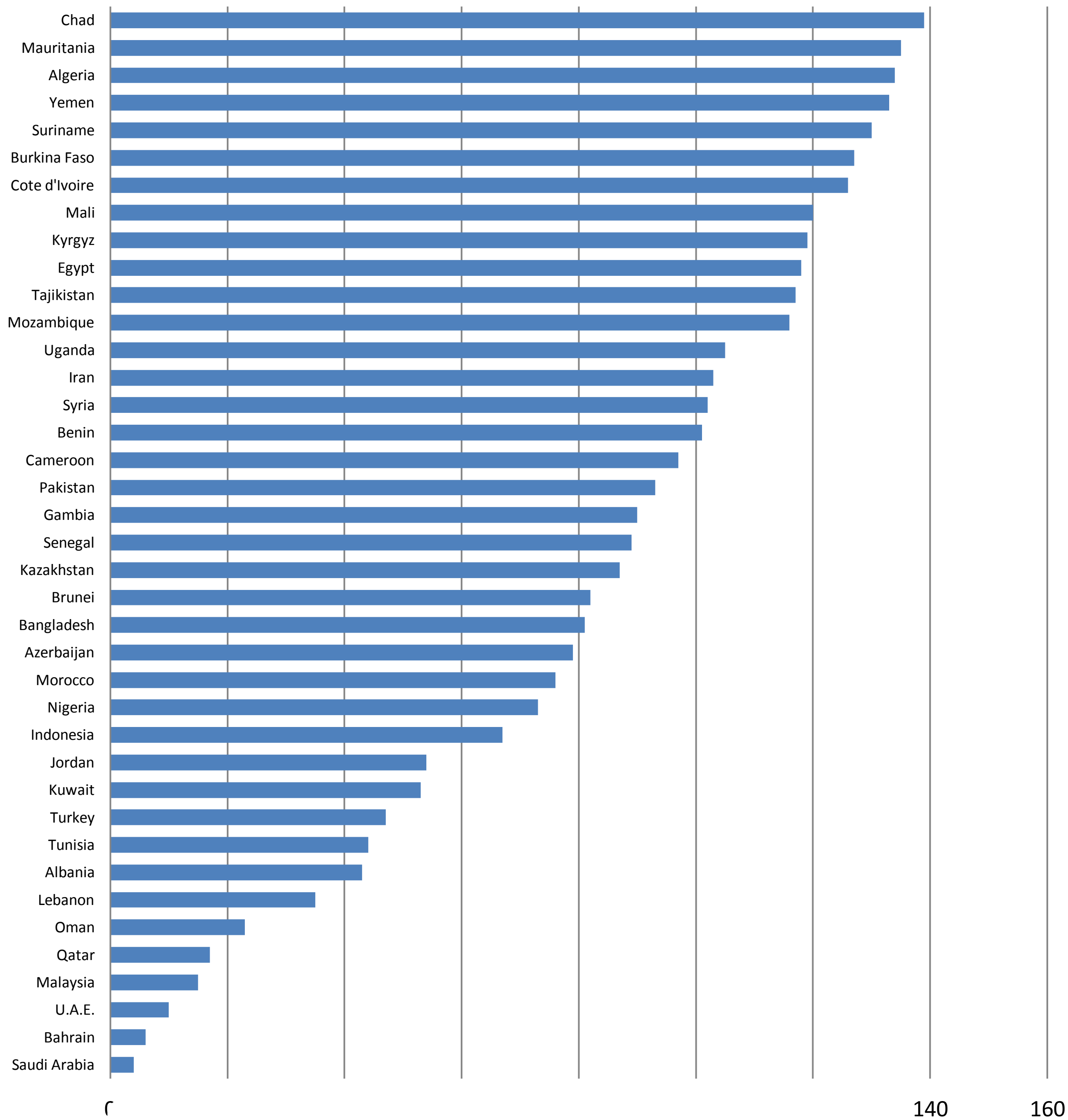


Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

2.7 Goods Market Efficiency

The role of market efficiency in determining economic performance is becoming a central issue for policy-making. In many countries, there appears to be a shift from government command and control policies towards the promotion of market efficiency through various economic reforms. Market efficiency is often associated with competition, which requires control of abuse of dominant positions, prevention of collusion between firms and removal of market entry barriers. If the markets are not efficient, the public offering largely disappears as a result of high transaction costs or the uncertainty of getting a fair price in the goods and services. Thus, inefficient economic markets may reduce the incentive to enter new ventures, reducing overall long-term productivity of the economy. On the other hand, an efficient market reduces the transaction costs of trading and thereby paves the way for the emergence of an optimal economic structure.

Graph 6: Ranking of Goods Market Efficiency, Selected OIC member Countries



Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

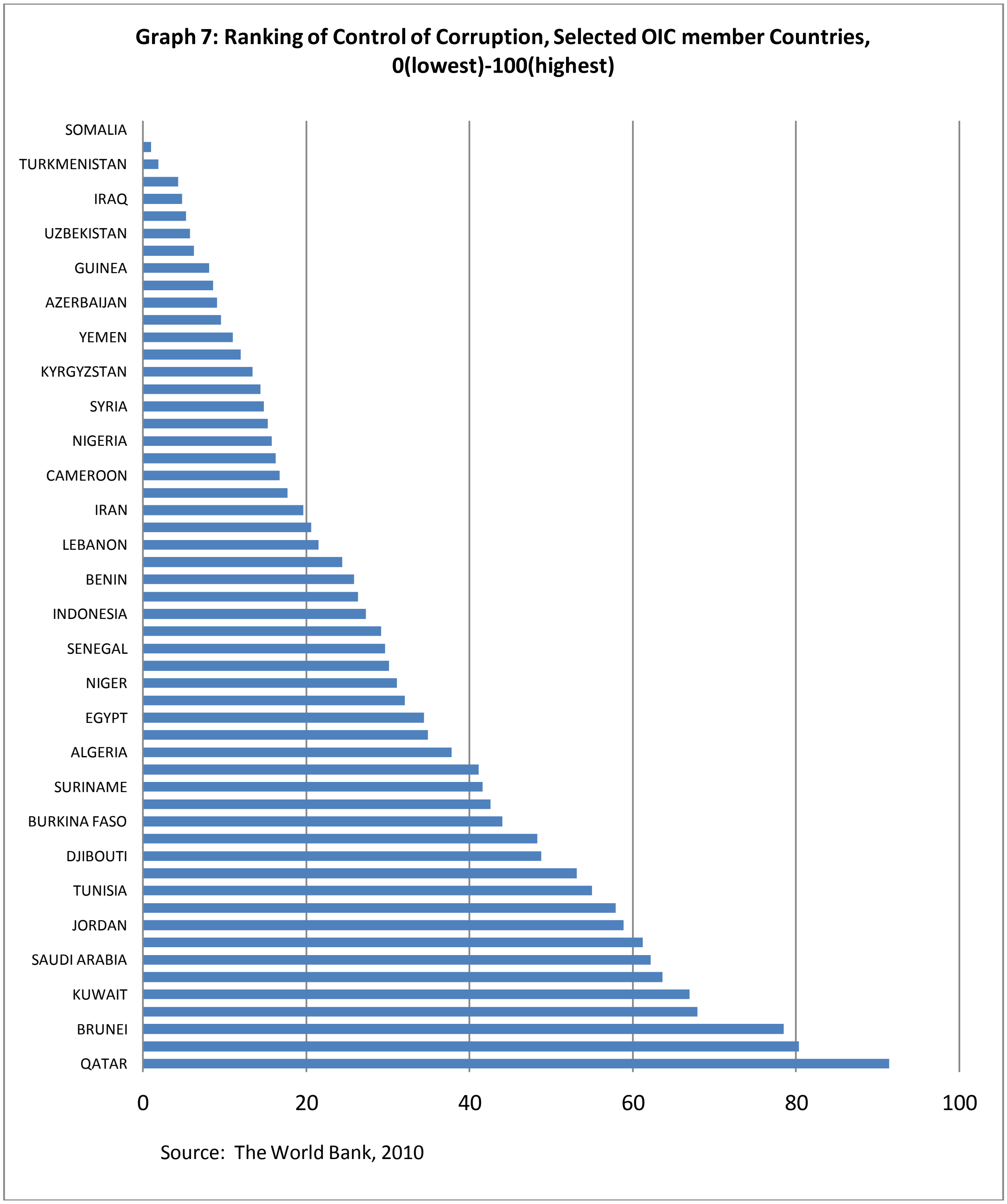
As per the Global Competitiveness report, 12 variables were used to define good market efficiency, including Intensity of local competition, Extent of market dominance, Effectiveness of anti-monopoly policy, Total tax rate (% profits), No. procedures to start a business, No. days to start a business, Agricultural policy costs, Prevalence of trade barriers, Trade tariffs (% duty), Prevalence of foreign ownership, Business impact of rules on FDI, and Imports as a percentage of GDP.

Graph 6 ranks selected OIC member countries according Goods Market Efficiency. Saudi Arabia, Bahrain, UAE, Malaysia, and Qatar are on the top while Chad, Mauritania, and Algeria are the worst performers. Among the relevant variables in constructing good market efficiency, tax system plays significant part. Whilst taxation is necessary to finance public goods and re-distribute income, the process through which a government collects tax can entail substantial costs in terms of growth. The most obvious cost is that higher tax rates on businesses can reduce incentives of investment and risk-taking because after tax return would be lower which results in lower private investment and growth. Higher rates of tax can also decrease business entry and the growth of established firms, with the medium sized firms hit hardest, as the small can trade informally, and the large avoid taxes. In addition, the cost of compliance with the administration of taxes can be high which can be another drag on the firm growth.

2.8 Corruption

Ccorruption undermines the investment climate as it not only discourages firms from investing but also increases the costs of business, whether through the costs of crime prevention or the payment of bribes, and the direct loss of goods. From the economic literature there is strong evidence that, at both the macro level and at the firm level, these factors reduce the growth of output, private investment and job creation.

On control of corruption index prepared by the World Bank in 2010, which reflects “perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests”, some of the IDB member countries, especially in Gulf region, are doing well, with Qatar on top at 91 (out of 100), followed by UAE, Brunei, Oman, and Kuwait at 80, 78, 67, and 66, respectively. On the least successful in corruption control, Somalia, Afghanistan, Turkmenistan, Sudan and Iraq stood at 0,0.9, 1.9, 4.3, and 4.7 respectively. Greater transparency and accountability, simplification of administrative procedures and merit- based human resource management in public administration make it possible to curb corruption.



3. The Way Forward

The macroeconomic economic outlook of OIC member countries as highlighted above points to vulnerability to global economic shocks. The spill-over effects of the global financial and economic crisis of 2008-2009 culminated into rising unemployment, volatility of commodity prices, fall in global trade, and decrease in resource inflows including FDI and remittances into developing countries. The cumulative effect of these has impacted adversely on the economies of OIC member countries. The global economy continues to face downside risks such as the EU sovereign debt crisis, continued sharp fall in effective demand in advanced economies and structural imbalances. These downside risks have adverse implications for OIC member countries which face uncertain economic prospects especially as it is increasingly obvious that reliance on advanced economies to stimulate high growth revival is untenable as consumer confidence and effective demand remain low and not likely to significantly rise in the near future.

Member countries of the OIC therefore face challenge of strengthening their macroeconomic fundamentals to stimulate robust growth that reduces their vulnerabilities to global macroeconomic shocks. This is more so that effective demand from advanced economies, which was the source of high global economic growth before the 2008-2009 global economic crisis, to which member countries derived impetus for the growth of their economies, will not reoccur. Member countries need to draw lessons from the strong performance of emerging industrialized economies such as China and India, which maintained high growth rates in the midst of the global economic turmoil when many economies were experiencing negative growth. This has been due mainly to the strong macroeconomic fundamentals arising from years of intensive industrial and diversification production activities leveraging on FDI inflows to prop-up real sectors of their economies.

The changing global economic landscape and the emergence of new global economic powers means that member countries need to be creative in forging economic alliances to enhance their strategic economic interests. They need to come into terms with the dynamics of emerging global challenges and initiate appropriate policy responses to cope with these challenges, minimize the risks and optimize the gains arising from the changing global economic landscape. This requires far-reaching structural, institutional and macroeconomic policy reforms to remove bottlenecks to investment activities so as to attract FDI into real sectors to stimulate high and sustainable growth of their economies.

****

Annex A:

Table 1: Global Ranking of OIC Member Countries on Macroeconomic Environment, 2011-12

COUNTRY	Government budget balance, % GDP*	Gross national savings, % GDP*	Interest rate spread, %*	General government debt, % GDP*	Country credit rating, 0–100 (best)*	Total Rank
Brunei	6	4	64	1	n/a	1
Kuwait	2	9	2	9	29	2
Oman	9	8	38	4	36	3
Qatar	4	5	48	21	24	5
U.A.E.	12	35	29	27	30	11
Saudi Arabia	8	14	79	10	32	12
Azerbaijan	3	6	109	11	72	16
Kazakhstan	16	12	n/a	12	69	18
Algeria	54	3	85	8	66	19
Indonesia	30	21	84	37	59	23
Morocco	40	25	18	93	62	25
Iran	19	10	1	13	114	27
Malaysia	96	23	15	98	34	29
Tunisia	35	64	59	75	53	38
Bahrain	126	16	80	49	40	45
Benin	25	117	n/a	44	120	58
Mali	42	124	73	40	120	66
Syria	88	73	42	38	105	68
Turkey	52	110	43	80	57	69
Suriname	68	67	70	28	95	72
Bangladesh	72	33	76	51	105	75
Cameroon	31	120	116	14	113	77

Albania	73	102	86	107	83	86
Senegal	94	61	119	63	94	89
Mauritania	26	60	107	131	134	95
Jordan	100	91	71	109	76	97
Cote d'Ivoire	44	113	95	116	135	98
Burkina Faso	107	99	n/a	39	124	104
Tajikistan	60	78	132	57	131	120
Nigeria	121	27	120	18	82	121
Mozambique	70	127	88	48	112	122
Lebanon	120	71	11	139	99	125
Uganda	95	106	125	34	102	127
Yemen	76	132	67	77	127	130
Egypt	132	92	56	119	71	132
Chad	118	140	116	55	137	133
Gambia	93	134	121	105	132	135
Pakistan	108	107	96	104	123	138
Kyrgyz	110	87	135	112	122	141

*Some member countries are not included in the report and they are: Djibouti, Gabon, Comoros, Guinea Bissau, Iraq, Libya, Maldives, Niger, Palestine, Sierra Leone, Somalia, Sudan, Togo, Turkmenistan and Uzbekistan.

Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

Table 2: Global Ranking of OIC Member Countries in Doing Business, 2011-2012

Economy	Ease of Doing Business	Starting Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency
Saudi Arabia	12	10	4	18	1	48	17	10	18	138	73
Malaysia	18	50	113	59	59	1	4	41	29	31	47
Qatar	36	116	24	18	37	98	97	2	57	95	37
Bahrain	38	82	7	49	30	126	79	18	49	114	25
Tunisia	46	56	86	45	65	98	46	64	32	76	38
Kazakhstan	47	57	147	86	29	78	10	13	176	27	54
Oman	49	68	64	61	21	98	97	9	47	107	76
Azerbaijan	66	18	172	173	9	48	24	81	170	25	95
Kuwait	67	142	121	57	88	98	29	15	112	117	48
Kyrgyz	70	17	62	181	17	8	13	162	171	48	150
Turkey	71	61	155	72	44	78	65	79	80	51	120
Albania	82	61	183	154	118	24	16	152	76	85	64
Brunei	83	136	83	28	107	126	122	20	35	151	44
Morocco	94	93	75	107	144	98	97	112	43	89	67
Jordan	96	95	93	36	101	150	122	21	58	130	104
Yemen	99	66	35	52	55	159	133	116	118	38	114
Lebanon	104	109	161	47	105	78	97	30	93	120	125
Pakistan	105	90	104	166	125	67	29	158	75	154	74
Egypt.	110	21	154	101	93	78	79	145	64	147	137
Bangladesh	122	86	82	182	173	78	24	100	115	180	107
Uganda	123	143	109	129	127	48	133	93	158	116	63
Indonesia	129	155	71	161	99	126	46	131	39	156	146
West Bank and Gaza	131	177	129	85	78	166	46	39	114	93	183
Nigeria	133	116	84	176	180	78	65	138	149	97	99
Syria	134	129	133	83	82	174	111	111	122	175	102
Sudan	135	126	130	107	41	166	155	103	151	148	84

Mozambique	139	70	126	172	156	150	46	107	136	131	143
Sierra Leone	141	72	167	174	169	126	29	76	132	141	155
Iran	144	53	164	162	163	98	166	126	138	50	118
Mali	146	115	95	113	91	126	147	163	146	132	111
Tajikistan	147	70	177	178	90	177	65	168	177	42	68
Algeria	148	153	118	164	167	150	79	164	127	122	59
Gambia	149	120	88	127	119	159	174	178	78	69	129
Burkina Faso	150	116	59	139	111	126	147	147	175	108	103
Senegal	154	93	125	168	171	126	166	174	65	145	86
Gabon	156	156	58	137	134	98	155	141	133	150	144
Comoros	157	172	74	100	74	150	133	99	139	153	183
Suriname	158	173	98	38	170	159	181	34	105	178	157
Mauritania	159	159	64	122	59	166	147	175	143	79	152
Afghanistan	160	30	162	104	172	150	183	63	179	161	105
Cameroon	161	128	92	66	154	98	122	171	156	174	147
Togo	162	174	146	92	162	126	147	161	98	151	93
Iraq	164	176	120	46	98	174	122	49	180	140	183
Uzbekistan	166	96	145	170	136	159	133	157	183	43	117
Côte d'Ivoire	167	170	169	73	158	126	155	159	161	124	70
Djibouti	170	179	142	143	148	177	179	70	37	160	141
Niger	173	163	158	111	86	126	155	142	173	139	123
Benin	175	154	117	140	130	126	155	170	129	176	127
Guinea-Bissau	176	149	107	180	179	126	133	137	117	142	183
Guinea	179	181	174	119	152	150	174	176	130	127	130
Chad	183	183	122	117	143	98	155	180	178	163	183

Source: The World Bank Group, 2012

Table 3: Global Ranking of OIC Member Countries on Institution, 2011-2012

COUNTRY	Property rights	Intellectual property protection	Judicial independence	Efficiency of legal framework in settling disputes 3.7	Efficiency of legal framework in challenging regs3.7	Transparency of government policymaking	Ethical behavior of firms	Efficacy of corporate boards	Strength of investor protection, 0–10 (best)*	Rank
Saudi Arabia	22	25	21	30	22	27	26	15	16	12
Qatar	47	15	16	11	40	33	22	21	77	14
Oman	24	21	33	15	26	31	25	28	77	16
Bahrain	19	20	26	31	25	10	27	19	47	17
U.A.E.	46	27	34	34	43	40	21	39	100	22
Malaysia	28	31	43	17	14	26	34	9	4	30
Brunei	52	50	42	39	52	80	31	35	100	34
Gambia	38	33	46	24	31	42	41	37	137	37
Tunisia	45	56	58	27	30	39	42	62	60	41
Jordan	34	40	49	49	67	64	52	95	100	45
Kuwait	43	51	32	48	50	113	48	132	28	47
Albania	115	94	101	63	65	43	44	27	15	57
Morocco	62	71	80	57	53	62	67	53	125	59
Tajikistan	93	74	72	56	46	83	85	124	47	63
Azerbaijan	90	60	83	95	59	68	64	96	20	68
Syria	51	72	109	103	117	129	82	129	93	70
Indonesia	84	62	76	69	61	87	107	73	36	71
Iran	61	111	66	72	105	125	84	103	131	72
Egypt	75	80	41	60	86	108	90	122	60	74
Senegal	77	82	110	92	88	103	68	41	131	78
Turkey	72	108	88	66	68	44	65	104	47	80
Suriname	103	134	50	128	128	117	77	100	140	89
Burkina Faso	70	87	125	86	106	79	71	40	121	91

Benin	65	95	95	77	85	61	92	30	125	92
Kazakhstan	107	116	111	87	91	53	93	67	36	94
Uganda	76	78	70	54	56	59	98	48	111	98
Cameroon	104	97	113	85	87	101	114	59	100	104
Mozambique	111	125	114	90	94	69	113	127	36	105
Pakistan	114	93	62	102	79	119	100	101	28	107
Mali	112	103	112	76	70	90	111	107	121	108
Nigeria	122	104	73	55	58	88	96	89	47	111
Bangladesh	99	129	90	100	81	97	119	114	20	112
Lebanon	57	112	127	105	132	95	128	109	77	115
Mauritania	109	109	120	80	71	111	137	138	121	122
Algeria	127	135	126	109	104	137	115	133	60	127
Kyrgyz	139	138	135	132	131	67	139	92	12	136
Cote d'Ivoire	125	131	137	120	129	121	121	29	125	137
Chad	138	132	121	118	103	138	138	140	125	138
Yemen	116	141	139	141	140	142	141	142	111	140

Some member countries are not included in the Report and they are: Djibouti, Gabon, Comoros, Guinea Bissau, Iraq, Libya, Maldives, Niger, Palestine, Sierra Leone, Somalia, Sudan, Togo, Turkmenistan and Uzbekistan.

Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

Table 4: Global Ranking of OIC Member Countries on Financial Market Development, 2011-2012

COUNTRY	Availability of financial services	Affordability of financial services	Financing through local equity market	Ease of access to loans	Venture capital availability	Soundness of banks	Regulation of securities exchanges	Legal rights index, 0–10 (best)*	
Malaysia	20	11	10	8	10	28	17	1	3
Bahrain	11	7	18	2	8	18	8	89	14
Saudi Arabia	30	17	5	5	7	20	16	76	16
Qatar	28	8	6	1	1	80	7	105	19
Oman	58	31	24	13	16	22	20	89	30
U.A.E.	31	24	35	10	13	54	31	89	33
Turkey	43	40	42	73	82	33	32	89	55
Brunei	62	46	125	34	42	53	98	39	57
Lebanon	34	33	113	33	60	9	55	105	58
Kuwait	53	45	48	29	25	58	83	89	59
Morocco	55	51	32	38	30	65	38	105	62
Jordan	59	55	53	59	62	55	40	89	65
Uganda	78	78	75	76	95	71	66	39	66
Bangladesh	92	84	22	80	94	85	100	39	67
Indonesia	57	54	25	16	17	112	56	105	69
Pakistan	100	94	51	41	45	93	70	60	70
Tunisia	70	60	26	51	35	84	51	105	76
Gambia	72	56	87	61	63	77	75	76	81
Nigeria	93	75	49	125	104	136	81	20	86
Egypt	79	76	30	74	41	102	69	105	92
Azerbaijan	98	65	77	69	54	135	88	60	94
Benin	95	89	71	77	87	66	57	105	98
Suriname	109	128	96	105	128	50	96	76	101
Senegal	84	80	95	100	90	67	97	105	106

Albania	108	99	140	121	124	96	132	8	107
Kyrgyz	133	135	131	131	136	125	134	1	113
Syria	121	114	78	101	107	59	76	138	117
Cote d'Ivoire	120	120	43	138	139	103	82	105	118
Tajikistan	118	108	100	64	57	118	125	105	119
Kazakhstan	91	103	107	120	92	131	112	89	121
Iran	134	130	80	137	133	113	89	89	123
Mozambique	105	110	109	129	122	79	117	132	128
Cameroon	123	125	99	123	116	105	126	105	130
Burkina Faso	130	132	72	139	138	89	115	105	131
Mali	114	117	106	116	119	128	129	105	133
Chad	140	136	124	102	81	133	135	105	135
Algeria	139	142	132	95	0.11	138	136	105	137
Mauritania	135	134	127	135	135	132	139	105	138
Yemen	141	141	142	142	67	137	142	132	142

Some member countries are not included in the report and they are: Djibouti, Gabon, Comoros, Guinea Bissau, Iraq, Libya, Maldives, Niger, Palestine, Sierra Leone, Somalia, Sudan, Togo, Turkmenistan and Uzbekistan.

Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

Table 5: Global Ranking of OIC Member Countries on Infrastructure, 2011-2012							
COUNTRY	**Quality of Overall Infrastructure**	**Quality Of Roads**	**Quality of Railroad Infrastructure**	**Quality of Port Infrastructure**	**Quality of Air transport Infrastructure**	**Quality of Electricity supply**	**Rank**
U.A.E.	9	7	n/a	6	4	20	8
Saudi Arabia	27	13	31	28	33	24	25
Malaysia	23	18	18	15	20	38	26
Qatar	26	38	n/a	26	27	15	27
Oman	20	4	n/a	27	38	22	28
Bahrain	19	21	n/a	12	18	29	30
Kuwait	49	36	n/a	65	78	65	50
Turkey	34	42	60	69	40	73	51
Tunisia	43	46	38	53	47	40	52
Brunei	44	33	85	60	62	53	56
Jordan	41	47	107	63	34	41	59
Iran	78	74	50	87	137	72	67
Morocco	66	90	39	57	63	67	69
Albania	72	58	120	85	56	63	72
Azerbaijan	64	78	34	73	57	78	73
Egypt	80	87	51	79	48	74	75
Indonesia	82	83	52	103	80	98	76
Suriname	68	56	123	54	97	94	78
Gambia	56	52	n/a	46	64	80	80
Kazakhstan	85	125	33	104	103	91	82
Algeria	92	77	65	122	106	75	93
Syria	75	68	56	112	125	92	97
Cote d'Ivoire	102	112	88	43	81	110	108
Tajikistan	83	88	41	140	98	121	111
Mali	99	95	79	95	112	106	113

Kyrgyz	93	116	61	142	136	113	114
Pakistan	109	79	59	72	85	126	115
Benin	117	109	92	80	107	119	119
Lebanon	135	115	122	62	43	141	121
Senegal	97	93	94	55	91	133	122
Mozambique	121	132	86	110	92	107	123
Mauritania	134	113	97	118	139	116	126
Uganda	103	107	110	98	102	120	128
Cameroon	122	119	81	105	124	122	129
Yemen	127	114	n/a	126	99	136	132
Bangladesh	129	111	73	113	117	135	134
Nigeria	125	120	104	117	104	139	135
Burkina Faso	131	126	95	99	134	128	137
Chad	130	104	n/a	131	130	137	139

Some member countries are not included in the Report and they are: Djibouti, Gabon, Comoros, Guinea Bissau, Iraq, Libya, Maldives, Niger, Palestine, Sierra Leone, Somalia, Sudan, Togo, Turkmenistan and Uzbekistan.

Source: The Global Competitiveness Report 2011–2012 , World Economic Forum

Table 6: Global Ranking of OIC Member Countries on Goods Market Efficiency, 2011-12

COUNTRY	Intensity of local competition	Extent of market dominance	Effectiveness of anti-monopoly policy	Total tax rate, % profits*	No. procedures to start a business*	No. days to start a business*	Agricultural policy costs	Prevalence of trade barriers	Trade tariffs, % duty*	Prevalence of foreign ownership	Business impact of rules on FDI	Imports (%of GDP)*	TOTAL
Saudi Arabia	17	15	15	6	15	9	6	19	55	58	10	93	4
Bahrain	25	22	8	7	65	35	20	8	57	13	3	63	6
U.A.E.	19	19	29	5	78	63	12	13	56	59	30	29	10
Malaysia	26	14	25	49	94	70	4	44	78	46	12	13	15
Qatar	5	31	27	4	78	46	35	7	61	49	32	139	17
Oman	54	77	32	14	23	46	78	36	58	76	44	57	23
Lebanon	28	55	119	35	23	35	103	66	80	102	67	10	35
Albania	122	78	87	73	23	9	66	46	43	80	33	47	43
Tunisia	42	35	28	122	107	44	43	70	133	62	8	45	44
Turkey	13	41	33	88	34	13	62	71	67	98	76	125	47
Kuwait	80	67	80	9	125	108	71	25	54	135	133	115	53
Jordan	34	60	64	39	78	51	80	76	103	68	58	28	54
Indonesia	89	53	53	61	94	121	41	78	63	74	78	130	67
Nigeria	73	45	54	43	78	100	104	126	117	71	77	114	73
Morocco	53	64	68	79	34	46	125	82	135	60	63	79	76
Azerbaijan	133	82	113	76	34	28	70	128	83	107	99	135	79
Bangladesh	92	102	105	53	65	74	13	93	127	115	25	112	81
Brunei	63	65	74	32	134	136	33	53	70	92	71	101	82
Kazakhstan	117	93	121	31	34	74	49	112	102	111	93	116	87
Senegal	61	75	78	94	15	28	114	98	115	55	80	64	89
Gambia	86	42	60	140	78	91	7	52	138	50	51	83	90
Pakistan	91	56	67	41	107	83	117	115	136	113	88	127	93
Cameroon	90	66	50	105	34	74	40	38	129	35	96	118	97
Benin	93	26	40	129	65	100	105	106	112	78	82	91	101

Syria	44	118	90	84	65	51	36	127	122	137	112	103	102
Iran	106	49	73	86	34	28	82	137	140	141	128	133	103
Uganda	78	107	62	58	140	89	57	73	97	30	23	82	105
Mozambique	129	126	112	51	94	51	110	117	87	56	65	62	116
Tajikistan	116	72	95	137	78	91	59	122	64	130	109	44	117
Egypt	114	121	124	83	34	21	129	104	132	112	98	113	118
Kyrgyz	127	122	132	121	3	40	124	130	107	132	134	8	119
Mali	95	81	103	111	34	28	60	107	113	121	104	85	120
Cote d'Ivoire	83	123	108	87	107	116	67	101	116	21	66	77	126
Burkina Faso	130	130	75	90	15	58	102	61	114	100	48	124	127
Suriname	70	84	133	27	125	140	101	35	100	114	114	90	130
Yemen	77	138	141	98	34	46	141	50	71	142	106	66	133
Algeria	131	98	114	134	131	88	97	124	131	125	131	98	134
Mauritania	137	135	126	131	94	74	126	113	119	140	127	34	135
Chad	141	104	129	127	125	132	77	135	130	133	135	35	139

Some member countries are not included in the report and they are: Djibouti, Gabon, Comoros, Guinea Bissau, Iraq, Libya, Maldives, Niger, Palestine, Sierra Leone, Somalia, Sudan, Togo, Turkmenistan and Uzbekistan

Source: The Global Competitiveness Report 2011–2012, World Economic Forum

Annex B: Laws and Regulations on Investment in OIC Member Countries

Countries	Laws concerning investment
Afghanistan	• The Government of the Islamic Republic of Afghanistan (GIRoA) recognizes that the development of a vibrant private sector is crucial to the reconstruction of an economy ravaged by decades of conflict and mismanagement. GIRoA has taken concrete steps toward fostering a business-friendly environment for both domestic and foreign investment. • Investment in certain sectors, such as non-banking financial activities, insurance, natural resources, and infrastructure (defined to include power, water, sewage, waste-treatment, airports, telecommunications, and health and education facilities) is subject to special consideration by the High Commission on Investment (HCI), in consultation with relevant government ministries. Investments can be 100 percent foreign-owned and foreigners are not required to secure an Afghan partner. However, the Afghan Constitution and the Private Investment Law prohibit foreign ownership of land, which compels most foreign firms to work with an Afghan partner. Foreigners may lease land for periods up to 50 years for arable land or longer for non-arable land. • There are no restrictions on converting, remitting or transferring funds associated with investment, such as dividends, return on capital, interest and principal on private foreign debt, lease payments, and royalties and management fees, into a freely usable currency and at a legal market clearing rate. The Private Investment Law states that an investor may freely transfer investment dividends or proceeds from the sale of an approved enterprise abroad. Afghanistan does not maintain a dual exchange rate policy, currency controls, capital controls, or any other restrictions on the free flow of funds abroad. Access to foreign exchange for investment is not restricted by any law or regulation. • Under the Private Investment Law, foreign and domestic private entities have equal standing and may establish and own business enterprises, engage in all forms of remunerative activity and freely acquire and dispose of interests in business enterprises. In general, the Afghan government promotes transparent policies and effective laws to foster competition, establish "clear rules of the game" and promote, rather than hinder, foreign investment. In principle, government policies and regulations apply the standard of competitive equality to private enterprises in competition with public enterprises with respect to access to markets, credit and other business operations. However, in some instances, working-level government officials have exhibited anti-competitive and protectionist bias in some sectors in which state-owned enterprises (SOEs) are active. Under Presidential Decree No. 103 (2005), the Ministry of Finance has sole responsibility for assessing the economic viability of State-owned enterprises (SOEs).
Albania	•The legal framework to encourage investments is already in place. Law 7764 "On Foreign Investment," dated November 2, 1994, was designed to create a favorable investment climate for foreign investors in the country. The law offers considerable guarantees to all foreigners (either physical persons or legal entities) willing to invest in Albania. Such provisions include: (i) No prior government authorization is needed and no sector is closed to foreign investment; (ii) There is no limitation on the percentage share of foreign participation in companies - 100 percent foreign ownership is possible; (iii) Foreign investment may not be expropriated or nationalized directly or indirectly, except for designated special cases, in the interest of public use and defined by law; (iv) Foreign investors have the right to expatriate all funds and contributions in kind of their investments; and (v) Most favorable treatment for investors according to international agreements is also provided under Albanian law.

	•Investors in Albania are entitled to judicial protection of legal rights related to their investments. Parties to a dispute may agree to arbitration. Foreign investors also have the right to submit disputes to an Albanian court. Provisions regarding domestic and international commercial arbitration are incorporated into the Albanian Code of Civil Procedure. As a practical matter, however, corruption remains a problem in the judicial system, and some foreign investors have experienced delays and losses as a result. •Albania's tax system does not discriminate against foreign investors and no distinction is made between foreign and domestic investors. The e-taxes reform is progressing and as of January 2008, corporate income tax was reduced from 20% to 10%, one of the lowest in the region. In addition, as of May 2009, the social insurance contribution payable by employers will be reduced again from 20% to 15%, down from 29% in 2006. Businesses can file their tax returns and social insurance declarations electronically in 12 cities including Tirana and electronic payment of taxes is also possible through certain banks. •Albanian law generally does not establish performance requirements or detailed incentives for foreign investors. Legal incentives include: (i) Equal treatment of foreign and domestic investors; (ii) Full profit and dividend repatriation (after taxation);)iii) Funds from the liquidation of a company may be repatriated; and (iv) Bilateral agreements on the promotion and protection of reciprocal investments Double taxation treaties Incentives are regulated by Law 9374, dated April 21, 2005, "On State Aid," for the implementation of important projects, to facilitate the development of specific economic activities, and to promote national culture and heritage conservation. "On State Aid" applies to all sectors of manufacturing and services and all measures undertaken by central and local government, as well as other entities acting on behalf of the state, that confer benefits to particular enterprises, except those acting in the agriculture and fisheries sectors. •Investors establishing new, or rehabilitating existing power generation plants with an installed power capacity of more than 5 MW using liquid or solid combustibles, are entitled to an exemption of custom duties on imported machinery and equipment used inthe capital investment. They can also be reimbursed for the customs and excise duties paid on the import of liquid or solid combustibles used inthe production of electric energy. This is based on Law 8987, dated December 24, 2002, "For the creation of facilitated conditions, concerning the establishment of new plants for the production of electric energy." •Albanian law permits private ownership and establishment of enterprises and property. Foreign investors do not need additional permission or authorization to do so over and above that required of domestic investors. Albania applies restrictions on the purchase of real estate: agricultural land cannot be purchased by foreigners, but may be rented for up to 99 years; commercial property may be purchased, but only if the proposed investments worth three times the price of the land. There are no restrictions on the purchase of private residential property. Foreigners can acquire concession rights on natural resources and on resources of the common interest, as defined by the law on concessions. •Law No. 9380, dated April 28, 2005, covers intellectual property rights and protects copyrights, patents, trademarks, stamps, marks of origin, and industrial designs. In2003, the GOA passed anti-piracy law number 9124, dated July 29.2003, which required television stations to broadcast only those shows and movies that they had legally licensed for broadcast. The law was successful in forbidding the broadcasting of pirated movies and programs, but it did not cover satellite or cable television programming. In order to close the loophole inthe legislation and regulate adequately digital broadcasting, inMay 28, 2007 the Parliament approved the Law No. 9742

	"On Digital Broadcasting." •Albania has signed conventions for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital with many countries, which have priority over Albanian domestic law. Tax treaties are in force with the following countries: Hungary, Czech Republic, Italy, Sweden, Greece, Malta, Belgium, France, Norway, Switzerland, Rumania, Bulgaria, Macedonia (FYROM), Croatia, Moldova, Serbia and Montenegro, Kosovo, Turkey, Russia, China, Egypt, Austria, Poland, Malaysia and Netherlands. •Employers and employees have the right to form trade unions (Labor Code, article 176). Trade unions are organized at the national level (according to industrial sector) and at the company level. The right to strike is sanctioned by Law no. 7458 (January 12, 1991) and by the Labor Code. Trade unions have the right to negotiate wages, working conditions, etc., and the employment contracts are applicable both to union and to non-union workers. Two mainnational-level trade unions, both affiliated to ITUC (International Trade Union Confederation) are the Confederation of Trade Unions (KSSH) and The Union of the Independent Trade Unions of Albania(BSPSH). Employment contracts can be for a limited or an unlimited period, but as a general rule employment contracts are signed for an unlimited period if the duration is not specified properly inthe contract.
Algeria	•The Algerian 2009 Complementary Act of Finance has enacted new provisions relating to the investment. This Act amends and supplements the 2001 Ordinance by rules which relate both to the foreign investment that national, through the imposition of new conditions without any influence on the freedom. •The national Board of investment must first approve any proposed foreign direct investment project. Foreign investors must partner with an Algerian-owned shareholder, limiting foreign ownership to a maximum of 49%. For importer companies (raw materials, products and good purchased for resale), a minimum of 30% minimum local participation in the capital is required. Foreign companies have to register their contracts with a Bank in Algeria and appoint a resident tax representative. •According to these new provisions, foreign investments will be realized only in partnership, with one or many resident economic enterprises at a minimum of 51%, The state and public economic enterprises now have the right of first refusal on all transfers of shareholder participation foreign or benefit foreign shareholders. This Law refers to the law of preemption under the Code of registration section (Article118) which gives the administration of the registration to the Treasury, a right refusal on the sale of real property, goodwill and customer properties rights, the right to lease or lease agreement when believes that the sale price is insufficient. In this case, it must provide assigns to pay the amount of the price plus 10%. •In addition, now, the foreign trade activities can be exercised by individuals or legal entities in the partnership, a shareholder resident national is at least equal to 30% of the capital. This provision is intended for the import activity resale in the same condition. Another area is subject to the minimum ownership. It is activities auxiliary to maritime transportation, which are open to persons of foreign nationality and legal persons which belong to individuals of foreign nationality if they present evidence statutory holding at least 40% of their capital by individuals of Algerian nationality (Decree Executive No. 9-183 of 12 May 2009 laying down the conditions for conducting activities auxiliary shipping).

	•The new version of the Law on Investment provides that any foreign investment project in partnership with foreign capital must now be subjected to the screening of the National Council investment (CNI) and be a statement of investment prior to their implementation to the National Development Agency Investment (ANDI). •Foreign contributions to a company's capital or loans must be registered with the Bank of Algeria through the company's commercial bankers in Algeria. Exchange control approval also is required for remittance of dividends, directors' fees and other related party payments. Dividends may not be remitted from trading companies. •Resident and nonresident corporations are subject to tax on their Algeria-source income. Corporation tax is computed on net profits derived from Algerian sources. In general, capital gains are taxed as ordinary income. For certain assets,35% relief is given where the assets have been held for up to 3 years, or 70% for longer holding period.
Azerbaijan	Foreign investment in Azerbaijan is regulated by a number of international treaties and agreements involving Azerbaijan and by domestic legal acts, including the *Law on the Protection of Foreign Investment*, dated January 15, 1992 (the *Foreign Investment Law*); the *Law on Investment Activity*, dated January 13, 1995 (the *Investment Activity Law*); and the *Privatization Law* and the *Second Privatization Program*, as well as laws regulating specific sectors of the Azerbaijani economy. According to the 1992 Foreign Investment Law, foreign investment, may take any of the following forms: • Participation in enterprises and organizations established with legal entities and citizens of the Republic of Azerbaijan on a shared basis; • Establishment of enterprises wholly-owned by foreign investors; • Purchase of enterprises, property, buildings, structures, shares in enterprises, other shares, bonds, securities, and certain other property, which, under the law of the Republic of Azerbaijan, may be owned by foreign investors; • Acquisition of rights to use land and other natural resources, and also other proprietary rights; and Conclusion of agreements with legal entities and citizens of the Republic of Azerbaijan providing for other forms of foreign investments. Under Azerbaijani law, foreign investments are provided with the following guarantees: • The "not-less-favored" regime applies to foreign investors in the Republic of Azerbaijan: except as otherwise provided in an applicable bilateral investment or other treaty or the *Foreign Investment Law*, foreign investors have the same rights as local investors and may, additionally, be granted preferential rights that might not be accorded to local investors; • Foreign investors have the right to repatriate profits, revenues, and other amounts received in connection with investments, provided that all applicable Azerbaijani taxes have been paid; • Where a change in Azerbaijani legislation adversely affects an investment, the application of that change is subject to a 10-year moratorium. The moratorium has the force of law, and is automatically enforceable and binding upon all Azerbaijani state agencies. Legislation that governs national security, defense, public order, morality, public health, and environmental protection, as well as acts

	affecting credits and finances, fall outside the scope of the moratorium. However, under the *Investment Activity Law*, subsequent acts (including acts governing defense, national security, public order, tax, etc.) adversely affecting investment terms should not apply to the investor for the term of an "investment contract"; • Nationalization is possible by resolution of the National Assembly under exceptional circumstances, to prevent harm to the people or state interests of the Republic of Azerbaijan. Confiscation is possible only under circumstances of natural disaster, epidemics, and other extraordinary situations by a decision of the Cabinet of Ministers. In both cases, foreign investors are entitled to compensation that must be "prompt, adequate and effective"; and • Free access to international arbitration. The use of arbitration for dispute resolution is generally possible where two conditions are present: the law does not specifically prohibit a particular type of dispute from being submitted to an arbitration tribunal, and the agreement of the parties is to transfer specific disputes to the international tribunal.
Bahrain	• The Bahraini government actively promotes foreign investment and, in recent years, has promulgated regulations permitting 100 percent foreign ownership of new industrial establishments and for the establishment of representative offices or branches of foreign companies without local sponsors. Most other commercial investments, however, are subject to government approval and generally must be made in partnership with a Bahraini national controlling 51 percent of the equity. Foreign nationals are not permitted to purchase land in Bahrain with certain exceptions made for GCC nationals. The government encourages the employment of local nationals by setting local-national employment targets in each sector and by restricting the issuance of expatriate labor permits. • The principal advantages of Bahrain for investment are: (1) No personal, corporate or withholding taxes; (2) No exchange control restrictions on repatriation of capital, profits and dividends; (3) A freely convertible and stable currency linked at a fixed rate to the United States dollar; (4) Low-cost utilities, fuel and telecommunications; (5) Serviced factory and warehouse sites available at low cost; (6) Labour costs one third of those in industrialized countries; (7) 100 percent foreign ownership of companies permitted; (8) Mature legal infrastructure and internationally accepted trade practices; (9) Western Asia's international financial center; (10) A major center of regional insurance activities; (11) Extensive free-zone facilities; (12) The regions most advanced digital telecommunications system; and (13) Skilled and resourceful workforce fluent in Arabic and English Pleasant, secure and cosmopolitan lifestyle. • The only corporate tax in Bahrain is in relation to oil companies which are subject to tax on any profits generated from exploring for, producing, or refining oil in Bahrain regardless of the company's place of incorporation. The tax rate for these companies is a flat rate of 46% of net profits for each tax accounting period. • The Commercial Companies Law (*Legislative Decree No. 21 of 2001*) allows for companies to be incorporated with 100% foreign capital, in certain circumstances and for certain activities. Otherwise, foreign ownership is limited to 49%. Certain business activities are restricted to Gulf Co-operation Council (GCC) nationals (Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates, as well as Saudi Arabia), such as: Book-keeping and accounting services; Import, export and/or sale of racing car fuel; Cargo clearing; Fishing. • Some business activities are restricted to only Bahraini nationals, such as: Certain real estate services; Press and publication services; Printing; Film and television services; Management and operation of cinema theatres and film distribution; Land transportation of goods, passengers and tourists; Domestic sea cruises; Car rentals; Hajj and Umra services; Foreign manpower supply services;

Commercial agencies; Small business activities.

• Examples of sectors open to 100% foreign investment include technology, tourism, healthcare, education, manufacturing, and business services, although some restrictions apply in these areas as well. Restrictions apply in the following areas: Trading (export and activities), which requires a Bahraini partner with at least 51% ownership; GCC national entities or companies require at least one Bahraini partner; The Tourist Office and travel agencies require a Bahraini partner; All company registrations require approval by the Ministry of Industry and Commerce (MIC).
Bahrain has no exchange control restrictions on repatriation of capital, profits and dividends, enabling full financial transferability of capital, profits and dividends. The Bahraini dinar, which is fully convertible, is pegged to the US dollar at the fixed rate of US$1 to BHD0.377 (as at 1 May 2012 EUR1 was about SAR5).

• Since January 2001, foreign firms and GCC nationals can own land in Bahrain. Since March 2006, non-GCC nationals can own high-rise commercial and residential properties, as well as property in the following sectors: Commercial; Industrial; Tourism; Banking and financial services; Healthcare; Education and training.

• Foreign investors may own commercial and residential property in specified areas. In certain areas, expatriates and international/foreign investors investing in the area will be issued residence permits. Companies that do not want to purchase land in Bahrain may lease it from the government. The Industrial Area Directorate at the MIC oversees long-term land leases, which are available for a maximum of 50 years. Government lease arrangements are governed by Legislative Decree Number 28 of 1999, which addresses the Establishment and Organizing of Industrial Areas by setting out the rights and obligations of contracting parties. To promote industrial leasing, the government has allowed the private sector to develop government owned lands.

• An invention may be patented if it either: (i) Comprises a creative step and is capable of being applied industrially, whether the invention relates to new industrial products, or products that are imported or locally produced by industrial methods or by a new application of known industrial methods; and (ii) Improves, modifies or adds to an invention for which a patent has been previously awarded.
• A company with limited liability cannot undertake insurance or banking business activities or investment of funds on behalf of third parties. Shares of a company with limited liability cannot be negotiated. The only restrictions on rights attaching to shares are those in the company's articles and/or memorandum of association.
• The Labour Law for the Private Sector 1976 (Amiri Decree No. 23 of 1976) (Labour Law) and its amendments regulates employment in Bahrain. The Labour Law regulates the employment of both Bahraini and foreign workers employed in Bahrain and Bahrainis working aboard if their employment contract is governed by Bahraini law. The Labour Law applies (as a matter of public policy) to an employment contract irrespective of the choice of law. In practice the Bahraini courts may uphold the foreign law provisions of an employment contract that are more favourable to the employee than those under the Labour Law. An employer cannot employ non-Bahraini workers without obtaining a work permit for the workers from the Ministry of Labour and Social Affairs (*Article 3, Labour Law*). The application must be submitted by a Bahraini national.
Bahrain has signed double-tax treaties with various countries including China, Egypt, France, Jordan, Lebanon, Malaysia, Morocco, Singapore, Syria, Thailand, Algeria, The Netherlands, Syria, Pakistan, Sudan, Turkey, Yemen, Sri Lanka, the Czech Republic and Germany.

Brunei	•Brunei welcomes foreign investment. Foreign investors are invited to actively participate in the current economic diversification programme of the country. The programme hinges on the development of the private sector. The Ministry of Industry and Primary Resources was formed in 1989 with the responsibility of promoting and facilitating industrial development in Brunei Darussalam. Brunei Darussalam offers all investors security, stability, continuity, confidence and competitiveness. •The Investment Incentives Act makes provision for encouraging the establishment and development of industrial and other economic enterprises, for economic expansion and incidental purposes. Investment incentive benefits vary from one program to other. Amongst the benefits are: Exemption from income tax; Exemption from taxes on imported duties on machinery, equipment, component parts, accessories or building structures; Exemption from taxes on imported raw material not available or produced in Brunei Darussalam intended for the production of the pioneer products; Carry forward of losses and allowances. •Brunei Darussalam is flexible towards foreign equity requirements. 100% foreign equity can be considered for export-oriented industries with the exception of industries based on local resources, industries related to national food security and car dealership whereby some level of local participation is required. •Generally speaking, there is no restriction on the types of businesses that may be set up. However, businesses where the public interest is directly affected, such as banks, finance companies, motor vehicle insurers, money lenders and travel agents must obtain special licences from the appropriate Government agency. •Industrial policies including manpower, ownership, government support and facilities remain open and flexible for all categories of industrial activities. Brunei Darussalam maintains a realistic approach where a variety of arrangements are feasible. Policies relating to ownership allow for full foreign ownership, majority foreign ownership and minority foreign ownership, as per the type of industry and situation. •Only activities relating to national food security and those based on local resources require some level of local participation. Industries for the local market not related to national food security and industries for total export can be totally foreign owned. Overall, in Brunei Darussalam, any industrial enterprise will be considered.The Investment Incentives Order 2001 expanded the tax holidays avaiable to investors. Examples include: Corporate tax relief of up to 5 years for companies that invest B$500,000 to B$2.5 million in approved ventures; 8-years tax relief for investing more than B$2.5 million; and an 11-year tax break if the venture is located in a high-tech industrial park. •Generally, there is no Capital Gains Tax. However, where the Collector of Income Tax can establish that the gains form part of the normal trading activities, they become taxable as revenue gains. Moreover tax advantages at start-up and ongoing incentives throughout growth and expansion offer investors profitable conditions that are comparable if not better than those offered by other countries in the region. •The profits of a company are subjected to tax at the rate of 30%.Tax concession may be available. The profit or loss of a company as per its accounts is adjusted for income tax purposes to take into account certain allowable expenses, certain expenses prohibited from deduction, wear and tear allowances and any losses brought forward from previous years, in order to arrive at taxable profits.

	•Tax credits are only available for resident companies. Unilateral relief may be obtained on income arising from Commonwealth countries that provide reciprocal relief. However, the maximum relief cannot exceed half the Brunei Darussalam rate. This relief applies to both resident and non-resident companies. •All non-Brunei Darussalam citizens require a work permit which is valid for 2 years. Application must first be made to the Labour Department for a labour license. On the recommendation of the Labour Department, the Immigration Department will give permission for foreign workers to enter Brunei Darussalam.
Bangladesh	Under the existing Foreign Investment Laws in Bangladesh, the Government is providing following facilities to the foreign investors: •Bangladeshi products (other than armaments) enjoy complete duty and quota free access to EU, Japan, Canada, Australia and most other developed countries. Bangladesh is a signatory to the Multilateral Investment Guarantee Agency (MIGA); Overseas Private Investment Corporation (OPIC), USA; International Center for Settlement of Investment Disputes (ICSID); World Intellectual Property Organization (WIPO). Bilateral agreements to avoid double taxation have been signed with 28 countries with a further nine countries under negotiation. •Bangladesh inherits a largely homogeneous society, in which people live in harmony and peace, irrespective of race and religion. It is a democratic country, providing broad and non-partisan political support for market-oriented reforms and for active encouragement of foreign investors. The Foreign Private Investment (Promotion & Protection) Act 1980 provides protection for investments made in Bangladesh. •Remittance of the earnings on royalty, technical know-how and technical assistance are freely allowed. Transfer of dividend on their capital investment and the capital itself at the time of exit from Bangladesh are permissible. Foreigners will get permanent resident permits on investing US$75,000 and citizenship on investing US$500,000 in Bangladesh. •Income Tax and Customs Duty exemption: In Dhaka & Chittagong Divisions- 100% in first two years, 50% in the year three and four: and 25% in the year five. In Rajshahi, Khulna, Sylhet, Barisal Divisions and three Chittagong Hilly Districts: 100% for first three years, 50% for next three years, 25% for year seven. •Depreciation allowances: Accelerated depreciation on the value of capital machinery for new industries is available at the rate of 50%, 30% and 20% for the first, second and third years respectively, on the cost of plant and machinery. •Cash and added incentives to exporting industries: Businesses exporting 80% or more of goods or services qualify for duty free import of machinery and spares, bonded warehousing. 90% loans against letters of credit and funds for export promotion. Export credit guarantee scheme. Domestic market sales of up to 20% is allowed to export oriented business located outside an EPZ on payment of relevant duties. Cash incentives and export subsidies are granted on the FOB value of selected exports ranging from 5% to 20% on selected products.
Benin	•The current investment code establishes the conditions required to obtain benefits under different investment regimes and grants the investment control commission at the Ministry of Industry extensive discretionary power.

	•Beninese law guarantees freedom of trade; choice of customers and supplies; the right to move freely in all parts of the country; the right of foreign employees and their family members to leave the country; and freedom from Government interference in the management of private enterprises. •Secured interests in real and personal property are recognized and enforced. Benin's legal system protects and facilitates acquisition and disposition of all property rights, including land, buildings and mortgages. The Government respects intellectual property rights. •The corporate income tax rate is 38 percent for most companies, and 58 percent for petroleum and mining companies. Those enterprises exempt from income tax include agricultural credit unions and mutual associations. If reinvested within three years, capital gains are exempt from tax. •The settlement of disputes pertaining to breach of contract, contract enforcement, claims, land title and related issues must be adjudicated in the civil courts. There is no separate commercial court system. •Most of the FDI in Benin, since 1990, were done through the acquisition of interests in privatized companies. Many infrastructure projects are funded by grants or loans from the World Bank or other international development banks. Due to the economic crisis, FDI in-flow, which had been increasing in recent years, has slowed down since 2008 and remains weak. Unmotivated and corrupt officials, poor infrastructures and problems related to the electricity supply limit the country's potential attractiveness.
Burkina Faso	•The Government of Burkina Faso (GOBF) wishes to attract more Foreign Direct Investment (FDI) and has been most successful in the mining sector. In 2010, the GOBF revised its 1995 Investment Code to encourage new FDI, boost Gross Domestic Product (GDP), and help diversify its economy, which is currently based heavily on subsistence agriculture and cotton production for world markets. •Burkina Faso's Investment Code guarantees foreign investors the right to the overseas transfer of any funds associated with an investment, including dividends, receipts from liquidation, assets, and salaries. Such transfers are authorized in the original currency of the investment. Once the interested party presents the request for transfer, accompanied by all relevant bank documents, Burkinabe banks transfer the funds directly to the recipient banking institution. The GOBF is not expected in the foreseeable future to change its current remittance policy concerning purchasing foreign currency in order to repatriate profits or other earnings. •Foreign exchange is readily available at all banks and most hotels in Ouagadougou and Bobo Dioulasso, Burkina Faso's second largest city and economic capital. •Most foreign investments in Burkina Faso come from private French sources; however, investment capital from other EU members has increased in recent years. Under the Investment Code of 1992, the Ministry of Industry, Commerce, and Mines approves new investments based on the recommendations of the National Investment Commission. •The principal criterion used is value added, with a minimum acceptable level of 35%. The investment code has three incentive schedules: Schedule "A" for investment under 200 million CFAF (about 390,000), a more generous Schedule "B" for investments above this level, and an even more generous (permanent exemption from all Burkinabe taxes) Schedule "C" for export companies. The 1993 Mining Code regulates foreign mining enterprises.

	•Investment has been sought for hotels, textile factories, agro-industrial projects, communications, and other fields in addition to mining. As of 1996, over 140 companies were holding exploration licenses while total investment in the mining sector amounted to $38 billion. As of the late 1990s, the most promising sectors for foreign interest and investment were the cotton industry and the gold mining industry. Foreign firms must reserve at least 35% of capital for Burkinabe participation and 50% for priority-sector
Cameroon	•The Cameroonian Government wants to attract investment from international corporations and individuals to spur Cameroon's economy. The law governing investments in Cameroon is the 1990 investment code. Its incentives are identical for foreign and domestic investors and provide 14 basic guarantees to investors, including property ownership, ability to repatriate capital and income, prior compensation in case of expropriation, freedom of movement within Cameroon and free egress for personnel. However, the code's application has been perverted by arbitrary application in the administration and courts as well as 1994 tax changes that have annulled all the tax benefits arising from some special investment schedules. The 1990 code is being rewritten and will be renamed the investment charter. The charter may include provisions consecrating trade preferences aimed at increasing trade flows within the Central African Economic and Monetary Community (CEMAC) region. •General benefits of the investment code are available to all new and existing enterprises in Cameroon which process goods for export or use inputs from the local or regional markets of CEMAC. In addition to these general benefits, firms may qualify for one of five special investment formulae that offer more advantages. The five formulae are: the basic regime; the small and medium-size enterprise regime; the strategic enterprise regime; the reinvestment regime; the free zone regime. •Foreign investment is not screened, and foreign equity ownership is subject to limitation only in the small and medium size enterprise regime. Programs financed jointly by international financial institutions (IFIs) and the Government are open to unrestricted competition. Cameroonis privatizing some state companies which will eliminate public-sector monopolies within the next two years. Except for the aluminum sector, foreign firms may not invest directly in ventures defined as "strategic" by the Government of Cameroon, but they may provide equipment and services to the parastatals that have jurisdiction over such activity. Buyers of some pritvatized former state monopolies enjoy concessions that limit the entry of competitors into the sector for specified periods. The Government has revised exploration codes for the hydrocarbons and forestry sectors. •The Cameroon investment code provides for dispute resolution. At the time of incorporation or application for investment code benefits, a firm may opt for one of the various procedures to settle future conflicts. A limited number of investment disputes have come to the attention of the U.S. Embassy. These often involve taxation questions and in one instance, local business partners stole an American investor's equipment. Foreign investors have found it difficult to obtain enforcement of their legal rights, including contract and property claims, through the Cameroonian judicial system. Local business practice includes routinely exerting, or attempting to exert, pressure on the courts that may sometimes be swayed by a large bribe or by the high status of a political heavyweight. In addition, many foreign companies allege that judgments against them were obtained fraudulently or as the result of frivolous lawsuits. The execution of judgments is slow and fraught with administrative and legal bottlenecks. The United Nations development program has developed with the Cameroonian Government a governance reform program that includes proposed measures to improve performance of Cameroon's courts. The program received final Government approval in June 2000. •Cameroon's 1990 investment code establishes requirements for at least 35 percent Cameroonian equity ownership for enterprises under the small and medium-size enterprise regime. Even in such instances, foreign investors are not required to reduce their shares

	over time. Under the investment code, an industrial free zone investor can operate virtually outside of the jurisdiction of the country's established legal and regulatory systems; there are no requirements for technology transfer, no requirements to locate in specific geographical areas and foreign exchange privileges are not rationed. Investors can transfer dividends, return of capital, interest and capital on foreign debt, lease payments, royalties and management fees, returns on liquidation, etc. The Ministry of Finance routinely authorizes such business remittances and foreign investors may seek local financing for investment purposes. •The investment code has general employment requirements relative to the amount of invested capital. It also links benefits and incentives to the volume of exported goods and to the use of inputs purchased from the local or CEMAC markets. Each of the five special regimes of the code has its own specific eligibility and performance requirements and accompanying benefits. Such benefits vary in duration from three to 12 years depending on the regime and on whether the investment is classified "start-up" or "operational." Quantitative restrictions on imports, non-tariff protection, and many import licensing requirements were lifted when the new tariff code was enacted in January 1994 to conform to central African regional customs regulations. In addition, many other price controls were abolished in 1998 and now remain only on "strategic" goods and services such as electricity, water, public transportation (road/rail), telecommunications, cooking gas, pharmaceuticals, schoolbooks, and portside activities (stevedoring, etc.). •The Government recognizes the right of private ownership, but a dysfunctional judiciary, inadequate definitions of property rights and widespread inconsistencies in Government decision-making can limit property rights in practice. Foreign and domestic individuals and firms are legally entitled to establish and own firms, engage in remunerative activities, and establish, acquire and dispose of interests in business enterprises. The law also permits investors to dispose of their property via sale, transfer or physical repatriation of moveable property. •The corporate income tax is 35 percent with 3.5 percent local council taxes. Ten percent is added for every month that the tax is unpaid. Oil company net profits are subject to a 57.5 percent tax. Business expenses and depreciation allowances (ranging from five to 33 percent) are deductible. Banks may deduct provisions for non-performing loans over the course of three or four years. IFZ firms receive a 10-year exemption from taxes and are subject only to a flat tax of 15 percent on corporate profits beginning in the eleventh year. They have a right to tax-free repatriation of all funds earned and invested in Cameroon, and are exempt from foreign exchange regulations. They are exempt also from existing and future customs duties and taxes including those on locally purchased production inputs. •Cameroon has no foreign trade zones or free ports at this time but it has an industrial free zone (IFZ) regime that is applicable to all locations through "industrial park" or "single-factory" zones. This was created in 1990 to promote internationally competitive export industries. It creates conditions for the IFZ investor to operate virtually outside of the jurisdiction of the country's established legal and regulatory systems. The only eligibility requirements to qualify for IFZ status are production of goods or services at least 80 percent of which are export- bound and which do not have deleterious effects on the environment. The National Office for Industrial Free Zones (NOFIZ) is the non-profit regulatory body established to oversee and administer Cameroon's IFZ program.
Chad	•Chad adopted a new Investment Charter in 2008 to offer incentives for foreign companies interested in establishing operations in Chad. President Deby hosted the first-ever OHADA Summit in December 2009, with the aim of encouraging all member states to adopt an enhanced OHADA Investment Arrangement that offers benefits beyond those in Chad’s 2008 national Investment Charter. The Charter and the subsequent OHADA Arrangement, which went into effect in Chad in January 2010, have together brought Chad

into closer compliance with WTO and WCO standards. Chad is a member of both organizations.

•According to the 2008 Investment Charter, foreign firms are given three years oftax-exempt status. Export taxes have largely been eliminated, and a value-added tax has been adopted throughout the CEMAC region that in principle allows goods to circulate duty-free among member states. (In practice, bribery and corruption impede the free flow of goods.)The IMF is assisting Chad to improve public revenue management, including development and implementation oftax policy.

•Investment incentives can be negotiated, but the government's flexibility is limited by OHADA and CEMAC agreements. Based on Chad’s national Investment Charter, which went into effect in 2008,the government has offered three-year tax-exempt status to all foreign firms as an investment incentive. The possibility of special tax exemptions exists for some public procurement contracts. A special preferential tax regime applies to contractors and sub-contractors in the major oil projects. In the past ,the government occasionally offered low license fees or rent in addition to adhoc tax exemptions. Incentives tend to increase with the size of given investments and likely job creation; several foreign investors have negotiated and received tax exemptions and preference for various projects Plans have been proposed for a credit guarantee fund for investment projects but nothing has been implemented. Investors may address inquiries about possible incentives to the Ministry of Commerce.

•Foreign firms are invited to participate in international tenders for privatization of parasternal enterprises; these are generally announced in local newspapers, and are shared informally throughout the business community. Few foreign firms have responded, so little information is available on acquisitions, mergers or takeovers.

•There are no restrictions on transfer of funds into Chad, but any individual who wishes to transfer money exceeding USD 1,000 out of Chad must seek approval from the Ministry of Finance. Additional requirements exist for companies intending to send more than USD 800,000 out of the country. Approvals are routine, although the Ministry has occasionally restricted capital outflows for temporary periods. There was no report of any such restriction being levied in 2010. Businesses can gain advance approvals for regular money transfers.

•Chad’s legal system and commercial law is based on the French Civil Code, with an admixture of traditional law and supra-national arrangements as agreed among the memberships of CEMAC, CEEAC and OHADA. The OHADA Investment Arrangement, with provisions for securities, arbitration, dispute settlement, bankruptcy, recovery and other aspects of commercial regulation, was due to take precedence over national business laws in 2010 but has not yet gone into effect. The OHADA Arrangement spells out rights for approved creditors in various categories (e.g., the Chadian Treasury, wage earners, etc).

•Chadian law guarantees the rights of foreign and domestic entities to establish and own business enterprises and to engage in remunerative activities. The national Investment Charter of 20008 offers the possibility of full foreign ownership to all companies in Chad, with the exception of national security or strategic industries. One large state-owned enterprises, Coton Chad (the state-run cotton concern),is slated to be privatized but is not private yet. STEE (the electricity/water company) declared bankruptcy in 2010 in preparation for privatization. Foreign participation in upcoming privatization tenders will be sought.

•There are generally no performance requirements imposed on foreign investors. Foreign firms are officially required to employ local workers for 98 per cent of their staff, although in practice this law has not been applied due to the scarcity of skilled labor. Firms can

	formally apply for permission from the Labor Promotion Office (ONAPE) to employ a greater percentage of expatriates than the formally-allowed two per cent if they can demonstrate that skilled local workers are not available.
Comoros	•Comorian Authorities have shown support in favour of the improvement of the business climate and investment conditions by setting-up, with World Bank via the International Finance Corporation (IFC), a reform programme aiming to improve the different investment procedures, and thus, to improve its ranking in terms of Doing Business indicators. •A new investment code came into force in 2007 with a view to helping investors in the various steps, including obtaining the necessary permits, and to introducing new incentives to attract foreign investment to the Union of the Comoros. The main provisions of Law No. 07-0010/AU Investment Code are: The guarantee of equal treatment between domestic and foreign investors. Similarly, foreign workers have the same rights and obligations as national workers. The ability for investors to obtain approved tax benefits for investments greater than or equal to 5,000,000 KMF (approximately USD 13.400). •The new investment code applies to both domestic and foreign enterprises who seek to invest or expand their operations in the following sectors: (i) Agriculture, farming, fishing and forest exploitation: Conservation of plant, animal or fishing products; Processing, storage and conditioning; (ii) Manufacturing activities; Mining or processing of mineral or natural substances; Tourism and hotel infrastructures; Banking and financial institutions; (iii) Air, sea and road transport services; Handicraft. Services in the following sectors: Health; Education and vocational training; Assembly and maintenance of equipment; Ground, port and airport infrastructures; and banks, insurance and micro credit institutions. •The following benefits/facilities are provided to enterprises under Article 5 of the new investment code: (i) Right to acquire properties and concessions of any kind, required for their business activities, such as real estate, immovable, industrial or forest properties; (ii) Right to choose suppliers, service providers and partners; (iii) Right to take part in tenders in the Union of Comoros; (iv) Right to chose management policy and freedom to recruit Personnel •The state of Comoros guarantees the transfer of capital and income under Articles 6 and 7 of the investment code. Foreign companies are eligible to transfer their regular accounting profits and funds without any restriction. Transfer of remuneration is also guaranteed for any staff member of the enterprise. •The new investment code provides the following methods for settlement of disputes: (i) Mutual agreement between two parties; (ii) Agreements and treaties on investment protection agreements; (iii) between the Union of Comoros and the state of which the investor is a national; (iv) Settlement procedure in the jurisdiction of the OHADA/COMESA. •The vestiges of the French colonial law continue to provide the texts for land ownership and registry, which have four basic categories: untitled land; titled land; State domain; and village reserves. Approximately 80% of the people own small parcels without titles; those with larger land holdings of between 635 and 5,000 hectares possess land titles secured by them during the colonial period and which continue to be respected today. •The Union of Comoros is a member of the World Intellectual Property Organization and it abides by most international conventions

	on this subject. The Office for Intellectual Property of the National Directorate of the Ministry of Energy, Mines, Industry and Handicrafts handles all enquiries related to the intellectual property. •The taxation structure of Comoros is broadly classified into direct and indirect taxation. The direct taxation includes various types of taxes such as profit tax, single professional tax, business licensing tax, capital income tax, payroll tax, property tax and tax on revenue of agriculture lands. The indirect taxes levied in Comoros mainly comprise consumption tax and tax on international trade. Profit taxes range from 35% to 50% of the profits depending on the turnover of the company. The tax on capital income is at a flat rate of 15%. Property taxes vary from 2% to 9% of the selling price. Taxes on salaries range from 0% to 30%.
Cote d'Ivoire	•The new investment code (1995) was designed to boost private sector investment and increase national production. The code includes incentives, such as tax breaks, for larger investments and for investments outside of Abidjan and other urban industrial areas. Cote d'Ivoire also has a Petroleum Investment Code and a Mining Investment Code, which were revised to encourage foreign investment in these sectors by exempting them from income and other taxes. The exemption also extends to the value added tax on equipment, materials and the first consignment of spare parts, except when there are equivalent products either made in Cote d'Ivoire or available in country at similar cost. The government has privatized some parastatal enterprises, but additional privatizations are not likely until after national elections take place. •New investments in Côte d'Ivoiremay be eligible for customs exemptions, reductions in duty rates and other tax incentives. The investment incentive scheme is divided into two zones, Zone A - the region around and including Abidjan, and Zone B - the rest of the country. The benefits include exemption from income taxes and licensing fees for five years in Zone A and eight years in Zone B. A larger investment may be granted exemption from VAT on equipment (including the first consignment of spare parts) if it is greater than 500 million F/CFA; the duty rate is reduced to five percent for investments between 500 million and two billion F/CFA; and complete exemption from duty and VAT on both equipment and materials is accorded for investments greater than two billion F/CFA. Properties built for investments greater than two billion F/CFA are exempt from property tax. The above description is general; for a more precise explanation of the incentive program, contact CS-Abidjan or CEPICI with specific information concerning your investment plans. •Enforcement of contract rights can be a time-consuming and expensive process. Court cases move slowly and some do not appear to be judged on their legal or contractual merits. This has led to a widely-held view in the business community that there are corrupt magistrates. The Government is attempting to improve the judicial system: by having more cases decided by three-judge panels instead of by a single judge; by computerization and swift publication of decisions; and by training judges in commercial law. The Government is also increasing the number of appeals courts to decrease the backlog of cases. A new arbitration tribunal has been established, under the auspices of the Chamber of Commerce, where businesses may go to settle their commercial disputes. This is designed as a reform measure to avoid the inefficient and corruptible court system. •Subject to the vagaries of the legal enforcement system, property rights do exist and are respected. Enforcement of real property rights, however, can be complicated by the clash between the traditional property rights of a village or ethnic group and the more modern system of long-term leaseholds (freehold tenure is generally not granted to private individuals or entities). Banks have experienced difficulties realizing their security interests on real estate loans.

	•Generally speaking, foreign investors have access to all forms of remunerative activity on terms equal to those granted private Ivorians. Foreign investment in privatization of parastatal firms is encouraged, though some shares have been reserved for the parastatal's employees and some have been issued on the Abidjanstock market. •The corporate, capital gains and branch tax rates are 35 percent. The withholding tax on dividends and interest are generally 12 percent and 18 percent, respectively, although this rate may fluctuate. Branches of foreign companies must pay a 12 percent tax on half of its profit. There are several exempt categories for which a company developing an industrial or agricultural enterprise in Cote d'Ivoiremay qualify. A minimum tax rate of .5 percent does apply, although a reduced rate is offered for petroleum companies, financial enterprises and electric and water utilities. •There are no general performance requirements or incentives applied to investments, though benefits accorded to an investor under one of the investment regimes may vary depending on the nature of the investment made. Preferences may be granted to investors seeking to establish themselves outside of Abidjan. Those investors will benefit from an eight year tax exemption compared to five years while investing in the Abidjanarea. Should a company seek designation as a priority enterprise eligible for the tax and other benefits provided in the investment code, Ivorian participation becomes negotiable and the firm may be required to purchase Ivorian products. Under the old investment code, designation as a priority enterprise was available to investors in agriculture, livestock and fishing, storage and treatment of agricultural and food product, low-cost housing construction, extractive industries, power production, and manufacturing and assembling. It is unclear how the new code will treat so-called priority investments.
Djibouti	•The Government of Djibouti (GODJ) recognizes the crucial need for foreign investment for the economic development of the country. Djibouti's assets include a strategic geographic location, an open trade regime, a stable currency, substantial tax breaks, and other incentives. •Djibouti's laws encourage foreign investment. In principle there is no screening of investment or other discriminatory mechanisms. Certain sectors--most notably public utilities--are state-owned and are not currently open to investors. Dubai World Group currently manages the Port of Djibouti (since 2000), Djibouti International Airport (since 2002), and Djibouti Customs (since 2005). •Djibouti has no foreign exchange restrictions. There are no limitations on converting or transferring funds, or on the inflow and outflow of cash. •Djibouti's legal system is based on French law, and consists of three courts: a Court of First Instance presided over by a single judge; a Court of Appeals, with three judges; and the Supreme Court. The government has increased funding for the judiciary and recognized the need to increase the transparency and efficiency of the judicial process. International lawyers practicing in Djibouti have reported effective application of maritime and other commercial laws, but there have been occasional reports in the past from foreign companies operating in Djibouti that court deliberations were biased or delayed. Judgments by foreign courts are in principle accepted by Djiboutian courts, and Djibouti is a member of the International Center for the Settlement of Investment Disputes. The Djibouti Chamber of Commerce is planning to set up a Regional Mediation Center, designed to settle commercial disputes in a timely and transparent manner. In recent years there have been no investment disputes involving any US or other foreign companies in Djibouti. •Performance requirements are not a pre-condition for establishing, maintaining, or expanding foreign direct investments. Incentives

	do, however, increase with the size of the investment and the number of jobs created: Tax benefits and incentives fall under two categories detailed in the investment code. Investments greater than USD 280,000 which create a number of permanent jobs may be exempted from license and registration fees, property taxes, taxes on industrial and commercial profits, and taxes on the profits of corporate entities. Imported raw materials used in manufacturing are exempted from the internal consumption tax. These exemptions apply for up to a maximum of ten years after production commences. Investment matters fall under the jurisdiction of the national investment board, which approves all investments. •Foreign investors are not required by law to have a local partner except in the insurance industry, and then only if the company is registered as a local company and not a branch of an existing foreign company. Djibouti offers significant incentives to private-sector individual and corporate investors. One U.S. firm that recently established a branch in the Free Zone hailed the speed and efficiency of the process. Establishing a local company outside the Free Zone is, reportedly, significantly more time-consuming. The Djiboutian investment code guarantees investors the right to freely import all goods, equipment, products, or material necessary for their investments; display products and services; determine and run marketing policy and production; choose customers and suppliers; and set prices. Foreign investors are also free to determine their own hiring and firing policy as long as it remains within the structure of the labor code. •Djiboutian laws guarantee rights for foreign and domestic private entities to establish and own business enterprises, and to engage in all forms of remunerative activity. Legally established private-sector companies have the same access to markets, land ownership, credit, and other business facilities as do public enterprises. Although restrictions on private enterprises are minimal, competitive equality in regard to public enterprises, namely public utilities, remains limited. •Djibouti has several bilateral investment agreements, including with France, Ethiopia, Yemen, Egypt, Malaysia, Sudan, and India. Other treaties to which Djibouti is a party include: (i) the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States (ACP); the Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference; · the Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit; the Unified Agreement for the Investment of Arab Capital in the Arab States; and the Arab Authority for Agricultural Investment and Development. •The incentives and benefits offered by Djibouti Free Zone will largely mirror those at Jebel Ali and include but are not limited to the following:100% foreign ownership; No corporate taxes; No import duties; 100% repatriation of capital and profits; No currency restrictions; Flexible recruitment laws; Competitive freight charges; Good quality logistics infrastructure; Full access to port; and Administrative support.
Egypt	•Egypt has devised several schemes intended to attract foreign direct investment into special economic and trade zones. The General Authority for Investment (GAFI) implements Egypt's policies and procedures to facilitate doing business, including maintaining Egypt's one-stop shop for investors. GAFI's one-stop shop, which aspires to process approvals for new investments within 72 hours, brings together several of the major government ministries needed to establish a new investment. The Egyptian tax code taxes personal income and corporate profits for both foreigners and nationals at 20% for income below LE 1 million and 25% for income above LE 1 million. According to the World Bank's Doing Business Index for 2012, Egypt (ranked 110 out of 183 countries) made significant progress prior to the revolution in easing the procedures for opening a business.

	•The law allows 100 percent foreign ownership of investment projects and guarantees the right to remit income earned in Egypt and to repatriate capital. Other key provisions include: guarantees against confiscation, sequestration, and nationalization; the right to own land; the right to maintain foreign-currency bank accounts; freedom from administrative attachment; the right to repatriate capital and profits; and equal treatment regardless of nationality. It also granted companies established under the Companies Law or the Commercial Law certain incentives under the Investment Incentives Law, including protection from nationalization, imposition of obligatory pricing and cancellation or suspension of licenses to use immovable property. It also granted companies the right to own real estate required for their activities and the right to import raw materials, machinery, spare parts and transportation methods without being required to register at the Importers Register. •There are no formal geographical restrictions on investments. However, due to congestion in Cairo, the government generally denies approval for investments in manufacturing facilities in Cairo, unless a compelling economic rationale exists. The government offers incentives to move existing manufacturing facilities out of Cairo. Upon request, government officials assist investors in locating a site for a project, often in one of the new industrial sites located outside Cairo and sometimes provide necessary infrastructure. •In addition to the new industrial sites outside Cairo, the government has targeted Upper Egypt for development by private investors. Land in industrial zones in Upper Egypt is offered free of charge. The government also provides hookups to infrastructure (water, sewer, electricity, and gas) and transfers land title to the developer three years after project startup. As noted above, approval by the security services is generally required for investments in the Sinai Peninsula. •By law, foreign and domestic private firms have the right to establish and own business enterprises and engage in all forms of remunerative activity, except for the restrictions on foreign business noted previously. Private enterprises may freely establish, acquire and dispose of interests in business enterprises. In practice, private firms sometimes find themselves at a disadvantage when competing for resources with state-owned firms. For example, state-owned firms often have easier access to bank credit from the state-dominated banking system than do private firms, whether domestic or foreign. Lack of access to credit is one of the major complaints of the business community in Egypt as interest rates are high, and banks have restrictive policies on lending. Lack of risk assessment capacity in the banking sector is also a factor in overly-cautious lending policies. Also, some companies have experienced difficulties in dissolving companies •Among the guarantees that Law No. 8 offers investors are the following: (i) Companies may not be confiscated or nationalized; (ii) Companies and their assets cannot be sequestered, seized or expropriated by administrative order; (iii) No administrative body can interfere in setting prices or profit margins; (iv) Projects are allowed to repatriate their capital and profits. Projects may be entirely owned by foreigners. Furthermore, their boards of directors may be wholly composed of foreigners. (v) Companies have the right to own building lands and develop real estate as needed for implementing and expanding their activities, regardless of the nationality or place of residence of partners and shareholders or the percentage of their participation. (Except for Sinai, as Foreign ownership is only allowed in the case of partnership with an Egyptian partner who has to own 51 per cent of the land); (vi) Projects are exempted from certain labor requirements of the Egyptian Companies' Law and the Labor Law; (vii) Foreign experts' salaries are exempted from income tax if their stay in Egypt is shorter than one year. Projects are free to maintain foreign currency bank accounts; (viii) Projects are subject to a flat rate of 5 per cent in customs duties on imported equipment and machinery; (x) Projects are exempt from stamp duties and notarization fees for 3 years from the date of registration with the commercial register; and (xi) Projects are exempt from all registration and notarization charges normally levied on contracts. •Insurance Law 156 of 1998 removes a 49 percent ceiling on foreign ownership of insurance companies, allows privatization of state-owned insurance companies, and abolishes a ban on foreign nationals serving as corporate officers. Electricity Law 18 of 1998 allows

	the government to sell minority shares of electricity distribution companies to private shareholders, both domestic and foreign. A draft electricity law expected to be enacted in 2011 will further open electricity generation and distribution to the private sector. Maritime Law 1 of 1998 permits private companies, including foreign investors, to conduct most maritime transport activities, including loading, supplying, and ship repair. Commercial Law 17 of 1999 has more than 700 articles covering general commerce, commercial contracts, banking transactions, commercial paper, and bankruptcy. Central Depository Law 93 of 2000 reduces risks associated with trading securities, enhances market liquidity, and tries to streamline the securities exchange process by standardizing registration, clearance and settlement procedures. •Law No. 8 stipulates that settling investment disputes in connection with the implementation of its provisions may be carried out in accordance with the convention or agreement of the investor's choice. Settlement of such disputes may be reached using the provisions of any one of the following: (i) Conventions in force between the Arab Republic of Egypt and the country of the investor; (ii) Agreement on Settlement of Disputes which Arise in Respect of Investments Between the Countries and the Nationals of Other Countries (a.k.a. the Washington Convention of March 18, 1965), which Egypt adopted in 1971. •Foreign companies are reportedly allowed to transfer up to $100,000 out of Egypt without additional documentation. Transfers above $100,000 are allowed only for legitimate business purposes and require extensive original documentation and approval from the Central Bank of Egypt. Egyptian and foreign individuals must provide documentation for all foreign transfers. Foreign investors say that the restrictions on capital transfer have resulted in delays of several weeks to several months and have significantly impacted business operations. Egyptian law allows individuals and businesses to conduct all normal foreign exchange transactions, including accepting deposits, and opening letters of credit. Foreign currency is available at banks and foreign exchange bureaus. •Investment Law No. 8 also regulates the projects carried out in free zones by Egyptian, Arab and foreign investors. There are two types of free zones: Public Free Zones are established in specific locations by the government's investment authority. Eleven public free zones currently exist in locations such as Cairo, Alexandria, Suez and Port Said. Private Free Zones are established exclusively for a specific project or company, subject to the approval of the investment authority. •Incentives offered to projects operating in free zones include the following: (i) Profits and dividends of such projects enjoy exemption from all Egyptian income taxes for an unlimited period of time; (ii) Most of the goods and materials imported to a free zone with the purpose of maintaining the licensed activities of the project are exempt from customs tax, general sales tax and any other taxes or duties (except for passenger cars); and (iii) Goods imported from a free zone have the customs tax levied only on the foreign components, based on the components' condition upon entry into the free zone. •The Patents and Industrial Designs Law No. 132 of 1949 allows inventors to obtain patent protection for 20 years from the date of application. The patent holder has the exclusive right to exploit the invention, including the right to pledge, assign or license the patent. A separate office and register is maintained for industrial designs. Industrial designs are granted protection for five years from the date of registration, renewable for two similar periods. •Among the most important issues that the law addresses is the right of the employer to terminate an employee's contract and the conditions in which it performs under. In addition, employees are granted the right to carry out a peaceful strike in conformity with the conditions and procedures prescribed by the new law.

	•The ownership of land by foreigners is governed by three laws: Law No. 15 of 1963, Law No. 143 of 1981, and Law No. 230 of 1996. Law No. 15 stipulates that no foreigners, whether natural or juristic persons, may acquire agricultural land. Law No. 143 governs the acquisition and ownership of desert land. Certain limits are placed on the number of feddans (one feddan is equal to approximately one hectare) that may be owned by individuals, families, co-operatives, partnerships and corporations. Partnerships are permitted to own 10,000 feddans. Joint stock companies are permitted to own 50,000 feddans. Partnerships and joint stock companies may own desert land within these limits, even if foreign partners or shareholders are involved, provided that at least 51 per cent of the capital is owned by Egyptians. Upon liquidation of the company, however, the land must revert to Egyptian ownership. Article 1 of Law No. 143 defines desert land as the land lying two kilometers outside the borders of the city. On July 14, 1996 Law No. 230 superseded Law No. 56 of 1988. The new law allows non-Egyptians to own real estate (vacant or built) under the following conditions: (i) Ownership is limited to two real estate properties in Egypt that serve as accommodation for the owner and his family (spouses and minors) in addition to the right to own real estate needed for activities licensed by the Egyptian Government; and (ii) The area of each real estate property does not exceed 4,000 m^2. •Egypt has signed investment agreements with over 40 other countries, including Armenia, Belgium, China, Finland, France, Germany, Greece, Italy, Japan, Libya, Luxembourg, Morocco, the Netherlands, Romania, Singapore, Sudan, Sweden, Switzerland, Thailand, Tunisia, the United Kingdom and the U.S. The U.S-Egypt Bilateral Investment Treaty provides for fair, equitable, and nondiscriminatory treatment for investors of both nations. The treaty includes provisions for international legal standards on expropriation and compensation; free financial transfers; and procedures for the settlement of investment disputes, including international arbitration. •In addition to specific investment agreements, Egypt is also a signatory to a wide variety of agreements covering trade issues. Egypt joined the Common Market for Eastern and Southern Africa (COMESA) in June 1998. In July 1999, Egypt and the United States signed a Trade and Investment Framework Agreement (TIFA), a step toward creating freer trade and increasing investment flows between the U.S. and Egypt. In June 2001, Egypt signed an Association Agreement with the European Union (EU). Egypt's parliament ratified the agreement in March 2003, and it entered into force on June 1, 2004. The agreement provides for immediate duty free access of Egyptian products into EU markets, while duty free access for EU products will be phased in over a twelve-year period. In 2010, Egypt and the EU completed an agricultural annex to their FTA, liberalizing trade in over 90% of agricultural goods. Egypt is also a member of the General Arab Free Trade Agreement (GAFTA), and a member of the Agadir Agreement with Jordan, Morocco, and Tunisia, which relaxes rules of origin requirements on products jointly manufactured by the countries for export to Europe. Egypt also has an FTA with Turkey, and in 2010 signed an FTA with the Mercosur bloc of Latin American
Gabon	•Gabon is actively encouraging foreign investment from nationally-diverse sources, with foreign firms controlling the country's three main sources of income and exports: petroleum, manganese and timber. However, several factors constrain foreign investment in the non-extractive industries. These include a small domestic market, high production costs, a rigid labor market, limited and poor infrastructure (transportation, telecommunications, etc.), an unpredictable judicial system and sometimes inconsistent customs regulations. Gabon's regulatory and judicial bodies are subject to influence, creating uncertainty concerning fair treatment and the sanctity of contracts. •The 1998 investment code conforms to Central African Economic and Monetary Community (CEMAC) investment regulations, providing the same rights to foreign companies operating in Gabon as to domestic firms. Businesses are also protected from

expropriation or nationalization without just prior compensation as determined by an independent third party. The 1998 code also established the Private Investment Promotion Agency (APIP), which manages the one-stop-shop ("guichet unique") to facilitate the opening of a business. Certain sectors have specific investments codes, such as mining, forestry, petroleum and tourism, which attempt to encourage investment through customs and tax incentives.

•Foreign investors have the option of opening local bank accounts in CFA, dollars, or Euros. There is no difficulty obtaining foreign exchange, with the three main commercial banks providing currency exchange services at non-prohibitive rates. Under Gabonese law, documentation is required to substantiate the need for any foreign exchange over one million CFA (approximately USD $2,300).

•There are no legal restrictions on converting or transferring funds associated with an investment, including the inflow or outflow of funds for remittances of investment capital, earnings, profits, etc. CEMAC regulations require banks to record and report the identity of customers engaging in large transactions. Additionally, financial institutions must maintain records of large transactions for five years. CEMAC regulations do not stipulate a threshold amount for transactions to be reported. Under Gabonese law, however, documentation is required to substantiate the need for any foreign exchange over one million CFA (approximately USD $2,300). Transfers within the CEMAC zone are not restricted.

•Foreign firms established in Gabon operate on an equal basis with national firms. Under Gabonese law, business investments that are expropriated must first be compensated as determined by an independent third party. The Government of Gabon has not exhibited any recent tendency to discriminate against U.S. investments, companies, or representatives in expropriation, nor have there been any indications or reports of incidences of "creeping expropriation," such as through confiscatory tax regimes.

•There are no specific performance requirements imposed as a condition for establishing, maintaining or expanding investment. There are no requirements for investors to buy local products, to export a certain percentage of output or to invest in a specific geographical area. There is no blanket requirement that nationals own shares in foreign investments in Gabon that the share of foreign equity be reduced over time, or that technology be transferred on certain terms. Nonetheless, many investors find it useful to have a local partner who can help navigate the subjective factors in the business environment.

•Hiring foreigners is subject to prior authorization from the Ministry of Labor. The hiring company must provide evidence prior to employing a foreigner that there were no qualified Gabonese to fill the position. Foreign firms have stated that there is a lack of qualified Gabonese workers, requiring companies to often request authorization to hire foreigners. Non-Gabonese Africans find it increasingly difficult to obtain employment authorization; non-African expatriates have less difficulty.

•Secured interest in property is recognized, and the recording system is fairly reliable. Under the 1998 investment code, no investment can be expropriated without prior just compensation as determined by an independent third party. As a member of CEMAC and the Economic Community of Central African States (CEEAC), Gabon adheres to the laws of the African Intellectual Property Office (OAPI). Based in Yaounde, Cameroon, OAPI aims to ensure the publication and protection of patent rights, encourage creativity and transfer of technology, and create favorable conditions for research. As a member of OAPI, Gabon acceded to a number of international agreements on patents and intellectual property, including the Paris Convention, the Berne Convention and the Convention Establishing the World Intellectual Property Organization.

•Gabon is a beneficiary of the African Growth and Opportunity Act (AGOA), a framework for U.S. trade, investment and development policy for sub-Saharan Africa. Gabon has bilateral investment agreements with the following countries: Belgium, Luxembourg, China, Egypt, France, Germany, Italy, Lebanon, Mali, Morocco, Portugal, Sao Tome and Principe, South Africa, and Spain. There is an

	investment agreement among CEMAC member countries.
Gambia	•The Gambia Investment Promotion Act 2001 and Free Zones Act 2001 are the main laws governing investment in The Gambia. These Acts provide guidance on investing in The Gambia and clearly indicate the priority sectors for the country, guarantees to investors, investment incentives eligibility criteria, procedures, the institutional framework and answers to questions that investors usually consider in making an investment decision. •Although domestic and foreign investment is encouraged in virtually all the sectors of the Gambian economy, the Government is giving the highest opportunities & priority to, & is especially eager about increased flow of investment into certain areas. Within the broad legal framework, the Government assures investors security of title and guarantees that investment in the country will not be expropriated. •Both local and foreign investors are protected by the laws of the country and where an offence is committed, due legal procedure is applied and investors can have unimpeded access to local and international arbitration. The Gambia is also a member of the International Centre for the Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group. •The Constitution of The Gambia guarantees and safeguards against nationalization and expropriation of investments. The Investment Promotion Act and Free Zones Act 2001 also contain provisions against expropriation of properties of investors. •There are no restrictions on the conversion of funds into any freely usable currency or their transfer of investment-related funds into and out of The Gambia. There are no indications of an impending change of this policy. As a signatory to Article 8 of the International Monetary Fund, The Gambia operates a fully liberalized capital account. However, under the Money Laundering Act of 2003, the authorities may investigate any suspicious transactions. •The Gambian Constitution guarantees the right of private ownership. Under the Company Act of 1955, there are no restrictions on the minimum or maximum share capital of a business venture, nor is there any compulsory requirement for equity participation by Gambian nationals in foreign-owned enterprises, except as described in Paragraph 9 in relation to privatization programs. Businesses may be wholly owned by foreigners or jointly owned with participation by local investors. •The Gambia offers attractive incentive packages to investors under the Gambia Investment Promotion Act 2001 & Free Zones Act 2001 for all sectors of the economy. These include exemptions from import duties and tax holidays. Apart from these specific incentive packages, others can be negotiated with the Agency depending on the strategic nature of the investment. The award of incentives does not differentiate between domestic and foreign investors and all investors are treated equally. •License holders shall have the following incentives extended to them: a) Exemption from all taxes and customs duties payable on all imports provided that the imports are used or to be used exclusively within the zone, and subject to any other limitations specified by the regulations made pursuant to the Act; b) Where import duty or sales tax has been paid by a zone investor in respect of any goods on their importation into the customs territory, no refund shall be allowed merely because the goods are to be later transferred into any of the free zones; c) Exemption of customs duty, excise duty and sales tax on goods produced within or imported into any of the zones, unless the goods are entered for consumption into the national customs territory; d) Exemption of import duty on capital equipment; e)

	Full exemption of corporate tax or income tax for the first 10 years from the date of approval of license in the case of trading activities in the zones, thereafter tax shall be pegged at a rate not exceeding six per cent per annum; f) For activities related to tourism corporate tax or income tax shall be charged at the rate of ten per cent for the first 20 years, and shall revert to the normal rate thereafter; g) Full withholding of corporate or income tax on dividend and other payments during the period of tax holiday; h) Full relieve from payment of municipal taxes; and i) Zone investors shall also be exempted from pay roll tax or other restrictions or prohibitions on import or export trade with the exception of trade in firearms, military or other illegal goods. •The legal framework of labour relations consists of the Labour Act, 1990, and of regulations issued there under. The Act covers the general conditions of employment including dismissal as well as recruitment and hiring of labour, registration and training, protection of wages, registration of trade unions and employers' organizations, industrial relations, and procedures for the settlement of labour disputes.
Guinea	•Guinea constitutes a small, underdeveloped market that remains heavily reliant upon revenue from customs, mining companies and international aid. •Guinea's Investment Code of 1987 guarantees, in theory, the right of all individuals (of both Guinean and foreign nationality) to undertake any economic activity in accordance with current laws and regulations. Foreign ownership of up to 100% is permitted in commercial, industrial, mining, agricultural and service sectors. •Revised in 1992, the Investment Code authorizes private investment of all types: foreign private, mixed foreign and local, and mixed public and private. The Guinean government provides a guarantee in the Investment Code that it will not, except for reasons of public interest, take any steps to expropriate or nationalize foreign or locally held assets or businesses. •Individuals or legal entities considering investment in Guinea are guaranteed the freedom to transfer the original foreign capital, profits resulting from investment, capital gains on disposal of investment, and fair compensation paid in the case of nationalization or expropriation of the investment, to any country of their choice. •The Investment Code states that competent Guinean judicial authorities shall settle disputes resulting from interpretation of the Code in the accordance with laws and regulations. •The Investment Code, last revised in 1992, provides tax advantages for certain priority investments. The Land Tenure Code of 1996 provides a legal base for documentation of property ownership. As with ownership of business enterprises, both foreign and national individuals have the right to own property. However, enforcement of these rights depends upon a corrupt and inefficient Guinean legal and administrative system.
Guinea Bissau	•Business in Guinea-Bissau is based on market economy. Private investors and foreign investments are exposed to the direct competition in the market. Business proprietors of individuals or a group of business partners are protected by law. •Beside national laws for protecting private business, there are also other international laws signed by Guinea-Bissau for the same purpose. Private foreign investors are allowed to transfer their profit after tax to foreign banks without any objection. Companies are allowed to credit their company in foreign banks outside Guinea-Bissau. However, the credit has to be registered in Central Bank of

	Guinea-Bissau. •The company tax for corporations and limited partnerships is 39%, sole proprietors and micro-enterprise tax rates range from 20% to 35%. The maximum corporate tax (50%) is reserved for special situations such as petroleum and mining. Individual income tax rates are graduated from 2% to 20% for salaried income and 30% for self-employed. The tax incentives available for investors are those outlined in the Investment Codeand are restricted to projects approved by Private Investment Promotion Directorate - DPIP (One-Stop-Shop for Investors). •In order to enhance and attract greater investment, the Investment Code offers a number of incentives under three distinct categories: investment promotion; export promotion; research and professional training promotion; Guarantees Protection of Investment are: Non - discriminatory treatment for all projects (national and foreign societies or public and private societies); Guarantee against nationalization and confiscation; Labor and management freedom; Guarantee for the transfer of profits and capital.
Indonesia	•The Indonesian Government realizes that investment is one of the most important factors in driving economic growth and, thus, tries hard to improve investment procedures in the future in order to stimulate a more favorable investment climate. The Government is committed to enhance the country's investment climate and international competitiveness by further reducing and simplifying taxes and duties through ongoing tax and trade policy reform programs. The current Indonesia tax law provides tax incentive to investors who invest in certain sectors and / or certain areas, as follows: Investment Allowances, Accelerated depreciation and amortization, Expanded loss compensation but not more than 10 years, 10% tax rate for dividend paid to foreign taxpayer, except to prevail tax convention maintaining lower tax rate. •The Government has therefore established an Investment Policy Reform Initiative having as its objective the encouragement and facilitation of private sector investment through reform and implementation of transparent, predictable, market oriented policies applied equally to both foreign and domestic investors. In this, the Government has recently adopted major policy changes, including liberalizing the rules for foreign investment. The Government is committed to the rapid elimination of the remaining restriction on foreign and local private investment. •Investors shall be permitted to invest in any sector of the economy except in a small number of activities, which are listed on the "Negative List". There shall be no restriction on the size of the investment, the source of funds or whether the products are destined for export or for the domestic market. Existing foreign investors may invest in activities other than those initially authorized, except for activities stated on the "Negative List". •Industrial licenses are still needed based on the principles of fairness, simple, quick and transparent mechanism and procedure. Procedures for company formation are to be administered so as to permit prompt establishment of business enterprises. Based on Presidential Decree 27/2009, BKPM is implementing a one-stop-shop system (PTSP), to cut bureaucratic redtape and allow investors to process business licenses faster. Its goal is to streamline and consolidate the number of steps and places an investor must follow for business permit issuances. •The Government recognizes that security of assets of investors is of paramount importance. It therefore assures investors that it will avoid using any measures that will adversely affect their property rights.In the case of foreign investors, the Government has negotiated and concluded several bilateral investment treaties, which provide direct protection to investors for the security of their

	assets as well as assurances for the repatriation of proceeds from their investments. The Government will actively work to pursue to conclude additional bilateral investment treaties with other countries. Indonesia has also joined the Multilateral Investment Guarantee Agency (MIGA). •To improve economic and trade relationship with other countries, Indonesia would like to have certain law provisions that regulate the right of tax imposed from each country. The purposes of those provisions are achievement of rule of law, avoiding double taxation, and prevention of tax evasion. The government is entitled to make an agreement with other countries to avoid double taxation and to prevent tax evasion. The framework and the matter of this agreement are based on international convention and other rule of laws and also the tax regulation of each country. •Indonesia always tries to maintain equal treatment in tax law not only for taxpayers but also for tax cases that have similarities. By giving tax incentive to investors, Indonesia must assure that this granted incentive still reflects the principle of equal treatment and the application of that principle does not depart from the objective of tax incentive. •The Government is committed to ensure that land for industrial and commercial use is readily available to investors. The Government will receive and simplify all existing land licensing and environmental approval procedures to ensure transparency. The Government is committed to develop new serviced industrial sites and has provided the necessary framework to enable private investors to develop industrial sites including through arrangements for subleasing to other investors.
Iran	•The first legislation regulating and providing protection for foreign investments in Iran was the Law on Attraction and Promotion of Foreign Investment (known as LAPFI) and its Implementation Regulations, approved in 1955 and 1956 respectively. LPAFI was subsequently replaced with the Foreign Investment Promotion and Protection Act (known as FIPPA) and its Implementation Regulations approved in 2002 (the "Regulations"). FIPPA and the Regulations are designed to encourage and protect foreign investments in Iran whether by way of equity investment in Iranian companies or in financing of Iranian projects. •FIPPA covers investments made for the purpose of "development and promotion of production activities in industry, mining, agriculture and services" for the purpose of bringing about economic growth, upgrading technology, enhancing of products, increasing employment opportunities and exports. To be eligible for FIPPA coverage, the foreign investment should not (i) pose any threat to national security and public interests of Iran; (ii) cause damage to the environment, (iii) disrupt the country's economy; (iv) jeopardize production by local investments; or (v) entail grant of concession to foreign investors. For FIPPA purposes "concession" is defined to mean "special rights which place the Foreign Investors in a monopolistic position". •While in practice the participation of foreign nationals in Iranian companies is limited to 49%, there is no such limit in case of foreign investments registered under FIPPA in that in such cases the foreign shareholding is limited to the ratio stated in the relevant Investment License and can be up to 100% although license for 100% foreign ownership is not easily granted. •Registration of the foreign investment in an Iranian company will provide the foreign investor/shareholder with the following protections: (1) the foreign investor will enjoy the same treatment as that afforded to local investor (2) importation of the foreign investment amount, in cash or in kind, is only subject to the Investment License and no other licenses are required; (3) subject to any limitation stated in the relevant Investment License, the ratio of foreign investment in each individual case is not subject to any limitation; (4) the foreign investment is guaranteed against nationalization and expropriation and the foreign investor is entitled to compensation in an amount equal to the real value of the investment immediately before nationalization or expropriation; (5)

	repatriation of the principal amount of the investment, profit earned and gains derived from utilization of the invested amount in the form of cash and/or goods (as provided in the Investment License) is guaranteed; (6) free export of the goods produced by the investee enterprise is guaranteed and, in case any restrictions are imposed on such exports, the product can be sold locally and the proceeds of such sale transferred abroad through the banking channels. •Registration of the foreign investment under FIPPA in buy-back projects as well as BOT and civil partnership schemes will, in addition to those listed above, also enjoy the following protections: (1) in case, due to enactment of new legislation or government decisions the implementation of the financing agreement (arrangements) is barred or stopped, the government guarantees the repayment up to the ceiling of matured installments; and (2) in BOT and civil partnership cases where a government agency is the sole purchaser and/or supplier of the relevant goods and services at subsidized prices, the purchase of the goods and services produced by the project in which the foreign investment is made is, within the framework of the existing legislation, guaranteed by the Government. •Any transfer of shares held by the foreign investor to another foreign national ism subject to obtaining from the Investment Board of an amendment to the original Investment License. Otherwise, the new foreign shareholder may not benefit from the protections afforded by the Investment License issued to its predecessor. Although the law provides for the possibility of registering an already existing investment under FIPPA, it is advisable to obtain the Investment License prior to commencing the investment. •Foreign Capital is guaranteed against nationalization and expropriation, and in such cases the Foreign Investor shall be entitled to receive compensation (Article 9 of the FIPPA). Should laws or government regulations lead to prohibition or cessation of approved financial agreements within the framework of this Act, then the government shall procure and pay the resulting damages (Article 17 of the FIPPA & Article 26 of the bylaws). •The purchase of goods and producer services of the foreign investment is guaranteed in cases where a state-run organ is the only buyer or supplier of a product or producer service at a subsidized price (Article 11 of the bylaws). Foreign investments subject to this Act shall enjoy the same rights, protections and facilities available to domestic investments in a non-discriminatory manner (Article 8 of the FIPPA). •The Foreign Investment and its profits may be transferred in foreign currency or goods (Articles 13-18 of the FIPPA). Acceptance of foreign investments in all the production, industrial, agricultural, transportation, communications, and services fields as well as in fields related to water, power, and gas supply and energy fields. The possibility of the referral of investment-related disputes to international authorities (Article 19 of the FIPPA). The possibility of land ownership in the name of the company (registered in Iran) in joint ventures (Article 24 of the by-laws). •Issuance of visas for three years in Iran for foreign investors, managers, experts and their immediate family members and the possibility of visa renewals (Article 20 of the FIPPA & Article 35 of the bylaws). The investors are notified of the final decision regarding their applications within at most 45 days (Article 6 of FIPPA). Having a choice to choose the investment method in the project as FDI or Foreign Investment in all sectors within the framework of “Civil Participation”, “Buy-Back” and “Build-Operate-Transfer” (BOT) schemes (Article 3 of FIPPA). •Acceptance of investments by any natural or legal non Iranian or Iranian person utilizing capital of foreign origin and granting the

	facilities envisaged in FIPPA to them (Article 1 of FIPPA). The foreign investor must choose an audit institute out of the audit institutes recognized by the Association of the Official Auditors of Iran to substantiate their financial and annual reports (Articles 1, 22-23 of the bylaws).
Iraq	•Foreign investment may be implemented either through the use, among others, of freely convertible currencies or Iraqi legal tender, in the following forms: (1) By establishing a completely foreign-owned business entity, including a subsidiary of a foreign company; (2) By establishing a business entity jointly with an Iraqi investor; (3) By establishing a branch office or; (4) By directly acquiring an investment •Foreign investors may: (1) Possess, use, and dispose of their investment; (2) Manage or participate in managing a business entity; (3) Transfer their rights and obligations to other persons; (3) Transfer abroad all funds associated with the investment, including: (i) Shares, profits and dividends; (ii) Proceeds from the sale of or other form of disposal of the investment or a portion thereof; (iii) Interest, royalty payments, management fees or other fees and payments made under a contract Foreign investors or a business entity with any level of foreign investor participation may not purchase real property. However they can lease property for a period of up to 40 years on a renewable basis; or establish a local company which can own real property according to law no. 43, 1971 (Real Estate Recording Law) Article 151. •In order to protect investments, insurance coverage may be obtained for all aspects of the operation from any foreign or Iraqi source. Dispute resolution will be effected between foreign and local partners in accordance with the provisions of the agreement governing their relationship; and the parties may elect in the agreement to utilize the arbitration mechanisms outlined in Iraqi law. •In order to conduct business in Iraq foreign business entities need to register with the Registrar of Companies, Ministry of Trade. Contractors will need to register unless otherwise exempt under the laws and regulations of Iraq. Business entities that have been previously registered in Iraq under Regulation No. 5 of 1989 on "Branches and Offices of Foreign Companies and Economic Establishments" do not need to register again. However if the registered entity's information needs to be updated, this must be filed with the Registrar of Companies no later than December 31 of each year. In the case of a change of address of the principal Iraq office or of the agent for the service of process, documents must be filed within seven (7) days. A single standard registration processing fee is two hundred thousand (200,000) Dinars, approximately $137 U.S., with half that amount due at the time of filing an application and the remaining one-half due when the application is approved. In the event the application is rejected, the portion paid is forfeited and the remaining fee is no longer due. •The Registrar is required to review the application for completeness, and if found incomplete, it will be returned without collecting a fee. If the application is complete, the Registrar will provide a signed checklist to the applicant showing that all required documentation has been received. Upon approval the applicant will be issued a registration license with a permanent and unique identification number. The Registrar is required to approve or reject an application within 10 business days from the date of its submission. It will notify the applicant of a rejection in writing stating the reasons for its disapproval. If the application is rejected the applicant has the right to contest the disapproval to the Minister of Trade within thirty (30) days from the date of notification. The Minister will review the disapproval within thirty (30) days from the date of submission of the applicant's appeal. If the Minister of Trade upholds the rejection, the applicant retains the right to appeal to the competent court of law within thirty (30) days of the date of the Minister's decision.

	•The foreign business entity shall complete and file the application accompanied by two copies, and the following documentation with the Registrar of Companies: (1) Certificate of registration, as issued and authenticated by the competent authority in the home country of origin; (2) A copy of the company's charter of incorporation or equivalent authenticated by the competent authority in the home country of origin; (3) A letter on the stationery of the applicants company signed by an officer or director of the company to the following effect: (i) Authorizing the registration of the business entity in Iraq; (ii) Consenting to the service of process in Iraq; (iii) Identifying the chief management official in Iraq, the authorized agent for the service of legal process in Iraq and the representative for filings with the Registrar of Companies in Iraq (all the above three must reside in lraq); (iv) The financial statement of the company for the last fiscal year; (v) If the proposed entity is planning to operate in retail sales, a bank statement showing that the sum of one hundred thousand United States dollars ($100,000.00) has been deposited in a non-interest bearing account (this can be furnished to the Registrar of Companies at a later date and the non-submission of it shall not be grounds for rejection of the application. However the bank statement will have to be furnished before the actual sales activity is commenced; (vi) A copy of the passport (for a foreign citizen) or identification card (for an Iraqi citizen) of the authorized representative for filings with the Registrar of Companies.
Jordan	•Company Law is vital for a successful business environment. It remains important because it determines the environment in which investors will be operating their businesses in. The Company Law No. 22 of 1997 limits routine procedures and facilitates the process of company registration. The Law introduced the not-for-profit company form as well as the civil company form, which provides for the establishment of companies by professional persons, such as lawyers, doctors or engineers. Under the new Law, companies are no longer required to pay a 15 percent capitalization charge, which had previously proved a barrier to capital reserves. In addition, amendments to the Law allow company founders to adopt the prices they deem appropriate in estimating the value of their fixed assets. •According to the Investment Promotion Law of 1995 and amended in 2000, tax and customs incentives are made available to the sectors stipulated in the law. These sectors are industry, agriculture, hotels, hospitals, maritime transport and railways, leisure and recreational compounds, convention and exhibition centers, transporting & distributing water, gas & oil andcall and contact centers. •The Investment Promotion Law (16/1995,68/2003) provides the investor with total customs exemptions on imported fixed assets, ease of licensing and registration procedures, and freedom from customs duties for export industries on imported raw materials. According to the Investment Promotion Law No.16 of 1995 as amended in 2000, tax and customs incentives are made available to the sectors stipulated these are: industry, agriculture, hotels, hospitals, maritime transport and railways, leisure and recreational compounds, convention and exhibition centers, transporting & distributing water, gas & oil, call and contact centers and research and development. •The different laws in Jordan recognize benefits born by foreign direct investment therefore they include provisions to encourage foreign direct investments and grow domestic investments. Sectors that benefit from the Investment Promotion Law are: industry, agriculture, hotels, hospitals, maritime transport and railways, leisure and recreational compounds, convention and exhibition centers, transport and distribution of water, gas and oil, call and contact centers, research and development centers. Fixed assets are exempted from fees and taxes provided that they are imported into the Kingdom for the use of the project exclusively. These assets include: the machinery, equipment and supplies used in the project including furniture and equipment for hotels and hospitals. •Competition plays a major role in developing the business environment. The importance of competition is derived from the fact that it is mainly based on market freedom which is vital for the growth of businesses. The legislative activities related to competition are the

	promulgation of two laws. The first is the Unfair Competition and Trade Secrets Law No. 15 of 2000, the second being the Competition Law No.33 of 2004. The Competition Directorate within the MIT is responsible for the implementation of the Competition Laws and ensuring that all commercial practices are consistent with its provisions. •In 2010, a new income tax law has been issued by which nearly 85% of employees wages in the public and private sectors were exempted from income tax for those whose wages don't exceed 12,000 JD's/ year / person and 24,000 JD's for the main provider (for example: head of family) regardless of the number of family numbers. The tax percentages is 7% on any amount exceeds the first 12,000 and 14% on anything above that. As for the income corporate tax, the amount is as follows: 30% on banks and financial companies. 24% on communication companies, mediation and financial exchange. 14% on rest types of companies including industrial and commercial. •In Jordan there are different ways to settle a dispute. The main means of dispute settlement involves referring the dispute to the Jordanian courts. However, it is still possible to get justice by referring disputes to other Alternative Dispute Resolution (ADR) mechanisms; the major ADRs in Jordan are arbitration and mediation. At the international level, Jordan has acceded to numerous bilateral and multilateral investment treaties, many of which provide for structured dispute settlement methods, such as the Treaty on the Settlement of Investment Disputes in the Arab Countries which provides for the settlement of disputes through conciliation and arbitration, and the Treaty between Jordan and the Government of the United States of America on the Mutual Encouragement and Protection of Investment. Also, there is the Washington Convention on the Settlement of Investment Disputes. Jordan has also signed several Promotion and Reciprocal Protection of Investments agreements and are in force between Jordan are the following countries: Germany France, UK, Italy, Romania, Turkey, Malaysia, Tunisia, Yemen, Algeria, USA, Poland, Croatia, Spain, Bahrain, Sudan, Austria, Kuwait, Syria, China, Bulgaria, Ukraine, Lithuania, Belarus, and Singapore. •The Greater Arab Free Trade Agreement, 1998. Declared within Social and Economic Council of the Arab League as an executive program to activate the Trade Facilitation and Development Agreement in its membership of 17 Arab Countries. These include: Jordan; USE; Bahrain, Saudi Arabia, Oman, Qatar, Morocco, Syria, Iraq, Palestine, Kuwait, Tunis, Libya, Sudan, Yemen. •The Jordan-EU Association Agreement signed in 1997 and entered into force on 2002: Aims at creating a free trade area between EU and Jordan, establishing a comprehensive framework for political, economic, trade and investment, social and financial cooperation. Furthermore, the Agreement allows entry of Jordanian industrial exports into EU-member countries free of customs duties and other charges, having equivalent effect from the date the Agreement enters into force. EU industrial exports are allowed entry into Jordan free of customs duties and charges as well, having equivalent effect over a transitional period of 12 years starting from date the Agreement enters into force, excepting a list of specific products. In addition to the elimination of tariffs and reduction of non-tariff barriers, the Agreement contains comprehensive provisions on the conduct of trade in agricultural and industrial products, right of establishment and services, payments and movement of capital, competition, intellectual property rights, financial co-operation, economic co-operation in the field of industry, standards, transportation, telecommunications, energy, science and technology, environment and tourism, statistics, and the fight against illegal drugs. Moreover, within the context of the Agreement, the EU has pledged to set up a Special Fund to assist in improving the export capacity and competitiveness of Jordanian industries

Kuwait	•The basic premise for carrying out business in Kuwait is identified in the Articles (23) and (24) of the Kuwaiti Commercial Code. Article (23) of the Code states that non-Kuwaiti citizens may not pursue any commercial activities in Kuwait, unless having a Kuwaiti partner. This partner's share must not be less than (51%). Article (24) sets forth that any foreign company may not establish a branch in Kuwait and cannot pursue its commercial activities in Kuwait unless having a Kuwaiti agent. On April 22, 2001, Kuwait's Parliament enacted Law No. (8) on Regulating Foreign Capital Direct Investment in Kuwait, in an attempt to lure foreign investments. By allowing foreign ownership up to (100%) of business entities in certain sectors, this Law draws an exception to the general rules governing doing business in Kuwait by foreign investors. The implementing regulations that establish the guidelines for investment under the Law will be issued soon. The following ways define how a foreign individual or entity may enter the market and carry out business in Kuwait: Establishing a company; Concluding a joint venture agreement; Appointing a Kuwaiti commercial agent; Appointing a commercial representative. •The Council of Ministers approved the implementing regulations for its new Direct Foreign Capital Investment Law-Law No. 8/2001- passed by the National Assembly on March 11, 2001, through Resolution No. 1006/1/2003 on November 1, 2003. The legislation authorizes foreign-majority ownership and 100 percent foreign ownership in certain industries including: infrastructure projects (water, power, waste water treatment or communications); investment and exchange companies; insurance companies; information technology and software development; hospitals and pharmaceuticals; air, land and sea freight; tourism, hotels, and entertainment; housing projects and urban development. Projects involving oil discovery or oil and gas production are not authorized for foreign investment and must be approved by a separate law. •The Direct Foreign Capital Investment Law promotes foreign investment in Kuwait; authorizes tax holidays of up to ten years for new foreign investors; facilitates the entry of expatriate labor; authorizes land grants and duty-free import of equipment; provides guarantees against expropriation without compensation; ensures the right to repatriate profits; and protects the confidentiality of proprietary information in investment applications, with penalties for government officials who reveal such data to unauthorized persons. New investors will be protected against any future changes to the law. Full benefit of these incentives, however, will be linked to the percentage of Kuwaiti labor employed by the new venture. •Pursuant to Article (57) of the Kuwaiti Companies Law, joint ventures are formed under simple contracts. No formal procedure for their establishment is involved. Article (56) of the Law refers to joint ventures as joint venture companies. As stated in Article (59), joint venture companies do not have legal personalities. These companies may not conduct business in their own name. Only through a venturers that a joint venture company may conduct business with third parties. This venturer is personally is responsible for the transactions he enters into with the third parties. The liability of the transacting venturer to the third parties is unlimited. Meanwhile, the liability of the non-transacting venturer is confined to his share in the joint venture. The Kuwaiti venturer in the company must guarantee the transacting venturer, if the latter is a non-Kuwaiti citizen. The joint venturers are to be exposed to unlimited joint and several liability, if the joint venture company deals with third parties in its own name. It makes no difference whether the joint venturers were personally involved in the transaction or not. •The Foreign Investment Law stipulates that Kuwaiti courts alone are responsible for adjudicating any disputes involving a foreign investor and other parties, although arbitration is permitted. Few contracts in Kuwait contain clauses specifying recourse to traditional commercial and political negotiation. According to the Central Bank of Kuwait, the Kuwaiti judicial system recognizes and enforces foreign judgments only when reciprocal arrangements are in place. Kuwait is a signatory to the International Center for the Settlement of Investment Disputes (ICSID, i.e. the Washington Convention). There have been no investment disputes involving American firms in Kuwait in over five years; commercial disputes are more common. In both cases, the slow pace of Kuwait’s legal system often

	frustrates American claimants. •Rights to private ownership and establishment are respected in Kuwait, although foreigners face selected restrictions. Licenses from the Ministry of Commerce and Industry are required for the establishment of all new companies, and government authorization is required for any incentives offered by the new Foreign Investment Law. As stated above, foreign ownership is restricted or prohibited in some sectors of the economy, and non-GCC citizens may not own land in Kuwait. •Kuwait has signed investment agreements with Germany, France, Italy, Russia, China, Romania, Poland, Hungary, Turkey, Malaysia, Pakistan, Switzerland, Malta, Finland, Ethiopia, Croatia, Tajikistan, Austria, Bulgaria, Kazakhstan, Morocco, Mongolia and the Czech Republic. In the past few years, Kuwait has signed a bilateral investment agreement with Pakistan and a free trade agreement (FTA) with Jordan. Kuwait has initialed agreements on bilateral investment with Denmark, Belgium, the Netherlands, Thailand, Ukraine, Latvia, Lithuania, Lebanon, Bosnia/Herzegovina, and India. Kuwait began talks with Singapore on a Free Trade Agreement in December 2004. •Kuwait signed a trade and Investment Framework Agreement (TIFA) with the United States in February 2004. The TIFA is the first step in developing economic reform and trade liberalization criteria to strengthen the U.S. –Kuwait economic relationship and to work toward an eventual Free Trade Agreement. At the first bilateral TIFA Council meeting, held in May 2004 in Washington, D.C., it was agreed that the TIFA process would provide for periodic technical discussions. Several areas in particular stand out as needing further attention: intellectual property rights, standards-related issues, and service and investment requirements. Technical experts on both sides continue to work on these areas. •In July 1995, the National Assembly passed Law No. 26 authorizing the Ministry of Commerce and Industry to establish free trade zones in Kuwait. In May 1998, the privately-owned National Real Estate Company signed a contract with the Ministry to operate, manage, and market the 50 square-kilometer Kuwait Free Trade Zone (KFTZ) at Shuwaikh port, which was inaugurated in November 1999. Many restrictions faced by foreign firms, such as corporate taxes, do not apply to offices or plants within the KFTZ. Some 90 percent of space within the KFTZ has been leased; the majority of firms operating in the zone are Kuwaiti. •Generally, individuals (Kuwaiti and foreign nationals) and Kuwaiti companies do not pay taxes on income. However, an income tax is levied on a foreign corporate body conducting commercial activities in Kuwait. The tax rates, ranging from (5%) to 55%, are applied progressively to income brackets. •Allowing free repatriation of foreign investors profits and capital without any restrictions, and if compensation paid on account of disinvestment. Protection of project information propriety. Income tax exemptions for a maximum period of 10 years. Total or partial exemption from customs duties on project's imports of manufactured goods, packaging materials, etc. Total or partial exemption from other export and import restrictions. Allocation of land and real estate in accordance with Kuwaiti laws. Allowing the recruitment of foreign labor in accordance with of Kuwaiti laws. Benefits arising under Double Taxation Treaties (DTTS) and Bilateral Treaties for the Encouragement and Protection of Investment (BITs). •Kuwait Investment is a private investment company located in a region that contains 75% of the world's oil reserves, It may be small in size but it has great petroleum wealth. Kuwait is private-owned and responsible for some off Kuwait's hydrocarbon interests throughout the world.

	•Copyrights in Kuwait are governed Law No. (64) of (1999). This Law provides copyright protection and defines penalties for copyright infringement. As defined in Article (43) of Law No. (64) of (1999), when applying to non-Kuwaiti citizens, it is limited to:1- Works of non-Kuwaiti that are published for the first time in Kuwait. 2- Works of Arab authors citizens of the countries of the Arab Agreement for the Protection of Author's Rights, provided that their works are published in any of those countries. 3- Works of authors citizens of states of the World Intellectual Property Organization, provided that their works are published for the first time in one of those states. •The period of copyright protection is as follows:50 years from the death of the author, and if it is a joint work, from the last surviving author. 50 years from the end of the calendar year of publication for the following: (a) Works published under a pseudonym or anonymously, (b) Works in which the owner of the copyright is a legal personality, (c) cinematic and photographic works; and (d) works published for the first time after the author's death. 50 years from the end of the calendar year in which the performance or recording took place, where applicable. 20 years form the end of the calendar year in which the broadcast of a program occurred, where applicable. These periods are defined in Article (17) of Law No. (64) of (1999).
Kazakhstan	•Kazakhstan is the 6th largest country around the world in terms of mineral resources. 99 elements discovered, 70 elements explored, 60 are being recovered and used in Kazakhstan's soil out of 110 elements of D.I.Mendeleyev's periodic table, they are: oil, gas, uranium, zinc, tungsten, barium, silver, lead, chrome, copper, fluorites, molybdenum, and gold. Mineral and resources base of the Republic of Kazakhstan consists of 5,004 fields, estimated cost is around USD 46 trillion. •Investors shall have the right to invest into any items and types of entrepreneurial activities, except for the cases, which are directly provided for by legislative acts of the Republic of Kazakhstan. The legislative acts may determine activities and/or territories in respect of which investments shall be either limited or prohibited, as may be required by the necessity of protection of the national security. •An investor shall be entitled to the full and unconditional protection of the rights and interests, which protection shall be backed by the Constitution of the Republic of Kazakhstan, this Law and other normative legal acts of the Republic, as well as by international treaties ratified by the Republic of Kazakhstan. An investor shall have the right to be reimbursed for damages caused to such investor as a result of the enactment by a state body of an act conflicting with legislative acts of the Republic of Kazakhstan or as a result of an illegal action (a failure to act) of officials of such body, pursuant to civil legislation of the Republic of Kazakhstan. •The Republic of Kazakhstan shall guarantee the stability of the conditions of contracts entered into between the investors and state bodies of the Republic of Kazakhstan, except for the cases when changes to the contracts are made by agreement of the parties. These guarantees shall not apply to: 1) changes in the Legislation of the Republic of Kazakhstan and/or coming into force of, and /or changes to the international treaties of the Republic of Kazakhstan, which change the procedure and conditions of import, manufacture, sale of the excisable goods; 2) changes and supplements which are introduced to the legislative acts of the Republic of Kazakhstan in order to provide for national and ecological security, healthcare and morality. •Investors shall have the right: 1. to use income derived from their activities at their sole discretion after payment of taxes and other mandatory payments to the budget in accordance with the legislation of the Republic of Kazakhstan; 2. to open accounts with banks on the territory of the Republic of Kazakhstan in the national currency and (or) foreign currency in accordance with the banking and

	currency legislation of the Republic of Kazakhstan. •Investment disputes shall be resolved through negotiations, including with involvement of experts, or in accordance with the procedure for resolution of disputes agreed by parties in advance. In the case of the impossibility of resolution of investment disputes in accordance with the provisions of paragraph 1 of this Article, the settlement of disputes shall be carried out in accordance with international treaties and legislative acts of the Republic of Kazakhstan in courts of the Republic of Kazakhstan, as well as by means of international arbitration agreed by the parties. Disputes, which do not pertain to the category of investment disputes, shall be resolved in accordance with the legislation of the Republic of Kazakhstan. •If a foreign state or a state body authorised thereby makes a payment in favour of an investor under the guarantee (under insurance contract) which was granted to him in respect of investments carried out on the territory of the Republic of Kazakhstan, and such foreign state or the state body authorised thereby are assigned the rights (assigned the rights of claim) of the investor with respect to the mentioned investments, then in the Republic of Kazakhstan such assignment of rights (assignment of a right to claim) shall be recognized as lawful only in the case of the performance by the investor of investments in the Republic of Kazakhstan and (or) the fulfilment by the investor of his specified contractual obligations.
Kyrgyz Republic	•Thus, under the legislation of the Kyrgyz Republic, (13) foreign investors enjoy the national treatment applied to individuals and legal entities of this country. Legislation provides for a broad scope of rights and guarantees to foreign investors, including guarantees of export and repatriation of investment, property, and information out of the Kyrgyz Republic, guarantees of protection against investment expropriation and coverage of losses incurred by investors, guarantees of income use and freedom of monetary transactions, and others. •The Kyrgyz Republic has entered into a number of bilateral treaties on mutual support, encouragement and protection of investment. Such treaties have been signed with Turkey (1996) (14), China (1995), the United States (1992), France (1997), Armenia (1995), the United Kingdom (1998), Iran (2005), Kazakhstan (2005), Azerbaijan (1997), Germany (1998), India (2000), Switzerland (2003), Belarus (2001), Mongolia (2007), Tajikistan (2001), Sweden (2003), Moldova (2004), and Finland (2004). The Government of the Kyrgyz Republic has approved draft agreements on mutual support, encouragement and protection of investment with the Czech Republic (15), Korea (16) and the Netherlands (17). Similar agreements with Japan, Austria, Singapore, and Canada are currently planned (18). •The Ministry of Economic Development and Commerce of the Kyrgyz Republic is the authorized executive body responsible for development of national investment policy. It drafts and implements a cohesive national policy that covers economic development, foreign trade and economic activities, encouraging investment, technical regulation, support and development of entrepreneurship, and the development of free economic zones. •Subject to its legislation (19) the Kyrgyz Republic provides the following guarantees to foreign investors: o National treatment of business activities, equal investment rights of domestic and foreign investors, no intervention into the business activities of investors, protection and restitution of infringed rights of investors in accordance with the legislation of the Kyrgyz Republic and international treaties;

	o Export or repatriation of profit gained on investment, proceeds of investment activities in the Kyrgyz Republic, property, and information, out of the Kyrgyz Republic; o Protection against expropriation (nationalization, requisition, or other equivalent measures, including action or omission on the part of authorized government bodies of the Kyrgyz Republic that has resulted in seizure of investor's funds or investor's deprivation of the possibility to use the results of their investment). In exceptional cases involving public interest, investments may be expropriated with concurrent state guarantees of appropriate coverage of damage incurred by the investor; o The investor's right to freely use the income derived from their activities in the Kyrgyz Republic; The freedom to invest in any form into objects and activities not prohibited by legislation of the Kyrgyz Republic, including the activities subject to licensing; o Freedom of monetary transactions (free conversion of currency, unbound and unrestricted money transfers; should provisions restricting money transfers in foreign currency be introduced into legislation of the Kyrgyz Republic, these provisions will not apply to foreign investors, with the exception of cases where investors engage in illegitimate activities (such as money laundering); Free access to open-source information; o The right to: establish legal entities of any organizational and legal form provided by legislation of the Kyrgyz Republic; open branches and representative offices within the territory of the Kyrgyz Republic; select any organizational and managerial structure for the business entities, unless a different structure is explicitly required by law for the given organizational and legal form of a business entity; acquire property (with the exception of land plots), shares, other securities, including governmental securities; participate in privatization of state property, establish associations and other unions; hire local and foreign employees subject to legislation of the Kyrgyz Republic; and engage in other investment activities not prohibited by legislation in the Kyrgyz Republic o Recognition by public authorities and officials of the Kyrgyz Republic of all intellectual property rights of foreign investors; Freedom for the investor to choose within 10 years from the beginning of the investment activity (or within the term provided by the respective investment agreement) conditions most favorable for the investor, should investment, tax, customs legislation of the Kyrgyz Republic (with the exception of the Constitution of the Kyrgyz Republic, laws related to national security, health care, and environment protection) be amended; Other guarantees specifically provided in bilateral and multilateral international treaties on the promotion and protection of investment, to which the Kyrgyz Republic is a party. •Under legislation of the Kyrgyz Republic (20), investment dispute parties may agree on any judicial institution to settle their dispute; these institutions may include third-party courts located within or outside the Kyrgyz Republic, domestic or international arbitration. Should an agreement thereupon not be reached, the dispute is subject to settlement by the judicial bodies of the Kyrgyz Republic. Wherever possible, investment disputes shall be settled by consultation between the parties. Should the parties fail to amicably settle their dispute within three months of the date of the first written request for such consultation, any investment dispute between an investor and public authorities of the Kyrgyz Republic will be subject to settlement by the judicial bodies of the Kyrgyz Republic. Any of the parties may initiate a settlement by recourse to: o The International Centre for Settlement of Investment Disputes under the Convention on the Settlement of Investment Disputes

	between States and Nationals of Other States or procedures regulating use of additional means for the Centre's Secretariat hearing) (21); o Arbitration or a provisional international arbitration tribunal (commercial court) established under the arbitration procedures of the UN Commission for International Trade Law (UNCITRAL). •The International Court of Arbitration under the Chamber of Commerce and Industry (ICA CCI) has been active in the Kyrgyz Republic since its establishment in 2003. The goal of the ICA CCI is to render support to individuals and legal entities interested in out-of-court settlement of their disputes that arise from civil law relations, such as foreign trade and other international business relations, including investment disputes, on condition that a third party agreement (arbitration clause) empowers the ICA CCI for this.
Lebanon	•Lebanon is a country that, by tradition, remains open to foreign direct investment. Over the last seven years, the Government of Lebanon (GoL) has passed several laws and decrees to encourage such investment. The Investment Development Authority of Lebanon (IDAL) possesses the authority to award licenses and permits for new investments in specific sectors. IDAL also has the authority to grant special incentives, exemptions, and facilities to large projects, whether implemented by local or foreign investors. IDAL's Export-Plus program provides subsidies to encourage agricultural exports, and IDAL's "Investors Matching Service" facilitates the creation of strategic international-local partnerships through joint ventures, equity participation, acquisition, and other vehicles. IDAL continues to work on setting up its Investor Support and Information Center (ISIC), a data bank that will provide comprehensive, reliable, and up-to-date investment-related information to prospective investors. •Lebanon has many investment-enabling strengths that have encouraged foreign companies to set up offices in the country. Lebanon's key advantages include a free-market economy, the absence of controls on the movement of capital and foreign exchange, a highly-educated labor force, good quality of life, and limited restrictions on investors. •All non-Lebanese persons, whether legal or natural persons, and Lebanese legal persons considered by the Law as non-Lebanese as defined by Article 2 (at least one share owned by a non-Lebanese), willing to acquire any real estate right on the Lebanese territory are required to obtain a license granted by decree from the Council of Ministers upon proposal of the Minister of Finance. • Lebanese law does not differentiate between local and foreign investors, except in land acquisition (see property section below). Foreign investors can generally establish a Lebanese company, participate in a joint venture, or establish a local branch or subsidiary of their company without difficulty. Specific requirements apply for holding and offshore companies, real estate, insurance, media (television and newspapers), and banking. The law imposes no performance requirements on investments. There are no requirements on foreign investors regarding geographic location, amount of local content, import substitution, export expansion, technology transfer, offset requirements, or source of financing. Investors are not required to disclose proprietary information as part of the regulatory approval process, except in the case of banks, which must obtain the Bank of Lebanon's approval for transfer of ownership. •Foreign investors enjoy the same incentives as local investors. Foreigners doing business in Lebanon through a company, factory, or office must have work and residency permits. There are no discriminatory or excessively onerous visa, residence, or work permit requirements. Registration with a chamber of commerce is required for the import and handling of a limited number of products that are subject to control requirements for safety reasons, but products with special import requirements constitute less than one percent of

	total tradable goods. Registration at the chambers of commerce is required for ensuring that established facilities meet safety, handling, and storage requirements. •The Investment Law divides Lebanon into three investment zones, with different incentives provided in each zone, and it encourages investments in the fields of technology, information, telecommunications and media, tourism, industry, and agriculture and agro-industry. Incentives include facilitating issuance of permits for foreign labor, tax incentives ranging from a 50 percent tax reduction for five years on income tax and tax on the distribution of dividends to total exemption of these taxes for ten years starting from the date of operation (tied to the issuance of the first invoice), and exempting companies that list 40 percent of their shares on the Beirut Stock Exchange from income tax for two years. The Investment Law also allows for the introduction of tailor-made incentives through package deals for large investments projects, regardless of the project's location, including tax exemptions for up to 10 years, reductions on construction and work permit fees, and a total exemption on land registration fees. IDAL may exempt joint-stock companies that benefit from package deal incentives from the obligation of having a majority of their board of directors be Lebanese (Law No. 771, dated November 2006). •Domestic and foreign investors may benefit from a five to seven percent subsidy on interest on loans amounting to up to $10 million provided by banks, financial institutions, and leasing companies to industrial, agricultural, tourism, and information technology establishments. The subsidy extends for a maximum of seven years. Investors can also benefit from loan guarantees from Kafalat, a semi private financial institution that assists small and medium-sized enterprises (SME) in accessing subsidized commercial bank loans. •Domestic and foreign investors may also benefit from new regulations issued by the Bank of Lebanon in the summer 2009 and valid until June 30, 2011, exempting commercial banks from obligatory reserves on Lebanese Lira and U.S. dollar deposits against new loans for housing, education, and environmentally friendly projects. This change enables banks to grant loans at lower interest rates, and in the fall 2010, the Bank of Lebanon expanded this circular to help lending for all projects that save energy. •Disputes between the Authority and an investor resulting from the incentive package deal contract shall be solved amicably. In the absence of an amicable solution, arbitration shall be sought in Lebanon or in any other international arbitration center, provided that this is determined in advance when applying to subject the project to the provisions of the Law and provided that the request meets the approval of the Board of Directors and is endorsed by the tutorship authority (The Prime Minister). The rules and regulations governing arbitration shall be determined by a decree issued by the Council of ministers based on proposal of the Prime Minister. •In accordance with the private-investments-oriented government policy, Law No 360, dated August 16, 2001, the Lebanese territory was divided into three investment zones. Potential investors may submit their a projects to the Investment Development Authority of Lebanon (IDAL) in order to benefit from Incentives set forth as part of the ”One stop Shop” initiative. The aforementioned Investment Law No 360/2001 grants the investor the option to submit a “one stop shop” project, or a package deal, (www.idal.com.lb) which is an agreement signed on their behalf with IDAL, in order to benefit from the greatest extent of incentives :Maximum incentives granted by the package deal; Income & dividends taxes fully exempted for 10 years; IDAL will issue all work permits; Reduction of work and residence permit fees up to a maximum of 50; Housing bank shall be reduced by ½; Reduction up to a maximum of 50% of construction permit fees; Full exemption from land registration fees and from fees levied for annexation, sub-division, mortgage, and registration of lease contracts at the Real Estate Register, conditional on launching the project within 5 years as of the date of lot

	registration. •Lebanon signed the Euro-Mediterranean Partnership agreement in 2002, and the interim agreement entered into force in March 2003. The final agreement came into force in April 2006. In 2004, Lebanon and the European Free Trade Association (EFTA) signed a free trade agreement. . In November 2010, Lebanon and Turkey signed an association agreement establishing a free trade area that will reduce barriers to the free movement of goods, services, capital, and people between the two countries over the next ten years. Lebanon has also signed the Greater Arab Free Trade Agreement, which gradually replaced the bilateral tree trade agreements signed with Egypt, Iraq, Kuwait, Syria, the UAE, and the Gulf Cooperation Council states. A regional Economic and Trade Association Council between Lebanon, Syria, Jordan, and Turkey was announced in July 2010. .Lebanon has also signed bilateral investment agreements with the following countries (in alphabetical order): Armenia, Austria, Azerbaijan, Bahrain, Belarus, Belgium/Luxemburg, Benin, Bulgaria, Canada, Chad, Chile, China, Cuba, Cyprus, Czech Republic, Egypt, Finland, France, Gabon, Germany, Greece, Guinea, Hungary, Iceland, Iran, Italy, Jordan, Kuwait, Malaysia, Mauritania, Morocco, Netherlands, Oman, Pakistan, Qatar, Romania, Russia, Slovakia, South Korea, Spain, Sudan, Sweden, Switzerland, Syria, Tunisia, Turkey, Ukraine, the United Arab Emirate, the United Kingdom, and Yemen
Libya	•Through Law No. 5 (1997), "Encouragement of Investment Decision," the government attempted to diversify its hydrocarbons-dependent economy, encourage technical training of Libyan nationals and enhance regional development. Sectors targeted under this law include - but are not limited to - agriculture, industry, tourism, services and health. The provisions of Law No. 5 attempt to lower the tax and customs fee burden on qualifying companies. Imported machinery, tools, and other capital equipment are exempt from all customs duties and taxes; any equipment, spare parts, or primary materials needed for the project operation are exempt for a period of five years; the affected project is exempt from income tax on its activities for a period of five years from the date of the commencement of production or work; goods directed for export are exempt from excise tax and from the fees and taxes imposed on exports; stamp duty tax on commercial documents are exempt; and finally, profits from the project will enjoy the same exemption if reinvested. A 2006 GPC amendment to Law No. 5 lowered a 50 Libyan Dinar (LD) million floor on investments qualifying under the law to LD 5 million (LD 2 million if 50% or more of the project is owned by Libyans). •Laws and regulations on investment and property ownership allow domestic and foreign entities to establish business enterprises and engage in remunerative activities. However, the regulatory and legal environment is complex, and there is a systemic bias which favors government sector companies and Libyan firms over foreign entities. Foreign companies have several options for operating in Libya, including the establishment of joint ventures/joint stock companies, representative offices or to enter Libya under the terms of Law No.5.However, foreign investors are increasingly being TRIPOLI 00000131 005.2 OF 009 encouraged to form joint ventures with Libyan entities in accordance with Law 443 of 2006. In practical terms, this has restricted the terms of foreign entry into the market. •Foreign firms are subject to special taxation arrangements, including the Stamp Tax, which places a special tax of 0.5-3 percent on the value of items procured by foreign firms in Libya and the Jihad Tax, which applies a 4 percent tax on corporate profits. Corporate tax rates are subject to interpretation, and are often a matter of negotiation between the company and Libyan tax authorities, particularly for larger companies/projects. Law No. 5 (1997) does provide some tax benefits for companies conducting work in Libya that falls under its terms, but requirements to receive these benefits are not clearly defined in the law. Furthermore, several standard forms of tax relief are not provided, resulting in high withholding and income taxes.

	•Under the terms of Investment Law No. 5 (1997), approved projects receive a 5 year corporate income tax holiday (eligible for possible 3 year extension), exemption from corporate taxes and stamp tax on legal documents, exemption from customs duties and taxes on imports on project materials (5 years), and exemption from excise taxes for exported goods derived from the project. These incentives are only available for projects approved by the LFIB for implementation under Law No.5.They do not apply for projects disapproved by the LFIB or foreign and domestic investors implementing projects outside of Law No. 5 (joint stock companies, Libyan agents, etc). Foreign firms and individuals generally have a more difficult time than Libyan nationals accessing credit from Libyan banks. •Investment Opportunities are: Very low energy costs; Strategic location (linking Africa with the world); Exemption from custom duties and tax on reinvested earnings; Free repatriation of earned profits; Free transfer of capital between countries; New and liberal social laws; Opportunities to invest in the Free Trade Zones; Ownership of property & project ownership transfer; Guarantees against nationalization; Advise, support and assistance. •The Libyan court system consists of three levels: the courts of first instance; the courts of appeal (also known as the courts of cassation); and the Supreme Court, which is the final appellate level. The GPC appoints justices to the Supreme Court. Special "revolutionary courts" may operate outside the court system to try political offenses and crimes against the state. "People's courts," another example of extrajudicial authority, were abolished in January 2005. A decree providing for state security courts was propagated in late 2007, and security courts were established in spring 2008. Matters related to personal law in Libya's justice system are nominally based on Sharia law. Other issues, including the commercial code, are largely based on Italian law, much of which dates to the 1950's. •Libya has concluded a number of bilateral economic cooperation agreements with EU member states, and with Turkey, Tunisia, France, Italy, Kenya, Singapore and others. The terms of these agreements vary, ranging from MOUs with no binding aspects to more substantial agreements that grant "most favored nation" trade benefits and joint investment funds. Libya has concluded a number of tax treaties, including a new agreement with the UK in late 2007.
Malaysia	•Malaysia maintains a liberal and open investment regime. All industries in the manufacturing sector are open to foreign investment. There are a few exceptions, i.e. where approval for manufacturing license may not be granted for reasons of excess capacity, raw material shortage, public safety, health and national security. •In Malaysia, tax incentives, both direct and indirect, are provided for in the Promotion of Investments Act 1986, Income Tax Act 1967, Customs Act 1967, Sales Tax Act 1972, Excise Act 1976 and Free Zones Act 1990. These legislations cover investments in the manufacturing, agriculture, tourism (including hotel) and approved services sectors, including R&D, training and environmental protection activities. •Free Zones Act, 1990 enables companies operating in the zones to enjoy minimum customs formalities and duty-free imports of raw materials, component parts, machinery and equipment used directly in the manufacturing process, as well as minimal formalities in the export of their finished products. •Patents Act, 1983 and Patents Regulation, 1996 provides for inventions to be patented if it is new, involves an inventive step and is industrially applicable. The Act provides patent protection for a period of twenty years from the date of filing of an application. For

	utility innovation, the utility innovation certificate is given for an initial duration of ten years protection from the date of filing an application. •Trade Marks Act, 1976, and Trade Marks Regulations, 1997 provides for adequate protection for registered trade marks and service marks. The period of protection is 10 years, which is renewable for a period of every 10 years thereafter. Effective from 17 June 2003, foreign investors can hold 100% equity in all new investments, as well as investments in expansion/diversification projects by existing companies, irrespective of the level of exports. •In order to provide greater flexibility on foreign equity participation, and further enhance Malaysia's competitiveness in attracting FDI, Malaysia has revised the FIC guidelines on mergers, acquisition and takeovers effective 21 May 2003 which includes: (i) For acquisitions by Malaysian and foreign interests, the only equity condition imposed will be Bumiputera equity at least 30 per cent. In the case of acquisitions by foreign interests, the remaining equity can be held either by local interest, foreign interests or jointly by foreign and Malaysian interests. (ii) The threshold level for acquisitions by foreign and Malaysian interests which is exempted from FIC approval has been raised from RM5 million to RM10 million. Acquisition and control by foreign interests below the RM10 million threshold are not subject to FIC rules subject to the proviso that any proposed acquisition does not amount to more than 15 per cent by any one foreign interest or associated group or in the aggregate more than 30 per cent of the equity/voting power of a Malaysian company or business. (iii) In line with the liberalisation, foreign interests are allowed to acquire properties exceeding RM150,000 per unit with no limit on the number of properties acquired. The current corporate tax rate is 28%. However, a company granted Pioneer Status will enjoy partial exemption from the payment of income tax. It will only have to pay income tax (i.e. 28%) on 30% of its statutory income. The period of tax exemption is five years, commencing from the production day. • As an added incentive to encourage companies to locate in promoted areas in Malaysia, companies located in the states of Sabah, Sarawak and the Federal Territory of Labuan+ and the designated 'Eastern Corridor'++ of Peninsular Malaysia, will only have to pay tax on 15% of their statutory income during the tax exemption period of five years. This additional incentive is applicable for all applications received by 31 December 2005. • In order to promote certain targeted investment e.g. strategic projects, high tech industries, R&D activities, projects to strengthen industrial linkages, and multimedia industries, full income tax exemption for a period of 5 to 10 years is available. •A Non-resident Controlled Company (NRCC) in Malaysia is freely permitted to obtain from domestic sources: (i) Credit facilities of up to RM 50 million in aggregate per corporate group or on a single entity basis; (ii) Any amount of forward foreign exchange contracts for trade purposes, performance guarantees and short-term trade financing facilities; and (iii) Any amount of guarantees to secure the repayment of offshore borrowings, subject to the registration and submission of information on the guarantees to the Controller of Foreign Exchange (the Controller) for each guarantee which has values above the equivalent of RM5.0 million. •Financial institutions are freely allowed to open accounts in ringgit known as External Accounts for non-residents without any limit. There is no restriction on the operation of the ringgit accounts of nonresidents working in Malaysia, embassies, consulates, high commissions, supranational or international organizations recognized by the Malaysian Government. There are no restrictions for non-residents to repatriate their investment, including capital, profits, dividends, rental and interest.

Maldives	•In Maldives, foreign investors are offered a transparent policy environment. The law on foreign investments (Law 25/79) guarantees the security of investments. In addition, the liberal trade environment, dynamic private sector and development-oriented legal structure all contribute to a conducive climate for trade and investment. •Investment opportunities range from investment affiliated with the tourism industry, such as development of air and sea transport or direct investment in tourism itself and marine based industries such as reef fish processing, aquaculture/marine culture and production of value-added fish and marine based products. •Foreign investments, irrespective of their size, are encouraged to enter and operate in the Maldives. However, small investors are encouraged to form joint ventures with Maldivian nationals or companies registered in the Maldives. For large investments where the size of the investment is in excess of 5 million United States dollars, there is no restriction on the ownership of the investing company, and may therefore choose to operate as wholly-owned foreign investments . •An investment made in the Republic of Maldives will be permitted to carry on operations and activities for the full term of the agreement if there is compliance with the Law on Foreign Investments in the Republic of Maldives. And such investments will be duly facilitated by the Government of the Republic of Maldives. The Government of the Republic of Maldives may, without giving any notice or after giving such notice that it deems necessary, suspend an investment before the expiry of the period under the agreement, either where the Foreign Investor indulges in an activity detrimental to the security of the country of where such temporary closure is necessary in the opinion of the Government of the Republic of Maldives in the interests of national security. •All foreign nationals investing in tourism shall sign an agreement with the Ministry of Tourism. Similarly those investing in all other sectors shall sign an agreement with the Ministry of Trade and Industries. This agreement in respect of the investment shall set out the terms and conditions and the manner of implementation of the investment scheme and programme. •All parties wishing to conduct duty free business shall register with the Ministry and shall, before commencing their operations, obtain from the Ministry the “Licence to Sell Duty Free Goods” in respect of each duty free shop. The Licence shall be issued only to a party holding an effective lease of a shop space within a Duty Free Area. The Licence shall be valid for the duration of the lease of the shop space in respect of which it is issued. Renewal of the Licence shall be subject to the extension of the lease period of the shop space. •Foreign Investors may choose either of the following business arrangements when investing in the Maldives: Joint ventures with local partners; Wholly owned foreign investments. Incentives offered are· Exemption of import duty on raw material; Right to 100% foreign ownership; Legally backed investment guarantee; Overseas arbitration of disputes; Freedom to repatriate profits and capital proceeds; Long term lease of land for large scale projects; Freedom to use foreign managerial, technical and unskilled workers; No exchange restrictions.
Mali	•The Malian Government encourages foreign investment. It treats domestic and foreign direct investment equally. In the framework of past and ongoing structural adjustment programs, the investment, mining, commerce and labor codes encourage investment and seek to attract foreign investors in particular. Following the CFA franc devaluation in January 1994, the Malian Government instituted policies promoting direct investment and export-oriented businesses. Mali guarantees the repatriation of capital and profit.

	•Foreign investors can own 100 percent of any businesses they create. They can also purchase shares in parastatal companies being privatized or in other local companies. Foreign companies may also start joint-venture operations with Malian enterprises. Foreign investors go through the same screening process as domestic investors. All investors go through the "guichet unique" (one-stop procedure) to have a business application processed. Criteria for granting authorization under the investment code include the size of capital investment, the potential for value-added, and the level of job creation. Environmental concerns are also considered. •There are no limits on the inflow or outflow of funds for remittances of profits, debt service, capital, capital gains, etc. In the CFA zone there is no restriction on the export of capital provided that adequate documentation to support a transaction is presented. Most commercial banks have direct investments in western capital markets. Central bank rules require that all remittances go through its channels, with supporting commercial documents required. Exceptions are occasionally made, as in one case where the Government allowed a foreign mining company to have an offshore bank account. No physical transfer of funds is authorized outside the borders of the CFA zone. It takes less than a week (usually three working days) to remit funds abroad. Several foreign companies interviewed noted that they had encountered no problems in processing remittances. •Because most businesses are located in the capital city, the investment code encourages the establishment of new businesses in other areas. Incentives include: (i) income tax exemptions for five to eight year periods; (ii) reduced-price energy; and (iii) and installation of electric power lines to areas lacking energy. The Government has identified priority sectors for furthering economic development. Special incentives are offered for investment in the following areas: agribusiness, fish and fish processing, livestock and forestry, mining and metallurgical industries, water and energy production industries, tourism and hotel industries, communication, housing development, transportation, human and animal health promotion enterprises, vocational and technical training enterprises, cultural promotion enterprises. •Property rights are protected. The "Direction Nationale des Industries" through its "Division Protection de la Propriete Intellectualle" is the Government agency which implements the legal system of protection, including the WTO Trips Agreement. This division works with international agencies recognized by UNIDO, which are concerned with these issues. Patents, copyrights, trademarks, etc. are covered. •Corporate profits tax rates vary according to the kind of activity in which the enterprise is engaged. Limited liability companies are subject to a 35 percent tax rate. Partnerships and other enterprises are subject to a profit tax of 15 percent. The minimum corporate tax is .75 percent of turnover. In some situations, a deduction of 50 percent of investment expenditure may be granted. Agricultural enterprises are subject to a 10 percent tax on profit, with new enterprises exempt from tax for the first five years of operation. In addition to these base tax rates, an additional tax is imposed on these enterprises ranging from eight percent (for incomes between CFA 25,001-100,000) to 50 percent (for income over CFA 2,000,000). Employers are usually taxed 7.5 percent on their wage bill. However, wages paid to university graduates for the first three years of employment are exempt. The standard withholding tax on interest and dividends is 18 percent, with special rates for lots paid to bond-bearers (25 percent) and for savings account interest, resident company interest-bearing bonds and dividends payments during the first 42 months of operation (nine percent). •Foreign investors can own 100 percent of any businesses they create. They can also purchase shares in parasternal companies being privatized or in other local companies. Foreign companies may also start joint-venture operations with Malian enterprises. Foreign

	investors go through the same screening process as domestic investors. All investors go through the "guichet unique" (one-stop procedure) to have a business application processed. Criteria for granting authorization under the investment code include the size of capital investment, the potential for value-added, and the level of job creation. Environmental concerns are also considered.
Mauritania	•The principle of freedom of entry and exit is guaranteed under Act 64-169 (15 December 1964) relating to the immigration system in Mauritania. Thus far, there have been no specific restrictions on any category of foreigner. Foreign economic operators wishing to invest in Mauritania must create their company or strike a partnership with established firms in Mauritania. •There is nothing in Mauritanian law to prevent foreign investors from acquiring real estate property. The State may make concessions for national and foreign investors buying property for professional purposes. Investors must apply to the Minister of Finance through the Direction des Domaines. investors are free to set their own recruitment policies and hire their employees, providing they respect the standards established in labour law. •Legislation expressly grants investors the right to recruit expatriates. This also applies to production and marketing policy. Clients and suppliers have freedom of choice and there is freedom of pricing. These prerogatives of the market economy apply to any type of investor and all companies are free to import whatever they need to conduct their business in Mauritania. •The protection of person and property is recognized and guaranteed by the constitution (articles 13, 15 and 21). Right of ownership is a general prerogative that applies to various properties in Mauritania. For the purposes of acquiring private property, foreigners and nationals are equal in the eyes of the law in Mauritania. Consequently, any individual or corporation may freely acquire or transfer personal or immoveable property, irrespective of nationality. •The new investment code provides several dispute resolution options, depending on the origin of the parties involved (section 7). Section 7.1 sets out two dispute resolution mechanisms. First, section 7.1 provides for settlement of disputes resulting from interpretation or application of the code by arbitration and conciliation under domestic law or by referral to the appropriate Mauritanian courts, in accordance with the law. This solution assumes that parties are free to choose one of the set mechanisms. This is a general rule that applies only to a national person or body corporate. Second, section 7.2 provides that only the arbitration/ conciliation mechanism can apply to a foreign person or body corporate that is party to a dispute stemming from interpretation or application of the investment code (section 7.2). •There are three international provisions that provide for arbitration. Parties may choose to refer to investment protection agreements or treaties between Mauritania and the State of which the natural person or body corporate is a national. Mauritania is a signatory to several conventions respecting dispute settlement and arbitration, such as the League of Arab States (10 June 1974) and the Arab Maghreb Union (23 July 1990) agreements. Alternatively, parties may be covered by the International Centre for Settlement of Investment Disputes (ICSID) Convention in 1965 if they are nationals of signatory States. And, finally, the third option allows parties to resolve their dispute by creating an ad hoc tribunal in accordance with the rules of UNCITRAL, the United Nations Commission on International Trade Law. Further, for the purposes of exequatur, Mauritania is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards signed in New York on 10 June 1958 and ratified by Act 97-011 on 22 January 1997.

	•Investment legislation provides an exemption from the restrictive legislation governing labour and social security. Thus, investors can recruit up to four expatriates without having to apply for authorization or a work permit, which are usually mandatory when hiring foreigners in Mauritania. Recruitment requires the approval of the minister of labour. Applicants must receive the minister's decision within two weeks. In some cases, foreign workers are covered by a foreign social security plan, which exempts the employer from paying social security charges in Mauritania. •The State initiated a direct taxation reform policy which helped to gradually reduce the tax on business profit. The tax rate actually dropped from 40% in 2000 to 20% today.
Morocco	•The Moroccan government actively encourages foreign investment and has made a number of regulatory changes designed to improve the investment climate in recent years. Morocco welcomes foreign participation in its privatization program, and does not pre-screen or select foreign investment projects. •On 3 October 1995, the Chamber of Representatives adopted the framework law making up the Investment Charter to replace the nine investment laws in force until that time. The objectives of the Charter include: (1) A reduction in the tax on the capital goods required for investment; (2) The implementation of a preferential system favouring regional development; (3) The promotion of money markets; (4) The promotion of employment; (5) The promotion of exports; (6) A reduction in investment costs; and (7) The protection of the environment. •The 1995 Investment Charter outlines a highly liberalised environment for foreign investors. In most sectors foreign investment is permitted. As of September 1, 2004, funds held by non-resident foreign individuals in term convertible dirham accounts were allowed to be transferred without restriction no later than March 31, 2005. Morocco has accepted its status under IMF Article VIII on January 21, 1993. Following Morocco?s application to adhere the OECD Declaration on International Investment and Multinationals Enterprises, a negative investment list has been submitted to the OECD in 2007. •In Morocco, there are no controls on transfers made directly through the banking system of the proceeds of the liquidation or sale of foreign investment, including capital gains, when such investment is governed by the convertibility arrangement (financing by sale of foreign exchange or other comparable methods). For the liquidation of any investment not falling under this category, the relevant proceeds must be deposited in a convertible time deposit account denominated in dirhams.109 The holders of this account can sell them to foreign resident or non-resident nationals. Profits and investment incomes can be transferred regardless of the means of financing. The original holders of the term convertible accounts as well as new purchasers including Moroccans residing abroad can use these accounts for any expenditure in dirhams in Morocco without limitation. •In Morocco, foreign nationals may purchase real estate, except farmland, with funds from foreign exchange accounts.114 This acquisitioned should be financed by the sale of foreign exchange on the exchange market or comparable methods with funds from foreign exchange or a convertible dirhams account. Farmland may be leased for a period up to 99 years and permission can also be given for foreigners to buy farmland in order to use it for purposes (e.g. tourism) other than agriculture.

	•Exporting companies are fully exempt from corporate income tax for 5 years and then have a 50 per cent tax reduction on profits from exporting.116 Enterprises located in the Tangier Free Trade Zone in Morocco are eligible for exemption from all registration taxes and stamp duty for constitution or augmentation of capital and for land acquisition, are exempt from licence tax for 15 years, are exempt from profits tax for the first 5 years and a reduced tax rate of 8.75 per cent thereafter, and are exempt from VAT on imported goods.117 It is not clear whether these incentives are available on equal terms to domestic and foreign investors. •In Morocco, exporting companies are fully exempt from corporate income tax for 5 years and then have a 50 per cent tax reduction on profits from exporting. In addition to the tax exemptions granted under the common law, Moroccan law provides specific financial, tax and customs advantages to investors, as part of agreements or investment contracts to be concluded with the State, provided that they meet the required criteria. As part of foreign investment promotion efforts, Morocco has ratified international conventions relating to the guarantee and protection of investment. These include agreements on the establishment of : The International Center for Settlement of Investment Disputes "ICSID"; The Multilateral Investment Guarantee Agency "MIGA"; and The Inter-Arab Organization for Investment Guarantee Corporation. •The promotion of foreign investment in Morocco is not only limited to the adherence to international multilateral conventions but extends to the bilateral ones, as part of strengthening relations with key partners. So many treaties, agreements and conventions for the promotion and protection of investments and avoidance of double taxation have been signed throughout the recent decades. The main provisions of these agreements and conventions concern the following aspects; Treatment of permitted investments; Free transfer of capital and income; The non-expropriation of investment, except for public utility reasons and following a court decision (on a nondiscriminatory basis and to pay a prompt and adequate compensation); Disputes with recourse to domestic courts or international arbitration at the choice of the investor. •Morocco has signed agreements with several countries to avoid double taxation with respect to income tax. These agreements establish the list of taxes and income concerned, the rules for mutual administrative assistance and the principle of non-discrimination. The investment charter has set up a regime of convertibility for foreign investment. This scheme allows investors to freely carry out their investment in Morocco and transfer, directly through the banking system, revenues generated by these investments and the proceeds of their sale or liquidation. •Industrial property is an exclusive right that gives its holder the right to enjoy the benefits or use the property concerned. It concerns the following intangible assets; Technical creation: Patents Decorative designs; Designs and Industrial Models Distinctive signs; Trademarks, company names, trade names, appellations of origin and geographical indication.
Mozambique	•The Mozambique Investment Legislation, according to the value, localization and sector of activity provides customs and fiscal benefits to eligible projects, namely Generic Benefits with its: Exemptions on Importation Duties on equipment of class "K" • of the Customs Tariff Schedule (the exemption is extensive to Value Added Tax). Reduction of 50% on the real property transfer tax (SISA) on acquisition of immovable goods for Industry, Agro-industry and Hotels, provided that they are acquired in the first 3 (three) years counting from the investment authorization date.

	•The law generally does not make distinctions based on investor origin. In the past, political risk, corruption, bureaucratic red tape, dilapidated infrastructure, and the relatively small size of the market served as strong deterrents to foreign investment. Since peace in 1992 and the first elections in 1994, the political situation has improved markedly, and the role of Government in the economy has steadily decreased. With much help from donor countries, the massive task of rehabilitating the country's infrastructure has begun to show results. •Policies Access to foreign exchange has been greatly liberalized. Foreign exchange retention accounts are permitted for 100 percent of foreign exchange earnings, without formal justification. These may be used to purchase required imports. Investment registration and repatriation application procedures must be followed to repay foreign loans, and for the repatriation of invested capital, profits, and dividends, in amounts greater than $5000. Application procedures include the presentation of audited accounts. •The judicial system in Mozambique is not effective in resolving commercial disputes. Most disputes among Mozambican parties are settled privately or go unresolved. The business community is still small enough so that a damaged reputation from a commercial dispute or accusation of illegal activity can seriously damage a business. For foreign investors, Mozambique offers recourse to arbitration. In February 1999, the Assembly legally recognized alternative dispute resolution. For disputes between international and domestic companies, the law closely follows the UNCITRAL, the United Nations Commission of International Trade Law model. For domestic arbitration, the law is formulated to cover potentially a wide range of disputes, including non-commercial ones. In addition, Mozambique acceded in mid-1998 to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. CTA, the confederation of Mozambican business associations, is creating a center for Alternative Dispute Resolution in 2000. •Specific performance requirements are built into mining concessions and management contracts, and sometimes into the sale contracts for privatized entities. Investments involving partnerships with the government usually incorporate milestones that must be met for the investor to continue with the project. To encourage direct foreign investment, a variety of tax incentives is available. They vary according to the region of the country and the nature of the investment concerned, but often include a 50 to 80 percent reduction in the industrial contribution and supplemental taxes. Customs exemptions are possible for the importation of capital equipment and raw materials. To qualify, a minimum investment of $50,000 and pre-approval from the Investment Promotion Center are required. Legislation also supports the creation of export processing zones. •Private ownership is protected under the law. Outright ownership of land, however, is not allowed. The government grants land-use concessions for periods of up to 50 years with options to renew. Essentially, land use concessions serve as proxies for land titles, but make it extremely difficult to use land as collateral. the law guarantees the security and legal protection of property rights, including those termed “industrial property rights.” •The law generally does not make distinctions based on investor origin. In the past, political risk, corruption, bureaucratic red tape, dilapidated infrastructure, and the relatively small size of the market served as strong deterrents to foreign investment. Since peace in 1992 and the first elections in 1994, the political situation has improved markedly, and the role of Government in the economy has steadily decreased. With much help from donor countries, the massive task of rehabilitating the country's infrastructure has begun to show results. •Access to foreign exchange has been greatly liberalized. Foreign exchange retention accounts are permitted for 100 percent of foreign

	exchange earnings, without formal justification. These may be used to purchase required imports. Investment registration and repatriation application procedures must be followed to repay foreign loans, and for the repatriation of invested capital, profits, and dividends, in amounts greater than $5000. Application procedures include the presentation of audited accounts. •According to the law, “when deemed absolutely necessary for weighty reasons of national interest or public health and order, the nationalization or expropriation of goods and rights comprised ... shall be entitled to just and equitable compensation.” There has been no significant case of nationalization since the new Constitution in 1990. The government has reacquired a handful of companies that had been privatized, because the conditions of the sales contract had not been fulfilled. These companies are to be re-sold. •Specific performance requirements are built into mining concessions and management contracts, and sometimes into the sale contracts for privatized entities. Investments involving partnerships with the government usually incorporate milestones that must be met for the investor to continue with the project. To encourage direct foreign investment, a variety of tax incentives is available. They vary according to the region of the country and the nature of the investment concerned, but often include a 50 to 80 percent reduction in the industrial contribution and supplemental taxes. Customs exemptions are possible for the importation of capital equipment and raw materials. To qualify, a minimum investment of $50,000 and pre-approval from the Investment Promotion Center are required. Legislation also supports the creation of export processing zones.
Nigeria	•The Nigerian Investment Promotion Commission (“NIPC”) was established under the Nigerian Investment Promotion Commission Act, 1995, which provides that any enterprise in which there is foreign participation must be registered with the NIPC. The NIPC Act permits foreigners to own up to 100% of any business enterprise with the exception of enterprises on the “negative list” of the Act. The negative list includes enterprises involved in the production of and dealing in arms, ammunition, narcotic drugs and psychotropic substances. •The Nigerian Enterprises Promotion (Repeal) Decree No.7 of 1995 has abolished any restrictions, in respect of the limits of foreign share holding, in Nigeria registered/domiciled enterprises. The only enterprises, which are still exempted from free and unrestrained foreign participation, are those involved in: Production of arms and ammunition; and Production of and dealing in narcotic drugs and psychotropic substances. It is a legal requirement that all business enterprises must be registered with the Registrar-General of the Corporate Affairs Commission (Registrar of Companies). It is essential that a foreign investor wishing to set up business operation in Nigeria should take all steps necessary to obtain local incorporation of the Nigerian branch or subsidiary. Business activities may be undertaken in Nigeria as a: Private or Public limited liability company; Unlimited liability company; Company limited by guarantee; Foreign Company (branch or subsidiary of foreign company) Partnership/Firm; Sole Proprietorship; Incorporated trustees; Representative office. Notable amongst the provision relating to investments are the following: (i) A non-Nigerian may invest and participate in the operation of any enterprise in Nigeria; (ii) An enterprise in which foreign participation is permitted, shall after its incorporation or registration, be registered with the NIPC; and (iii) A foreign enterprise may buy the shares of any Nigerian enterprise in any convertible foreign currency. •A foreign investor in an approved enterprise is guaranteed unconditional transferability of funds through an authorised dealer, in freely convertible currency of: (i) Dividends or profit (net of taxes) attributable to the investment; (ii) Payments in respect of loan servicing where a foreign loan has been obtained; and (iii) The remittance of proceeds (net of all taxes) and other obligations in the

	event of sale of liquidation of the enterprise or any interest attributable to the investment. •The Federal Government has made available tax holidays for pioneer companies-those producing for export, establishing new industries or expanding production in sectors vital to the economy. The Government also grants non-tax incentives to non-pioneer firms. In addition, the Government offers a number of general and industry-specific incentives. General incentives are: (i) A debit-conversion programme allows foreign companies to obtain an enhanced exchange rate when they are injecting new equity into a production project that has been approved by the Central Bank of Nigeria (CBN); (ii) Small and medium-scale industries are eligible for loans from the Bank of industry and other development banks; and (iii) The Raw Materials Research and Development Council provides grants for research and development that leads to the greater use of Nigerian raw materials in domestic industry. Agro-industrial ventures benefit from a five-year tax holiday, an agricultural credit scheme guaranteed by the CBN, subsidised fertilisers and zero import duties on raw materials used to make livestock feed. •Where exemption from local incorporation is desired, a foreign company may apply in accordance with Section 56 of the Companies Act, to the National Council of Ministers for exemption from incorporating a local subsidiary if such foreign company belongs to one of the following categories: (i) Foreign companies invited to Nigeria by or with the approval of the Federal Government of Nigeria to execute any specific individual project; (ii) Foreign companies which are in Nigeria for the execution of a specific individual loan project on behalf of a donor country or international organisation; (iii) Foreign government-owned companies engaged solely in export promotion activities; and (iv) Engineering consultants and technical experts engaged in any individual specialist project under contract with any of the governments in the Federation or any of their agencies or with any other body or person, where such contract has been approved by the Federal Government. •The legal authority in Nigeria is the National Office for Technology Acquisition and Promotion (NOTAP). NOTAP is charged with monitoring on a continual basis, transfer of foreign technology. NOTAP implements this measure through registering contracts and agreements dealing with transfer of foreign technology. NOTAP ensures that a foreign investor issues: a license to use trademarks and patented inventions; supply of technical expertise in the form of preparation of plans, diagrams, operating manuals or any other form of technical assistance of any description whatsoever; supply of detailed engineering drawings; supply of machinery and plant and; provision of operating staff or managerial assistance and the training of Nigerian personnel. •Companies income tax rate is 30%. There is an additional education tax of 2% on the income of companies. Withholding tax of 5% is chargeable on unearned income. For foreign investors, the 10% withholding tax on dividends is the final tax on dividends. The top personal income tax rate is 25%. Value added tax (VAT) is chargeable on goods and services at 5%. The Capital Gains Tax rate is 10%, and shares in companies are exempt from capital gains tax. This is a very significant tax relief for investors. Stamp duty is chargeable on various documents at various flat and ad valorem rates, depending on the nature of the instrument, up to a maximum of 2% of the value involved. There are Pay-As-You-Earn income tax regulations, and various social insurance-type contributions are compulsory.
Oman	•In order to do business in Oman, it is necessary for a foreign natural or juridical person to comply with laws governing foreign business activity, which includes Foreign Capital Investment Law [RD 102/94] ("FCIL"), Commercial Register Law [RD 3/74 as amended], Commercial Agencies Law [RD 26/77 as amended], Commercial Companies Law [RD 4/74 as amended] and Law of Commerce [RD 55/90].

	•According to FCIL, foreign companies seeking to do business in Oman are required to form a locally registered company with local equity participation of at least 55%. A foreign capital investment licence is granted by MCI to foreign entities upon satisfying capital and other requirements. The licence permits a foreign company to have shareholding in a local registered company. •Although FCIL restricts foreign ownership in Omani companies to 45%, pursuant to Oman's accession to WTO in 2002, foreign shareholding up to 70% in all sectors is permitted without need for approval from the cabinet or the Council of Ministers. Foreign ownership of 100% is permitted for certain types of businesses in Oman such as brokerage services and for projects which are deemed by the Council of Ministers to contribute to the development of the national economy. The minimum capital requirement for such companies is RO 500,000. •Minimum capital requirements for different types of companies with foreign equity participation are: (i) limited liability companies, RO 150,000 although Oman had committed to abolish this requirement as of January 2001; (ii) closed joint stock company, RO 500,000; and (iii) public joint stock company, RO 2,000,000. There is no restriction on repatriation of foreign funds. There are no foreign exchange controls. The Omani Rial is pegged to the US Dollar at a fixed rate of US $2.59/RO 1. •Incentives for Investing in Oman are (i) Tax exemptions for 5 years (sometimes renewable for a further 5 years) for industrial enterprises which contribute to Oman's economy; (ii) Foreign investors are able to hold 49% of equity, which may be increased in mitigating circumstances; (iii) Concessional financing may be arranged through the Ministry of Commerce and Industry and Oman Development Bank; (iv) A clear and efficient legal network which offers advice on company law, copyright law, arbitration and agency law. (v) A diverse economy which encourages privatisation of infrastructure and services; (vi) Price stability, with an inflation rate of not more than 1% since 1992; (vii) Stable currency with full convertibility; (viii) No personal income tax and no foreign exchanges controls; (x) Tax and import duty exemptions; and (xi) Interest free long-term loans to partly foreign owned industrial and tourism projects. •Foreign business participation in Oman is encouraged, providing the company is established in accordance with the Foreign Business and Investment Law of 1974. Foreign companies are formed thus: As an incorporation of a local company or other commercial entity; As a branch office; As a consultancy; By appointing a commercial agent, ensuring that the company only supplies services and/or goods to be imported into the Sultanate. •Since 1982, foreign investment is prohibited in commercial companies offering trading or services. Agricultural, fishing and construction projects can have 25% foreign investment or 49% if the project is deemed to be necessary to economic development. The Ministry of Commerce and Industry stipulates that a company with foreign investment must have the minimum capital of RO150,000, although this may be reduced to RO30,000 with approval. Companies that are exempt from the above regulations are(i) Those operating solely on a Governmental or public institution contract; (ii) Those carrying out enterprises deemed by the Ministry of Commerce and Industry as economic development projects; (iii) Licensed banks; and (iv) Individuals or companies who are providing professional services, such as architects, lawyers, accountants, engineers and consultants.

Pakistan	•Foreign Investors are permitted to hold 100% of the equity of industrial projects without any permission of the Government. Government sanction is not required for setting up any industry, in terms of field of activity, location, and size, except: Arms and Ammunitions; · High Explosives; Radioactive Substances; Security Printing, Currency and Mint; and Alcoholic beverages or liquors. There is no requirement for obtaining No Objection Certificates (NOC) from the provincial governments for locating the project anywhere in the country except in areas that are notified as negative areas . •Foreign nationals (investors, executives, expatriate employees) having "CBR's Pass Booklet" are allowed duty-free import of food stuffs and other consumable items equivalent to US$1,000 per year per person in Pakistan. However, imports exceeding the above duty free limit of US$1,000 will be allowed on payment of normal import duties. •Pakistan has signed Bilateral Agreements on Promotion and Protection of Investment with **46 countries** . These Agreements provide that: (i) The Contracting Parties shall encourage investments in their respective territories by investors of the other Contracting Parties; (ii) Non-discrimination between local investors and foreign investors; (iii) Equal/non-discriminatory treatment in case of compensation for losses owing to war, other armed conflicts, a state of national emergency; (iv) The free transfer of investments, and income deriving there from including profits, dividends, interest income, proceeds of sales or liquidation, repayments of loans, salaries, wages and other compensation etc.; (v) A dispute settlement mechanism to settle any dispute between the countries with respect to the interpretation of the respective agreement; (vi) A dispute settlement procedure to settle any dispute between a host country and an investor of the other country. •Legal cover for foreign and Pakistani investment will be extended to new areas and sectors. The benefits and incentives for investment provided by the Government shall continue, enforce and will not be reduced or altered to the disadvantage of investors. The Acts like Foreign Private Investment (Promotion and Protection) Act, 1976 and the Furtherance and Protection of Economic Reforms Act, 1992 cover protection of foreign investors / investment in the country.
Palestine	• Palestine, with its strategic location and need for widespread infrastructure development is an untapped emerging market with enormous investment potential. The Palestinian economy is a market-based economy with the private sector playing the leading role. • Investment in Palestine is being encouraged not merely to increase the size of the economy, but also to increase private sector employment, generate income, and improve living standards. A move towards increased per capita prosperity will additionally have the overall effect of potentially stabilizing tensions in the region, if achieved in tandem with a just political settlement. A just peace and prosperity within the West Bank and GazaStrip is not only good for us, but it's good for Israel and the Middle East as a whole. • The Palestinian Authority has created a framework of economic laws to encourage and support foreign and local investment in Palestine. The implementing agency is the Palestinian Investment Promotion Agency (PIPA). These laws were drafted to help protect potential investors from undue risk and to promote the profitability of their investment. The Law on Encouragement of Investment encourages capital investment in all sectors of the Palestinian economy by both local and foreign corporations registered to do business in Palestine. The Palestinian Authority hopes that increased capital investment growth will generate jobs, and help to develop an export-oriented manufacturing base.
Qatar	•Qatar welcomes foreign participation in joint ventures through technology supply, market administration and equity participation. The Government offers several attractive incentives for joint ventures, such as: Natural gas priced at a nominal and subsidised rate;

	Electricity at a very nominal rate; A developed infrastructure; Industrial land at a nominal rent starting at one Qatari Riyal (US$1 = QR 3.64) per square meter per year; (Note : Land rent can differ from the area and also from the public and private sectors).No custom duties on imports of machinery, equipment and spare parts; No export duties; No taxes on corporate profits for pre-determined periods. •In addition to the above, the Government also offers the following incentives: 5-year renewable tax holidays (Based on Government approval); No income tax on salaries of expatriates; No exchange control regulations - the Qatari Riyal is freely convertible at a parity of $1=Qatari Riyals 3.64, a rate of exchange which has been stable for two decades; Excellent medical and educational facilities; Easy access to world markets with first class air and sea connections; Excellent telecommunications facilities; Liberal immigration and employment rules to enable import of skilled and unskilled labour. •The Foreign Investment Law was approved in October 2000. The law allows foreigners to own up to 100% share in certain projects. There are no restrictions on foreign investors using their own funds to participate in Qatari businesses. If a foreign investor's own funds are insufficient to finance the business, the investor may approach a Qatari, GCC, or indeed any bank for finance. Bank financing in Qatar is granted on normal commercial terms. •The foreign investor may transfer the ownership of his investment to another foreign or domestic investor or even relinquish his investment in favor of his domestic partner in case of partnership, provided that this transfer is made in accordance with the laws and procedures in force. In these cases, the investment will still be governed by the provisions of this Law, provided that the new investor continues to operate the investment, and that he succeeds the former investor with respect to rights and obligations. Foreign investors are free to make all transfers related to their investment, into and out of the country without any delay. These transfers include: Investment returns; Proceeds resulting from selling or liquidating the whole or part of the investment; Proceeds resulting from the settlement of investment disputes; Compensation referred to in Article 8 of this Law. •The foreign investor must preserve the safety of the environment against pollution, abide by all laws, regulations, and instructions relating to public health and security. Moreover, the foreign investor must not take any action that jeopardizes the public policy and morality of the State. •Qatar has signed a number of agreements with several countries on economic, commercial and technical cooperation, joint venture investment protection and tax duplicity prevention in line with the state efforts to strengthen economic relations with the world and consequently attract foreign investments. The importance of these agreements is reflected in the legal guarantees they provide for the economic activities of national and foreign investors inside Qatar and abroad.
Saudi Arabia	•The Kingdom of Saudi Arabia realizes that achieving its ambitious economic goals requires a steady flow of technology and expertise into the country. Therefore, its policy is to welcome foreign capital and invite it to participate in economic development projects in cooperation with Saudi business. The government's established policy is not to impose any restrictions on the movement of capital into and out of the Kingdom and always to respect private ownership. •The legal system in Saudi Arabia is based on Shari'ah (Islamic law). In 1992 the Basic Law was introduced. The Basic Law states that the government draws its authority from the Qur'an and Sunnah of Prophet Muhammed (Peace Be Upon Him) and reaffirms that these two sources govern all administrative regulations. While Shari'ah forms the basis of the legal system, Saudi Arabia has introduced several secular codes including the Companies Regulations, the Foreign Investment Regulations, the Investment Funds Regulations,

	the Real Estate Investment Funds Regulations, the Insurance Regulations, the Patents Regulations, the Capital Market Law, the Anti Money Laundering Regulations and the Tax Regulations. It is the developments in these laws and their accompanying regulations which evidence the government's commitment to economic diversification and private sector growth. •Foreign investment that fulfills the requirements of the Foreign Capital Investment Code enjoys all privileges of national capital and is entitled to the same treatment, protection, and incentives accorded to national capital. The Code requires that foreign capital be invested in economic development projects (which, under the Code, do not include petroleum and mineral projects) and that it be accompanied by technical knowledge. Development projects are defined by the Ministry of Industry and Electricity. •Provided that the share of national capital is at least 25 percent, industrial or agricultural projects that fulfill the above requirements enjoy the following benefits: (i) An income tax holiday of up to 10 years from the commencement of commercial production; (ii) Ownership of land according to the regulations governing land ownership by non-Saudis; (iii) For industrial projects, the same privileges as those enjoyed by Saudi capital under the National Industries Protection and Encouragement Regulations. These include: (a) Exemption from customs duties on machinery, equipment, tools and spare parts imported for industrial products; (b) Exemption from customs duties on primary raw materials, semi-finished goods, containers, etc., necessary for industrial projects (provided that similar items are not sufficiently available locally); (c) Provision by the government of plots of land at a nominal rate for factories and residential quarters for workers; (d) Low electricity and water rates; (e) No restriction on repatriation of profits; and (f) Preferential treatment for local products in government procurement in addition to preferential treatment accorded to national products by Arab League and Saudi Arabian bilateral trade agreements. •In most cases Saudi Arabia allows 100% foreign ownership of companies, however there are three primary caveats to the rules: foreign investment is not permitted in areas that are on the Negative List maintained by SAGIA (see our Saudi Arabia Investment Guide 2009/2010, section 5, Restricted Sectors); (i) the banking industry is regulated by SAMA which has imposed its own rules and restrictions on the licensing of foreign banks. Although there are a few foreign banks operating in Saudi Arabia, SAMA has declined to publish the criteria on which it will assess applications for banking licences by wholly-foreign owned banks. In most cases, the banks in Saudi Arabia are either 100% Saudi owned or are structured at a joint venture with 60% Saudi ownership and 40% foreign ownership, and; (ii) the professional services sectors (including engineering, architecture and law) are regulated by respective licensing bodies and in most cases foreign investors seeking to render professional services in Saudi Arabia must partner with a licenced Saudi practitioner. •The Foreign Investment Regulations apply to all capital owned by a foreign individual or a corporation which has non-Saudi shareholders. The Foreign Investment Regulations permit foreign ownership of capital and shares in a Saudi company provided that a foreign capital investment licence is obtained. The definition of "foreign capital" includes money, instruments, securities and commercial instruments, foreign investment profits (if they are invested as capital to expand existing projects, or establish new projects), machinery, equipment, supplies, spare-parts, means of transportation and production requirements relevant to the investment, licences, intellectual property, technical know-how, administrative skills and production techniques. The Saudi government is currently reviewing the Foreign Investment Regulations to introduce more incentives to foreign investors. •Foreign Investments licensed under the provisions of this Act, may be in either of the following forms: (1). Facilities owned by a national and a Foreign Investor; (2). Facilities wholly owned by a Foreign Investor. The legal form of the Facility shall be determined

	according to regulations and directives. The Authority shall provide all those interested in investment with all necessary information, clarifications and statistics, together with all services and procedures to facilitate and accomplish all matters pertaining to the investments. Without prejudice to any greater penalty, the Foreign Investor under the existence of the violation shall be subject to any of the following penalties: (A). Withhold all or part of the incentives and benefits allocated for the Foreign Investor; (B). Imposition of a financial fine not exceeding SR. 500,000 (Five hundred thousand Saudi Riyals); and (C). Cancellation of the Foreign Investment license. •Without prejudice to the Agreements in which the Kingdom of Saudi Arabia shall be a party of: (i) Disputes arising between the Government and the Foreign Investor relating to his licensed investments under this Act shall as far as possible be settled amicably, and if this shall prove to be impossible, then the dispute shall be settled according to regulations; (ii) The disputes arising between the Foreign Investor and his Saudi partners relating to his licensed investments under this Act shall as far as possible be settled amicably, and if this shall prove to be impossible, then the dispute shall be settled according to regulations. •**Distribution services have now been opened in principle to foreign participation, but subject to the following restrictions: (i)** the permitted foreign equity is initially limited to 51%, and to 75% after 3 years from the date of accession [i.e. 11th December 2008];(ii) the minimum foreign investment is Saudi Riyals 20 million (US$5.33 million) by each service supplier; (iii) the minimum size of outlets may be prescribed; and (iv) a minimum of 15% Saudi employees must be trained each year. •The Foreign Investor shall have the right to reallocate his share as derived from the selling of his equity, or from the liquidation surplus or profits generated by the facility, out of the Kingdom or to use by any other legal means, and he shall also be entitled to transfer the required amounts to settle any contractual obligations pertaining to the project. •Saudi Labour Law is based on the idea of direct control of employees and it is primarily protective of Saudi nationals. Separate, less protective provisions apply to non-Saudi workers. An employee can move from job to job, however, a no-objection letter is required from the current employer. Without one, sponsorship of an individual will not be transferred by the Ministry of Labour. •Saudisation refers to the national policy to encourage the employment of Saudi nationals in the private sector. In essence Saudisation states that for a company with: (i) 10 or less employees, then there must be 10% Saudis; (ii) between 10 and 50 employees, 20% Saudis; (iii) more than 50 employees, 30% Saudis. The law also states that there must be no overseas recruitment without the permission of the Ministry of Labour and when registering a new employee it has to be shown that the company advertised the job for two weeks and no suitably-qualified Saudi nationals came forward.
Senegal	•The Government officially welcomes foreign investment, but administrative regulations combined with high factor costs have been obstacles. There is no discrimination against businesses conducted or owned by foreign investors. In fact, there are no barriers regarding 100 percent ownership of businesses by foreign investors in most sectors. The Government has stopped participating in foreign investment projects. •Senegal's investment code provides equitable treatment for foreign and local firms, as well as special incentives to companies willing to locate outside the Dakar Region. The Code defines eligibility for investment incentives according to a firm's size and type of activity, the amount of the potential investment and the location of the project. To qualify for incentives, the investment must be of at least CFA five million (USD 7,000) and must create a minimum of three jobs. Enterprises operating in "priority" sectors are eligible

for investment code advantages. These sectors include agriculture, fishing, animal-rearing and related industries, manufacturing, tourism, mineral exploration and mining, banking, trading complexes, and cultural activities. All benefit from the "Common Regime" which includes two years exoneration from duties on imports of goods not produced locally for small and medium sized firms, and three years for all others. Also included is exoneration from direct and indirect taxes for the same period.

•Exoneration from the Minimum Personal Income Tax and from the Business License Tax is granted to investors who use local resources for at least 65 percent of their total inputs within a fiscal year. Enterprises that locate in less-industrialized areas of Senegal benefit from exemption of the lump sum payroll tax of three percent, with the exoneration running from five to 12 years, depending on the location of the investment. The investment code provides for exemption from income tax, duties and other taxes, phased out progressively over the last three years of the exoneration period. Incentives are automatically granted to investment projects meeting the above criteria.
At present, there are no restrictions on the transfer or repatriation of capital and income earned or investments financed with convertible foreign exchange. Though individuals are limited for foreign currency they may obtain for trips outside of Senegal, commercial transfers are normally carried out rapidly and in full by local banking institutions. The CFA franc, used by Senegaland 13 other African countries, was devalued in January 1994, but remains pegged to the French Franc and the Euro at the rate of 100 CFA equals one FF and 0.152 Euros.

•Senegalis a member of the International Centerfor the Settlement of Investment disputes (Washington Convention). The investment code provides for settlement of disputes via due process of the law prescribed in the cumbersome Senegalese judicial system. In order to overcome the weaknesses of the judicial system in the dispute settlement area and to speed the settlement process, Senegalhas established an arbitration center administered by the Dakar Chamber of Commerce. The arbitration center is fully operational. U.S.companies entering the Senegalese market should ensure that their contracts with third parties make a provision for arbitration in case of a dispute.

•In order to qualify for investment incentives, small and medium-sized firms are required to invest at least CFA five million (USD 7,000), employ at least 3 Senegalese nationals full-time, and keep regular accounts in the standard Senegalese format. Further, a new firm or an existing firm requesting an extension of such incentives must be at least 20 percent self-financed. Self-financing of 30 percent is required for other types of firms. Large firms (those with at least CFA 200 million in equity capital or USD 285,000) are required to create at least 50 full time positions for Senegalese nationals, to contribute hard currency equivalent to at least CFA 100 million (approximately USD 145,000) and to keep regular accounts that conform to Senegalese standards. Further, firms must report company products, production, employment and consumption of raw material.

•In addition to the traditional guarantees offered to investors, e.g. free transfer of capital and income and equal treatment (foreign and domestic private entities are permitted to establish and own business and to engage in most forms of remunerative activity), other advantages granted cover both a firm's investment and operation. Local majority ownership is not necessary. Of the state-owned firms recently privatized, several were sold in part or in whole to foreign entities.

•The Senegalese legal system based on the French model enforces private property rights. Senegalis a member of the African Organization of Intellectual Property (OAPI), a grouping of thirteen Francophone African countries, which has established among its member states a common system for obtaining and maintaining protection for patents, trademarks and industrial designs. Senegalhas

	been a member of the World Intellectual Property Organization since its inception and is a member of the Bern Copyright Convention. Local statutes recognize reciprocal protection for authors or artists who are nationals of countries adhering to the 1991 Paris Convention on Intellectual Property Rights. Unskilled and semi-skilled labor is abundant in Senegal, but there are relatively few highly trained workers in the fields of engineering, information systems, and management. Relations between employees and employers are governed by the labor code, collective bargaining agreements, company regulations and individual employment contracts. There are two powerful industry associations that represent management's interests: the National Council of Employers (CNP), and the National Employers' Association (CNES). The principal labor unions are the National Confederation of Senegalese Workers (CNTS), affiliated with the former ruling Socialist Party, and the National Association of Senegalese Union Workers (UNSAS), a federation of independent labor unions. •Foreign corporations in Senegal are taxed only on Senegal-source income. Businesses that are centered externally and are without permanent establishment in Senegalare subject to a tax at a rate of 35 percent of net revenues. Foreign companies with branches in Senegalare subject to a 10 percent withholding tax on profits that have not been reinvested in Senegal. Senegalalso has a minimum tax of CFA 500,000 for all companies, resident and non-resident. Tax incentives are automatically granted to investment projects meeting the following criteria: Investors who use local resources for at least 65 percent of their inputs within a fiscal year are afforded exoneration from minimum personal income tax and business license tax; Enterprises that locate in less industrialized regions of Senegal benefit from exoneration of the lump sum payroll tax of 3 percent; Priority status companies are given exemptions from various taxes, including exemptions from import taxes and duties for up to 3 years, exemption from franchise tax for up to 5 years, exemption from minimum profits tax on income, and exemptions from tax on employee salaries. The investment code also provides exemptions from income tax, other taxes, and duties, which are to be phased out progressively over the next few years. Other tax incentives include the right to remit income and capital, and the opportunity to participate in Government contracts.
Sierra Leone	•A new Investment Code went into effect in 2005, which was designed to provide more protection for companies investing in Sierra Leone and to promote production and value-added activities. The government encourages joint ventures, and full foreign ownership is allowed. In addition, there is no discriminatory economic or industrial strategy against foreign investors, and no limit is imposed on foreign ownership or control. •Any investor whether domestic or foreign may invest in any legitimate form of business enterprise. In order to further improve the capacity of Sierra Leonean business enterprises to compete effectively, both locally and internationally, the Government with assistance from its development partners shall provide to such business enterprises a number of capacity building and special support programmes which may include: (a) business training; (b) micro-finance (including support for bulkbuying); (c) technical assistance; (d) business incubator programmes; (e) pre-qualification programmes for access to credit; (f) credit registry; and (g) registry of local enterprises for joint ventures. •Expatriate personnel with work permits shall be permitted to make remittances abroad through their commercial banks, subject to such withholding tax obligations as are contained in the Income Tax Act 2000, if applicable. The remittance of profits, after taxes, earned by a foreign investor from a business enterprise, is guaranteed as constituting current international transactions in respect of which payments transferred abroad shall be allowed without restriction.

	•An investor may freely repatriate proceeds received from the liquidation of a business enterprise and awards resulting from any settlement of disputes in respect of such business enterprise. There shall be no restriction on the transfer of repayments of principal and interest on an arm's length third party loan contracted outside Sierra Leone and registered with the Bank of Sierra Leone but interest payments due on such loans may be subject to the withholding tax obligations in the Income Tax Act, 2000 if Applicable. • No private investment, whether domestic or foreign , shall be expropriated or nationalized in a direct or indirect manner, except in the special cases specified by section 21 of the Constitution which, among other things, stipulates that the investment or other property be reasonably required for public purposes and that prompt and adequate compensation shall be paid in the event of any expropriation or nationalization. •Where a dispute arises between an investor and the Government in respect of an investment in a business enterprise or in respect of an investment obstructed or delayed by Government, the parties will use their best efforts to settle such dispute amicably. Where any dispute between an investor and the Government in respect of a business enterprise is not settled amicably, it may be submitted at the option of the aggrieved party to arbitration as follows: (a) in accordance with the rules of procedure for arbitration of the United National Commission on International Trade Laws (UNCITRAL); (b) in the case of a foreign investor within the framework of any bilateral or multilateral agreement on investment protection to which the Government and the country of which the investor is a national are parties; or (c) in accordance with any other national or international machinery for the settlement of investment disputes as the parties may agree. Where any dispute between an investor and a nongovernmental body in respect of an enterprise is not settled amicably, and where no recourse is available through arbitration or previously established contracts or other legal instruments, then the matter shall be referred to the relevant legal authority within Sierra Leone for settlement, in accordance with the law binding such transaction.
Somalia	•According to article 12 of Foreign Investment, foreign investor's investment and properties are protected as follows: 1. All enterprise object of foreign investment shall receive as Favorable treatment as domestic enterprise; 2. The property of foreign investment duly registered under this law shall not be subject to expropriation measures, except in the only case where public interest cannot be satisfied by measures other than expropriation; 3. In the case of such expropriation, prompt compensation shall be paid. Said compensation shall reflect the fair market value of the assets as freely transferable. •According to article 13 of the law, foreign Investment is exempted from payment of tax on profit for a period of three years from commencing operations. In addition, after the expiry of the initial tax holiday period, foreign investors shall be entitled to a 50% reduction of the tax due for the profit reinvested. •According to article 15 of this law, the investment promotion Board shall ensure that the immigration authorities facilitate the granting of the entry visas and residence permit to foreign personnel employed by an enterprise registered under this law, and to their families. The Board shall also ensure that said personnel and their families be granted access, for reasons of work, to any part of Somaliland. Said personnel may freely transfer abroad up to fifty percent of their salaries, wages, gratuities and allowances paid in Somaliland by the enterprise employing them. Any enterprise registered under this law shall employ qualified Somaliland national whenever they are available, Foreign investment shall seek to make a significant contribution towards the transfer of technology and managerial know-how, and the upgrading of professional skills available in Somaliland.

	•According to article 16 of this law: 1. "Profit" shall be understood as the "net income" less income taxes payable, as applicable, in accordance with the prevailing Legislation. Profit organisation form duly registered foreign investment may be invested in the same enterprise, object of the investment, or in another enterprise in accordance with the provisions of this law; 2. When such profit is to be reinvested, the Board shall be notified to this effect by registered mail or directly against issue of delivery receipt; 3. The Board Shall proceed to register profit reinvested in the Convertible currency specified in the "Certificate of foreign investment registered". The amount shall be determined in accordance with the prevailing laws and regulation governing foreign exchange; 4. To this effect, The Board shall issue a " Certificate of Reinvestment". •According to article 17 of this law: 1. Profit originating from a duly registered foreign investment, as per paragraph 1 of Article 11 may be freely transferred abroad; and 2. In case that only part such profit is transferred abroad in one year, the foreign investor may transfer this remaining portion in any one of the following years. •According to article 18 of this law: 1. Duly registered foreign investment, defined, as the original investment, plus profit reinvested, shall be freely transferable abroad after three years from the date of the registration of the original investment, as specified in the "Certificate of Foreign Investment Registered"; 2. The Board may reduce the said period, taking into consideration the priorities under the policy guidelines as per Article 4., of this law; 3. The transfer abroad shall be affected in the original currency specified in the "Certificate of Foreign Investment Registered." The fund destined for transfer shall originate from the liquidation of assets or the transfer of capital stock of the enterprise, object of the foreign investment, to other juridical or physical persons. The foreign investor is free to transfer abroad the physical assets, that were the object of the investment, in the event this alternative is opted for; and 4. In case were the amount realised from the liquidation or sale of capital stock exceeds the amount of the original investment plus reinvested profit registered, the foreign investor shall be free to transfer abroad, in the freely convertible currency exchange conducted and warranted by the Bank Somaliland, the difference, in accordance the prevailing tax legislation and foreign exchange regulations •According to article 19 of this law; disputes in respect of the implementations of this laws shall be settled: 1. In a manner to be agreed upon with the investor, in the absence of such agreement; 2. In the absence of agreements, disputes shall be settled through arbitration. An arbitration board shall be established comprising one member on behalf of each disputing party and a third member acting as a chairman, to be jointly named by the said two members. Failing agreement of the nomination of the third member, the chairman shall be appointed, at the request of either party, by the president of the supreme court of Somaliland.
Sudan	•The investment law encourages investment, into the fields of agricultural, animal and industrial activities, energy and mining, transport, communication, tourism and environment, storage, housing, contracting, infrastructure, economic, administrative and consultative services, information technology, education, health, water and culture and information services and any such other field, as the Council of Ministers may specify. •No discrimination shall is made between invested money, by reason of its being local, Arab or alien, or by reason of its being public, private, co-operative or mixed sector. No discrimination is made between such similar projects, as may be specified by the regulations, with respect to granting privileges or guarantees. •Investment, in the following fields, is deemed strategic investment, namely :(a) relating to infrastructure, roads, ports, electricity, dams, communications, energy, transport, contracting business, education, health and tourist and information technology services and

	water projects; (b) relating to extraction of subterranean and deep seas wealth; (c) agricultural, animal and industrial production; (d) crossing more than one state;(e) any such other fields, as the Council of Ministers may prescribe. •Exemption from taxes is granted to any of the investment projects, in accordance with such conditions and safeguards, as may be in use :(a) the strategic project, specified in the regulations, shall after its registration, in accordance with the organizing laws, enjoy exemption from the business profits tax for a period of ten years, the effect of which shall commence, as of the date of commercial production, or practice of activity; (b) the Minister may grant the non-strategic project exemption from the business profits tax, for a period, not exceeding five years, the effect of which shall commence, as of the date of commencement of commercial production, or practice of activity . •The Minister, upon the approval of the Minister of Finance, and in consultation with the Competent Minister may grant preference privileges to such strategic projects, as may satisfy any of the following features: (a) direct investment towards the least developed areas; (b) assist in the development of export capabilities of the country; (c) contribute to achievement of integrated rural development;(d) create great chances of work; (e) strive to encourage charitable trust; (f) strive to develop scientific and technological research; (g) re-invest the profits thereof. •An Investor shall enjoy the following guarantees :(a) the non-nationalization, or non-confiscation of his project, non- acquisition of all, or part of the estates of the project thereof, or his investments, for public interest, save by law and in consideration of just compensation; (b) the non-attachment, non-confiscation, non-custody or non-sequestration of the property of his project; (c) the re-remission of the invested money, in case of the non-execution of the project, at the outset, liquidation, or disposal of the same, in any of the ways of disposal totally, or partially, in the currency, in which it has been imported; on condition of satisfying all the obligations legally due thereon, and in the case of non- execution of the project, at the outset, machinery, equipment, apparatuses, means of conveyance and other requisites, which have been imported for the project, may be re-exported, whenever all the obligations, mentioned in this paragraph have been satisfied; (d) the remission of the profits and the cost of financing for the foreign capital, or loans, in the currency in which the capital or loan has been imported, at the date of accrual, after payment of the obligations legally due on the project;(e) the import of such raw materials, as the project may need, and the export of the products thereof, after the automatic registering , of the investment project, onto the Exporters and Importers Register. •Any capital invested in the New Sudan shall enjoy the following guarantees: 1) It shall not be nationalized except for public interest according to the Law; and in such case the following procedures shall apply:(i)the investor shall be paid, after evaluation of his property, a just compensation, at the price current at the time of nationalization;(ii)the evaluation shall be accomplished with in six months from the date of the order of nationalization; (iii)payment and transfer of compensation shall be in yearly installments within a period of five years in the same currency of the capital or any other currency agreed upon. All the profits arising out of the foreign capital invested in the project, and all the interests arising out of any loans approved in accordance with section 21 of this Act, and after payment of all the taxes, duties, dues and any other obligations due to the CANS, may be transferred outside the New Sudan in the currency in which the capital or loan was imported or any other currency agreed upon. 2) If the project is liquidated, sold or its ownership is wholly or partially transferred, the capital invested in the project, after payment of all the taxes or fulfillment of all the duties and obligations, may be transferred outside the New Sudan in the currency in which such

	capital was imported or in any other currency agreed upon. The Ministry, or State Ministry, shall fix the date of commencement of commercial production, or practice of service activity, and it may, in order to verify the same, peruse all such documents, as may be necessary, take the field visits, as may be mandatory and viewings, as may be essential therefor. •The foreign capital, which enters into establishment of the project, shall consist of the following :(a) the value of machinery, equipment, instruments, materials, spare parts, chassis, prefabricated buildings, means of conveyance and handling, which are imported from abroad, for the purposes of the project, and approved by the Competent Minister, and imported, from the capital of the investment project; (b) such services, as may be rendered, to the project, in the establishment stage, such as feasibility studies, technical studies and otherwise of services, and such intellectual rights, as may be used in the project, such as patents and otherwise; provided that the same shall be paid in foreign exchange, acceptable to the Bank of Sudan and charged, against the capital of the project, or loans . •The foreign capital in the project shall be registered with the Bank of Sudan, and a certificate to this effect, from the Bank of Sudan, shall be delivered to the investor. For the purposes of such registration, the investor shall present the following documents :(a) A copy of the legal deed for the establishment of the project; (b) in case of entry of the capital in cash, a copy of the form specified therefor shall be presented, approved by one of the commercial banks, through which any part of the foreign capital has been transmitted, into local exchange; (c) in case of import, from the account of investment, opened with one of the commercial banks, accredited by the Bank of Sudan, the certificate of customs value shall be presented; (d) In case of entry of the capital in kind, a copy of the bills of lading and the original of the customs value certificate, and a copy of the report of evaluation, set out in regulation 17; (e) In case of withdrawal of part of the capital, to pay for services, rendered to the project, in the establishment stage, a copy of the necessary bills and documents, together with a certificate, from a certified auditor.
Suriname	•The Government of Suriname (GoS) has identified its newly established Investment and Development Corporation Suriname (IDCS)and the Ministry of Foreign Affair sas its primary institutions responsible for attracting foreign investment to Suriname. •There is no discrimination specifically targeted at foreign investors at the time of the initial investment or after the investment is made, such as through special tax treatment, access to licenses ,approvals, or procurement. In practice, different investors (both foreign and local)are offered different deals at the discretion of the GOS, as represented by the ministry negotiating the deal. Furthermore, in major investments, investment benefits are usually obtained through negotiations with the government and can change depending on sector and the company's negotiating strength. •There are no restrictions on converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, lease payments) into a freely usable currency at a legal market clearing rate. Permission is required from the Foreign Exchange Commission to transfer any funds associated with a business or investment out of Suriname. There have been no changes, no rare there plans to change, remittance policies pertaining to the access to foreign exchange. Suriname's legal system is based on the Dutch Civil System. Laws are laid down in criminal, civil, and commercial codes and verdicts are based on the judge's interpretation of these codes. There is no government or political interference in the judicial system, and judges are generally considered to be impartial. •Every effort is made to settle investment disputes outside the court system or via appointed arbitrators. Judgments of foreign courts are accepted and enforced by the local courts only if Suriname has a legal treaty of jurisprudence with the foreign country involved. If not, the foreign judgment can be brought before the Surinamese court for consideration as long as the court

	determines it has jurisdiction and doing so does not otherwise violate any Surinamese laws. •Suriname is a member of the World Trade Organization. Suriname does not impose any performance requirements, nor does it provide any performance incentives, that would be inconsistent with Trade Related Investment Measures (TRIMS) requirements. No performance requirements are imposed as condition for establishing, maintaining, or expanding investments, or for access to tax and investment incentives. There are no requirements that investors purchase from local sources or export a certain percentage of output. Both local and foreign investors, however, have found it useful to purchase from local sources and import only those goods unavailable on the local market. Larger companies (e.g., the mining companies) have signed contracts for the delivery of products that are not readily available on the market. In the case of foreign investments, no requirements exist that nationals own shares or that the share of foreign equity be reduced over time, or that technology be transferred. Suriname does not impose any “offset” requirements, which would force foreign suppliers to invest in manufacturing, R&D, or service facilities in order to receive procurement approvals. •Foreign and domestic private entities have the right to establish and own business enterprises and engage in all forms of remunerative activity. Once private entities have registered their business with the Chamber of Commerce and Industry (KKF) they have the right to freely acquire and dispose of interests as they see fit. Competitive equality is the standard applied in competition between private enterprises and public enterprises with respect to access to markets, credit, and other business operations, such as licenses and supplies. In practice, private enterprises even have better access to markets and credit since they are more flexible and have a less bureaucratic decision-making hierarchy. •Suriname has bilateral investment treaties with Indonesia and the Czech Republic. In 1993, Suriname signed an Agreement on Bilateral Trade Relations with the United States. This agreement has not been ratified by the National Assembly. •Other international agreements into which Suriname has entered areas follows: (i)-a double taxation treaty with the Netherlands; (ii)-a trade agreement with the People’s Republic of China (1998); (iii) the Treaty of Chaguaramas, which established the CARICOM and subsequently led to the creation of the CARICOM Single Market and Economy; (iv) trade agreements by virtue of CARICOM membership with Venezuela, Costa Rica, Brazil, Cuba, the Dominican Republic, and Colombia; (v) trade promotion treaties with Indonesia, India, and China; and (vi) CARIFORUM – E.U. Economic Partnership Agreement (This EPA also has some provisions for investment between the 2 regions.)
Syria	•Investors of all nationalities (Syrians, Arabs and foreigners) have the right to establish projects of all types according to the regulations currently in force in Syria. Project ownership types are: 1) Mixed companies with the public sector having not less than 25% of the capital; 2) Non-mixed companies established according to the provisions of the Syrian Commercial Law; 3) Individual firms; and 4) Projects owned completely by foreign investors. •Depending on the type of project, certain tax exemptions are granted for periods ranging from five to seven years. Furthermore, all projects covered under Law No. 10 are exempt from Syrian foreign exchange control. After five years, the portion of foreign investment equal to the amount of shares held in such a project may be repatriated to the foreign investor, based on the actual value of the project. The amount transferred may not exceed the initial currency investment. Should circumstances that are beyond the control of the investors arise, repatriation may begin within the first six months of the project. Annual profits and interest earned, through the use of foreign capital, may be transferred abroad.

	•The Investment Law's main provisions are as follows: (i) The project must correspond to the government's aim for the relevant sector; (ii) Import of production inputs such as machinery, equipment and vehicles is free of customs duty; (iii) Mixed-sector companies in which the Syrian government's stake is at least 25 percent or companies that export 50 percent of their products receive a seven year tax holiday; (iv) Private-sector companies receive tax incentives five years; (v) Foreign exchange capital can be repatriated after five years, and, if the project fails through circumstances out of the investor's control, such capital can be repatriated after six months; (vi) Profits can be transferred freely; and (vii) 50 percent of expatriate salaries and 100 percent of expatriate severance pay can be repatriated. •Investors shall have the right to transfer the money resulting from selling their shares in the project, from liquidation or from profits realized by the project, as follows: (i) Syrian expatriates as well as Arab and foreign investors shall have the right to pump, out of the country and in foreign currency, the net value of their shares in the project five years after starting the project operations.The transfer shall be effected on basis of the value according to which they brought the money in, and in coherence with the instructions issued by the Council in this regard. Likewise, the capitalist profits resulted from liquidation can be transferred after deducting the due taxes and the value of lands and real estates; (ii) The external money can be re-pumped out of the country in the same form it came in and six month after its entering the country, if force majeure has made it impossible to invest it. The force majeure conditions shall be estimated by the Council that shall, in certain cases, have the right to allow this re-pumping without abiding by the above-mentioned period; and (iii)It shall be allowed to transfer the annual profits and interests realized by the external money invested in Syria under this Law. •A foreign investor shall be permitted to acquire the property and land required for setting up or expanding his investment projects within the limits of the necessary area and lease period required for meeting the project actual need even beyond the ownership ceiling prescribed in the applicable laws. •After expiry of the tax holiday, the investment projects licensed under Law 10 shall benefit from the tax exemptions and other benefits prescribed in the laws applied to similar unlicensed projects under the provisions of this Law. (This additional benefit particularly includes the projects of maritime transport and of the agricultural enterprises and firms exempted from profit tax under specific laws). Moreover, there shall be exempted from taxes for two additional years Those industrial and agriculture projects located in underdeveloped provinces. •The projects set up under Investment Law 10/1991 shall be allowed to open foreign currency accounts outside Syria and to transfer as and when necessary a part of their foreign currency assets deposited with Syrian banks. Investors shall be allowed to insure with any firm they choose their assets invested in projects.
Tajikistan	•According to the Civil Code (Article 1) there is no legal discrimination against foreign companies and entities. Practically all of Tajikistan’s international agreements have a provision for most favored nation status. According to the 2007 Investment Law, foreign investments can be made by: (i) Owning a share in existing companies, jointly either with other Tajik companies or Tajik citizens; (ii) Creating fully foreign-owned companies under the laws of Tajikistan; (iii) Acquiring assets, including shares and other securities; (iv) Acquiring the right for use of land and other mineral resources, as well as exercising other property rights either independently or shared with other Tajik companies and citizens of Tajikistan; or Concluding agreements with legal entities and citizens of Tajikistan providing for other forms of foreign investment activity.

	•Tajikistan has established a process of a "single-window" business registration system, which applies to both foreign and domestic applicants, that greatly reduces red tape associated with opening a business. Applicants now pay a fixed fee at the Tax Committee and receive permission within five working days. Under the previous system, a number of byzantine steps were required. This year a few other targeted reforms were enacted, including a law improving the rights of minority shareholders. Given Tajikistan's paucity of corporations, with or without minority shareholders, this law has limited scope in reality. •There is no legally-sanctioned discrimination against foreign investors at the time of the initial investment or after the investment is made. Current investment law and tax code provide for incentives, including a waiver on taxation on initial investment and VAT-free importation of some industrial equipment. Legally, foreign companies are treated the same as domestic companies in obtaining licenses, approvals, and procurements. Current legislation provides the same tax and customs incentives to local and foreign investors. •Tajikistan does not restrict conversion or transfer of "reasonable sums" of money. There are no legal limits on the kinds of transfers – i.e., whether commercial or otherwise. However, an underdeveloped banking infrastructure, with strict government controls and limited capital, presents obstacles for investors in finding local sources of financing. •Tajikistan has well-written commercial and bankruptcy laws. There are no differences between foreign and domestic investors according to Tajikistan's bankruptcy law. The country's contract law is modeled on European legislation. These laws are regulated under the country's Civil Code; however, they are not always enforced in the courts. •According to Tajik law all land belongs to the state; individuals or entities may be granted first- or second-tier land use rights. First-tier rights allow for indefinite land use and inheritance of land use rights, while second-tier rights allow for land use up to 49 years. While there is no formal distinction between domestic and foreign entities, in practice foreigners are given second-tier land-use rights. There are no legal limitations on foreign ownership or control of other property, but there are significant restrictions on using land-use rights as collateral. Efforts have been underway for several years to develop a new land code that provides for the sale and exchange of land use rights, but the issue has not yet been resolved. The government adopted mortgage legislation in December 2007 which may allow parties to use property as collateral. In practice land use continues as before, however, because no legal mechanisms and procedures were developed to implement these new laws. Tajikistan has agreements on avoiding double taxation with Russia, Belarus, Ukraine, Azerbaijan, Turkey, and some other countries, but not the United States. The Trade Investment Framework Agreement between the five Central Asian states and the United States is under development. Tajikistan is a member of the EURASEC trade organization, which provides loose regulation of trade among Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan. Tajikistan is also a member of the Shanghai Cooperation Organization.
Togo	•The investment law permits investment in the following sectors: (a) agriculture, animal husbandry, fishing, forestry, and activities related to the transformation of vegetable and animal products; (b) manufacturing; (c) exploration, extraction, and conversion of minerals; (d) low-cost housing; (e) hotels and tourist infrastructure; (f) agricultural storage; (g) applied research laboratories; and (h) socio-cultural activities. The investment code covers the expansion of existing enterprises if the cost of the expansion is at least half the value of the existing enterprise. Investors must provide at least 25 percent of the value of a new investment. Applications for approval under the law must be submitted to the planning ministry, which, in consultation with the national investment commission, approves or rejects the applications within 30 days. The approval can take as little as 14 days to obtain. The government decree granting approval

	spells out the conditions of the investment. •The investment code provides for the resolution of investment disputes involving foreigners through the provisions of bilateral agreements between the Government of Togo and the investor's Government, conciliation and arbitration procedures agreed to between the interested parties, or the international center for the settlement of investment disputes, of which Togo is a member. •Togo has had one of the most liberal tariff regimes in the CFA zone. As a result of reforms undertaken since 1995, tariffs have been simplified to three rates (5/10/20percent); there is also a three percent statistical tax. A common external tariff regime for WAEMU members has recently been instated, but is not widely implemented. Price control and profit margin regulations have been largely eliminated with electricity, water, and telecommunications the only sectors still subject to administrative price controls. Private competition in telecommunications was introduced at the end of 1999, introducing better market-oriented pricing in that area. While the steps for receiving residence permits are in theory well-defined, in practice foreigners seeking to regularize their status for long-term work and residence purposes have encountered significant administrative obstacles and delays. Such permits, formerly the province of the national police, are now the responsibility of the national gendarmerie, a branch of the Togolese armed forces. •The Togolese Tax system is a declarative system obliging enterprises to declare, under their responsibility the result of their exploitation. In accordance with the legal status, the enterprise can be submitted to: The Corporations Tax (CT) at the rate of 37% for industries and 40% for others; The Income Tax of individual entities (ITIE) according to a progressive tariff; Fixed minimum Tax (FMT) after the first twelve months of activities when the countable result of the enterprise is loss making; Value added Tax on the delivery of corporeal movables and the provision of services subject to payment by liable person (VAT); Local Tax on business and self-employed workers; Property Tax (PT) on developed land and undeveloped land; Access cost on petroleum products from which FCFA35 per litre of product is transferred bank to Road Maintenance Fund (RMF); Income tax of Road Haulage Contractor (ITRHC); and Residential Tax (RT) •There is a large pool of qualified university graduates and unskilled workers, although there are shortages of workers with intermediate technical skills and practical experience. Generally, unemployment and underemployment are high and young Togolese entering the formal sector job market have difficulty finding work. The adult literacy rate is about 40 percent. Most Togolese speak French (the official language). There are a surprising number of English speakers in Togo. •Togo is a member of the World Intellectual Property Organization and the Cameroon-based African Intellectual Property Organization.
Tunisia	Foreign investment in projects in Tunisia is free at the level of creation and expansion. If is submitted to prior authorization for projects achieved in some activity sector. Tunisian Law of Investment grants common incentives in all branches of industry, to the exception of a few sectors, which are subject to specific measures. The common incentives are of several types, in particular the reduced assessment of benefit or reinvested income, which takes place according to two methods: (1) Subscription by the income or the profits of companies' registered capital or its capital increase. This subscription gives the advantage of tax exemption up 35% of taxable incomes or reinvested incomes subject to income tax or to the corporation tax; and (2) The reinvestment of the profits within the company itself grants the following advantages: (i) Partial reduction of the profits reinvested up to 35% of the taxable profits; (ii) Suspension of the VAT and reduction of customs duties to 10% upon the acquisition of equipments for which no equivalent is manufactured locally; and (iii) Suspension of VAT and

	consumption duty taxes upon the acquisition of equipments necessary for the business manufactured locally. The totally exporting companies are granted the following incentives: (i) Full tax exemption for the first 10 years. For the years after, reduction of corporate tax rate to 10% and reduction of 2/3rds of taxable revenue; (ii) Full exemption on reinvested profits and revenues in share subscription or increases of the company's registered capital; (iii) Full tax exemption on imported equipments necessary for the business; (iii) Suspension of VAT and consumption duty taxes upon local acquisition; and (iv) Possibility to sell in the local market up to 30% of the turnover.
Turkey	•Regulations governing foreign investment are, in general, transparent. Turkey provides national treatment, including in the acquisition of real estate by foreign-owned corporate entities registered under Turkish law, and in most sectors does not have an investment screening system (only notification is required). The GOT uses "reciprocity with the related nation" as a precondition for real estate property purchases by foreigners, and set an upper limit of 2.5 hectares on real estate purchases by foreign individuals. No individual may own more than 10 percent of the land in any given development zone. •Unless stipulated by international agreements and other special laws: (i) Foreign investors are free to make foreign direct investments in Turkey; and (ii) Foreign investors shall be subject to equal treatment with domestic investors. •Foreign investors can freely transfer abroad: net profits, dividends, proceeds from the sale or liquidation of all or any part of an investment, compensation payments, amounts arising from license, management and similar agreements, and reimbursements and interest payments arising from foreign loans through banks or special financial institutions. •For the settlement of disputes arising from investment agreements subject to private law and investment disputes arising from public service concessions contracts and conditions which are concluded with foreign investors, foreign investors can apply either to the authorised local courts, or to national or international arbitration or other means of dispute settlement, provided that the conditions in the related regulations are fulfilled and the parties agree thereon. •Foreign direct investments shall not be expropriated or nationalised, except for public interest and upon compensation in accordance with due process of law. •Equity participation of foreign shareholders is restricted to 25 percent in broadcasting and 49 percent in the aviation and maritime transportation sectors. Establishment in financial services, including banking and insurance, and in the petroleum sector requires special permission from the GOT for both domestic and foreign investors. In practice, regulators have not restricted foreign ownership in the financial sector: in 2005 and 2006 a series of foreign acquisitions in the sector were approved, and several foreign financial houses have longstanding operations in Turkey. Turkey has made the taxation system more investor-friendly. In 2006, the basic corporate tax rate was reduced from 30 to 20 percent. The Government also cancelled the withholding tax for foreign investors' holdings of bonds, bills, and stocks, while retaining it for bank deposits and repurchase agreements. The Tax Administration also established a large taxpayer unit in 2007 that will handle tax collection from large corporations. In December 2010, the Finance Ministry announced new tax rates for capital accounts aimed at encouraging the issuance of corporate bonds with longer-term maturity. For non-domestic bonds, the withholding tax on interest will be 0% for 5-year-maturity or higher bonds, 5% for bonds with 3 to 5-year maturity, and 10% for bonds with maturity less than three years. In addition, the banking and insurance transactions tax applied to sale or repo transactions of domestically issued corporate

	bonds was reduced from 5% to 1%. •Turkey's copyright law provides deterrent penalties for copyright infringement. The law contains several strong anti-piracy provisions, including a ban on street sales of all copyrighted products and authorization for law enforcement authorities to take action without a complaint by the rights holder. The law established minimum penalties of three months to two years imprisonment and/or a fine between 5,000 and 50,000 YTL (new Turkish lira) (approximately $4,200 to $42,000) depending on the severity of the damages. The law sets the maximum penalty at three to six years imprisonment and/or fines between 50,000 and 250,000 YTL (approximately $42,000 to $210,000). While pirated materials are still common, the number of cases brought against the producers and/or distributors of these goods has increased significantly, and deterrent penalties have become more common. •Firms operating in Turkey's 21 free zones have historically enjoyed many advantages. The zones are open to a wide range of activities, including manufacturing, storage, packaging, trading, banking, and insurance. Foreign products enter and leave the free zones without payment of any customs or duties. Income generated in the zones is exempt from corporate and individual income taxation and from the value-added tax, but firms are required to make social security contributions for their employees. Additionally, standardization regulations in Turkey do not apply to the activities in the free zones, unless the products are imported into Turkey. Sales to the Turkish domestic market are allowed, with goods and revenues transported from the zones into Turkey subject to all relevant import regulations. There are no restrictions on foreign firm operations in the free zones. Indeed, the operator of one of Turkey's most successful free zones located in Izmir is an American firm. •Since 1962, Turkey has been negotiating and signing agreements for the reciprocal promotion and protection of investments. Turkey has signed bilateral investment treaties with 80 countries and has initiated negotiations with eight countries. Sixty three of these agreements are now in force, including with the United States, United Kingdom, Germany, the Netherlands, Belgium, Luxembourg, Denmark, Austria, Sweden, Switzerland, Spain, Finland, Italy, Portugal, Hungary, Poland, Romania, Tunisia, Kuwait, Bangladesh, China, Japan, South Korea, Indonesia, Croatia, Cuba, the Czech Republic, Estonia, Russian Federation, Azerbaijan, Kazakhstan, Georgia, Tajikistan, Ukraine, Uzbekistan, Belarus, Lithuania, Latvia, Slovakia, Macedonia, Pakistan, Turkmenistan, Moldova, Kyrgyzstan, Albania, Bulgaria, Argentina, Bosnia, Malaysia, Egypt, Mongolia, Greece, Israel, Afghanistan, Ethiopia, Iran, Lebanon, Syria, Slovenia, Jordan, and India. Turkey's bilateral investment treaty with the United States came into effect on May 18, 1990. A bilateral tax treaty between the two countries took effect on January 1, 1998. Turkey has avoidance of double taxation agreements with 68 countries.
Turkmenistan	•The government is anxious to attract foreign investments to meet the huge needs for capital and technology to develop its oil and gas industry. The Government has developed a list of goods and services whose import would be subject to licensing or prohibition. The goods and services included on the list do not constitute a barrier to US or other foreign exports. •Turkmenistan is extremely interested in the attraction of foreign investments for: development of national tourism zone of Avaza; realization of National Program of the President of Turkmenistan on changing social and communal conditions of population in villages, settlements, cities in provinces and of province centers for the period up to 2020; construction of Turkmen section of railway, which is a part of “International transport corridor of North-South”; reconstruction of Seyidi Crude Oil Refinery; organization of liquefied gas production; construction of iodide-bromine plant; construction of gas mains of Turkmenistan –China, Turkmenistan-Afghanistan- Pakistan-India, by Caspian and trans-Caspian gas pipelines; construction of chemical plants; construction of pipelines; development of petrochemical industry; construction of highways; development of machinery construction; development of agro

	industrial complex; development of textile industry; organization of foodstuffs production; development of information technologies and establishment of techno-parks; further education; research, restoration and preservation of historical and cultural memorials. •In general, the Government favours long-term investment projects that do not require regular hardcurrency purchases of raw materials from foreign markets. Thus, existing textile factories with foreign capital (mainly Turkish) using domestic materials and labour serve as model investment projects supported by the Government. •Legislation of Turkmenistan provides for the following state guarantees for protection of foreign investments: legal protection guarantee for the foreign investors; compensation guarantee during revision of the foreign investor`s property; guarantee of property and documental or electronic information; payments transfer guarantee related to foreign investments; intellectual property protection guarantee; rights and obligations transfer of the foreign investor and enterprises to another entity; and guarantee on the return of foreign investments due to the end of investment activity. In order to get income tax exemption or any other tax benefits, a taxpayer should apply to the State tax service office of Turkmenistan and show an official confirmation of the fact that he\she is a resident of the country, with which Turkmenistan has concluded the agreement on eliminating double taxation; the given agreement should be valid within relevant tax period (or its part). •For the purpose of stimulation of intensification of investment activity in Turkmenistan, foreign investors are offered the following privileges on: taxes; licensing; customs; visas; certification. According to the Petroleum Law of Turkmenistan contractor is given a guarantee of rights protection in accordance with the principles of international law, legislation of Turkmenistan, licenses and agreements. All materials and equipments used for petroleum operations are exempted from customs duties and registration at the State Commodity Stock Exchange of Turkmenistan. •Contractor carrying out petroleum operations pays only the following taxes and payments: profit tax of which volume is determined by the legislation of Turkmenistan. Procedure of determination of taxable profit amount is established by the agreement; and royalty for production of hydrocarbon resources, which is determined by the agreement. •For the purpose of exclusion of double taxation cases, Turkmenistan concluded international agreements with a number of countries, such as Armenia, Belarus, Georgia, India, Iran, Kazakhstan, Pakistan, Russia, Slovakia, Turkey, Uzbekistan, Ukraine and Tadzhikistan. All investors have equal rights on realization of investment activities. The investor's right to invest property and intellectual values into objects non-prohibited by the Present Law and other Turkmenistan legislation is unrestrictedly considered to be his inalienable right and is protected by Law. •Turkmenistan guarantees stable rights of subjects of investment activities. In the cases of adopting legislative acts which provide for the restriction of rights of the subjects of investment activities, adequate provisions of such acts shall not come into effect before 10 years from the date of their promulgation. •Turkmenistan guarantees protection of investments regardless of property forms and state belonging. Investment protection is ensured by the legislation of Turkmenistan. Simultaneously with this all investors are guaranteed equal regime excluding discriminative measures which could obstruct the management of investments, their utilization or liquidation; besides the terms and procedure of

	exporting the results of investment shall also be determined. • Investments shall not be nationalized, requisitioned without indemnity, no shall they be inflicted measures equal by their consequences. The mentioned measures may be inflicted only on the basis of legislative acts of Turkmenistan with full reimbursement to the investor of the damage caused by the reason of termination of investment activities. •In the case of withdrawal in accordance with the legislative acts of Turkmenistan paid or purchased by the investor special bank deposits, shares and other securities, payments for the purchased property or tenant rights shall be reimbursed to the investors with the exception of amounts already used, lost as a result of investors own actions or performed with his participation. •Foreign investment activity is generally regulated by the Law of Turkmenistan on Foreign Investments, which provides overall regulatory framework for foreign investments and ensures their protection. One of the major tangible incentives under the above law is that the property contributed by foreign investors to the charter capital of their Turkmen subsidiaries is exempt from import customs duty. Other incentives are mainly provided to companies operating in oil and gas sector and those involved in development of “Avaza” touristic area. Those companies enjoy preferential tax, customs and licensing regimes. •The Law on Property defines the following types of property owners: private, state, non-government organizations, cooperative, joint-venture, foreign states, legal entities and citizens, international organizations and mixed private and state. A significant amount of housing is still state-owned, but a large number of dwellings have been privatized, allowing Turkmen citizens to rent and sell apartments and houses. •The Law on Foreign Investment guarantees the protection of intellectual property of foreign investors, including literary, artistic and scientific works, software, databases, patents and other copyrighted items, but Turkmenistan has yet to adopt more explicit and comprehensive administrative and civil procedures and criminal penalties for Intellectual Property Rights (IPR) violations. Turkmenistan has not adopted a separate Copyright Law and consequently does not provide any protection to foreign sound recordings or pre-existing works.
UAE	•The laws and regulations governing foreign investment in the United Arab Emirates are conducive to foreign investment. Although important tariffs in the UAE stand at 5% over 75% of imports still enter the UAE duty-free, and there are no tariffs on exports. Each Emirate has its own customs authority, while a national committee formulates general policies. •Foreign companies investing in the UAE can benefit from cost efficiencies in power, gas and water. Low tariffs, low currency risk, extremely low financial risk, no restrictions on repatriation of profits or capital, and numerous double taxation agreements are the attractive features of the UAE as an FDI destination. •Imports are quota free but must be licensed by the Ministry of Commerce and Industry. Customs duties are administered by the Department of Customs. In the case of companies an import license is granted only when the UAE owned share capital is not less than 51%. There is 100% import duty on alcoholic beverages and 50% import duty on tobacco products. Most foodstuff items and books are exempted. Machinery, equipment and raw materials may also be exempted under the Law for Organisation of Encouragement of

	Industry or when imported by the companies engaged in activities designated as Economic Development Projects. All imports must be handled by registered UAE agents. There are no restrictions on exports, except for items of historical value, which are subject to permission from the Ministry of Culture and Heritage. There are no export duties. •The various categories of business organisation defined by the law are: Public Shareholding Company; Private Shareholding Company; Limited Liability Company; General Partnership Company; Limited Partnership Companies; Partnership Limited by shares; Joint Ventures; Sole Proprietorships; Branches of Foreign Companies; Representative Offices of Foreign Companies. •Companies engaged in the oil, gas and petrochemical sector and banks are the only entities required to file tax returns. However, the following businesses must have their accounts audited annually: Banks (local banks and branches of foreign banks); Insurance companies and agencies; Public and private shareholding companies; Limited liability companies; Branches of foreign companies; Partnerships limited by shares; Other companies whose articles require annual audits; Establishing a business entity in one of the UAE's Free Trade Zones (FTZs) can be an attractive option for foreign investors. To date the free zones have been successful in attracting a large number of companies and foreign direct investment, as well as expanding net non-oil exports. •The Labour Law of the United Arab Emirates is mainly contained in Federal Law No. 8 of 1980 on Regulating Labour Relations, as amended. The Labour Law governs most aspects of employer/employee relations, such as hours of work, leave, termination rights, medical benefits and repatriation. It is protective of employees in general and overrides conflicting contractual provisions agreed under another jurisdiction, unless they are beneficial to the employee. The Ministry issues a model form of labour contract in Arabic which is widely used, but other forms of contract are enforceable, provided they comply with the Labour Law. •Each Emirate has its own decrees on corporate taxation. With the exception of banks and oil companies no corporate income tax is payable by businesses in the UAE. Oil companies pay up to 55% tax on UAE sourced taxable income whereas banks pay 20% tax on taxable income. The taxable income of banks is as per the audited financial statements whereas that of oil companies is as per the concession agreement. Oil companies also pay royalties on production. •There are no official regulations or restrictions affecting the change in ownership of entities owning real estate in Dubai except that companies which must be owned at least 51% by a U.A.E. national (that is, a limited liability company located outside of free trade zones and other designated areas and registered pursuant to the laws of Dubai) must maintain such majority shareholding. Foreign Investors are not required to invest with a local partner when investing in real estate as permitted pursuant to Article 4 of Law No. 7 and in the areas of Dubai specified in Regulation No. 3. Investment in areas in Dubai outside of the areas specified in Regulation No. 3 is only permissible by U.A.E. and G.C.C. nationals, by companies owned in full by them and by public joint stock companies. Investment in such areas by Foreign Investors through a local partner, or sponsor, is not without risk.
Uganda	•Uganda Investment Authority (UIA) is the agency set up by government under the Investment Code, Statute No. 1 of 1991 to promote investment in Uganda; to market Uganda's investment opportunities to targeted investors all over the world; to co-ordinate the national investment marketing programme; and to serve as the point of contact for investors interest in Uganda. •The Code allows foreigners to invest in all activities, except those relating to national security or requiring ownership of land. Foreign investors may, however, lease land for up to 99 years. They can also participate in joint ventures, including those involving the leasing of land for agricultural purposes. In addition, Uganda imposes no limit on equity ownership. Foreign ownership of up to 100% is

	allowed. Investors are also free to bring in and take out their capital. •Every business in Uganda must be registered with the Registrar of Business Names/Companies in the Registrar General's office. Investors who wish to operate a business in a municipality are also required to obtain a trading licence from the local authority and to register with the Uganda Revenue. Authority for income and corporate taxes and, where applicable, for VAT. Most foreign investors setting up business in Uganda tend to prefer to register as limited liability companies. •In general, there are no restrictions on the equity share that foreign nationals may hold in a locally incorporated company. Similarly, there are no rules or regulations restricting joint ventures between Ugandan and foreign investors. These issues are subject to mutual agreement between the partners. However, all such agreements must be registered with the Registrar General at a nominal fee. It should be noted that the Government is reviewing and updating the main commercial laws, including the laws regarding contracts, companies, competition, etc. •Foreign investors may be subject to a number of performance obligations that are not imposed on national investors. These obligations may include requirements as to size of investment, staff training and local employment, local procurement and environmental protection (UCTAD, 1999a). Perhaps the most common requirement relates to a minimum investment of $100,000 for foreign investors, which is intended to protect small local companies from foreign competition. However, while these requirements must be met by foreign investors in obtaining licences, the Investment Code itself does not contain any mandatory performance requirements. •Foreign direct investment is permitted in all industries. Investors are free to invest in any part of the country, as long as they observe local and environmental laws and do not construct factories in protected areas. Investors operating up-country are eligible for an initial investment allowance of 75% as an incentive. •All foreign-exchange controls have been abolished. In July 1997, capital-account controls were also removed. As a result, residents have access to foreign currency at market-determined exchange rates for all transactions. They may also hold bank accounts in foreign currency inside or outside Uganda. Capital flows freely in and out of the country, without restrictions. •The Minister of Finance, under section 14 of the Finance Statute 1997, repealed section 25 of the Investment Code 1991 which provided for a 3-6 year tax holiday, and proposed a new incentive regime to replace the tax holiday facility. The new incentive regime is specified in the Income Tax Act, 1997, in sections 28 to 34, 36, 37 and 168. It should be noted that, under section 39 of the Income Tax Act 1997, regarding Carry Forward Losses, an assessed loss arising out of company operations, including the loss from the investment allowance, will be carried forward and allowed as a deduction in determining taxable income in the following year. The loss carry forward will continue until the company posts profits. •The land available to investors falls into three categories: (i) Public land: Available through municipal councils and the District Land Commissions. Both locals and foreigners may lease public land. All municipalities apart from Kampala and Mbale have land available for leasing; (ii) Leased land: Available from the Buganda Land Board and other landlords; and (iii) Freehold land: Available from private individuals for sale.

	•Where a dispute arises between a foreign investor and the authority or the Government in respect of a licensed business enterprise, all efforts shall be made to settle the dispute through negotiations for an amicable settlement.
Uzbekistan	•Foreign investments in Uzbekistan could be made in different forms, and in particular: (i) equity participation in charter funds and other property of business entities, banks, insurance institutions and other enterprises established together with legal entities and/or with natural persons of Uzbekistan; (ii) creation and development of business entities, banks, insurance institutions and other enterprises completely belonging to foreign investors; (iii) purchase of property, shares and other securities, including the promissory notes emitted by residents of Uzbekistan; (iv) investment of intellectual property rights, including copyrights, patents, trademarks, useful model, industrial samples, company names and a know-how, and also business reputation (goodwill); (v) purchase of concessions, including concessions on prospecting, exploration, extraction or use of natural resources; and (vi) purchase of the rights for property for facilities of trade and sphere of services, for premises together with the land plots on which they are located, and also the rights of possession and using the land (including on the basis of rent) and natural resources. •As of today, the most different forms of capital investment are offered to potential foreign investors: creation of joint venture; creation of the enterprise with 100 % foreign capital; purchase of a part or full package of shares of privatized enterprises. Foreign investments in the Republic of Uzbekistan enjoy the national treatment which provides foreign investors with conditions not less favorable, than corresponding conditions for investments, made by legal entities and natural persons of the Republic of Uzbekistan. The legislation, alongside with the general guarantees and measures of protection of foreign investors, may envisage additional guarantees and measures of protection, including providing unconditional performance by partners. •Taxed profit for legal entities is reduced for the amount of: (i) means addressed to expanding of major production in the form of a new construction, reconstruction of buildings and erections used for production needs and payment of credits received for these purposes with deduction of depreciations calculated in a corresponding tax period, but not more than thirty (30) percent of taxed profit; (ii) means addressed for modernization and technological reequipping of production, obtaining of new technologic equipment, payment of credits issued for the above purposes, compensation of the cost of a leased object with deduction of imposed depreciation in a corresponding tax period. Reduction of taxed base in carried out within five (5) years starting from a taxed period in which the above expenses were carried out and on technologic equipment from the moment of putting it into operation. In case of realization and gratis transfer of new technological equipment within three (3) years from the moment of its obtaining, this privilege is annulled with the rehabilitation of duties on payment of income tax for the whole period of application of the privilege. •Moreover, the enterprises - domestic manufactures who export the produced goods (works, services) for the foreign currency, except raw materials, independently of the origin of production, are granted with: 50 % reduction in the income (profit) tax – if the company exports not less than 30 % of total amount of sales of produced goods (works, services); 30 % reduction in the income (profit) tax – if the company exports from 15 % up to 30 % of total amount of sales of produced goods (works, services); •According to the Law, foreign investors and enterprises with foreign investments with the purpose of investment activity, have the right to conclude any labour contracts with the citizens of any foreign state and persons without citizenship residing outside the Republic of Uzbekistan. Those persons are entitled to come and stay in the Republic of Uzbekistan during whole period of the labour contract validity and obtain appropriate multiply visas. The foreign investors and the enterprises with foreign investments with the

	purpose of execution of investment activity, have the right for free conclusion of the labour contracts with citizens of any foreign state and persons without citizenship having their residence outside the territory of the Republic of Uzbekistan. Such persons are entitled to come and stay in the Republic of Uzbekistan during the whole period of validity of the labour contract; they enjoy the right to get relevant visas many times. •The state guarantees and protects the rights of foreign investors who execute investment activity on the territory of the Republic of Uzbekistan. Discrimination is not admitted to foreign investors in connection with their nationality, place of residence, denomination, a place of execution of economic activity, as well as depending on the country of origin of investors or investments with taking into account guarantee of realization of international agreements of the Republic of Uzbekistan. Foreign investments and other assets of foreign investors of the Republic of Uzbekistan are not subject to nationalization. •Foreign investors are guaranteed a free transfer of funds in foreign currency to and from the Republic of Uzbekistan without any limitations provided payment of taxes and other obligatory payments by them in accordance with the procedure established by the legislation of the Republic of Uzbekistan. Such transfers include the following: (i)initial and additional sums designed either to support or to increase foreign investments; (ii) income received from investment execution; (iii) funds received as compensation for inflicted losses in accordance with the present Law; (iv) payments executed in order of agreements execution; (v) proceeds of sales of all or part of foreign investments; (vi) payments raised on account of dispute settlement including any judicial or arbitral decision; (vii) salary and other payments to workers; and (vii) funds from other sources received in accordance with the legislation. •Dispute associated with foreign investments (investment dispute) directly or indirectly, can be settled on agreement of the parties by consultation between them. If the parties will not be able to achieve agreed settlement, than such dispute should be settled either by an economic court of the Republic of Uzbekistan or by arbitration in accordance with the rules and procedures of international agreements (conventions) on settlement of investment disputes, to which the Republic of Uzbekistan has been joined.
Yemen	•Investment Law No. (22) was issued on 10/4/1991, and put into force 10/7/1991. In 2002, the law was amended and updated. The law aims to regulate, promote and license investments in all aspects of economic activity. The most important guarantee underlined by the law is the prohibition of nationalization or seizure of the project or placing it under guardianship “freezing its capital”. Investment laws have also ensured the investor the liberty of re-exporting foreign capital invested in the case of liquidation or disposal, in addition to the freedom of exporting the profits resulting from the investment. Another aspect of the law is that it ensures equality between Yemeni, foreign and expatriate capital without distinction or discrimination between rights, duties and measures. •Yemen recognizes the importance and the strong relevance of promoting competition to create an attractive climate for investments. To that end, it has issued a number of laws in addition to the Investment Law , These include: The Commercial Law (encourages investments and attract new investors in various sectors), The Commercial Company Law (facilitates registration procedures and attract foreign trade investments), The Sales Tax Law (decreases sales tax rate to 5%, and gives exemptions to most goods), The Customs Law (reduces most customs rate to 5% and makes exemptions to most goods), and The Arbitration Law (an important tool for settling commercial disputes). •The Yemen welcomes investment in all sectors with the exception of arms and explosive materials, industries that could cause

	environmental disasters, banking and money exchange activities, and wholesale and retail imports. Investments in the exploration and production of oil, gas and minerals are subject to special agreements (e.g., production sharing agreements) under the authority of the Ministry of Oil and Minerals and do not fall within the purview of the GIA. Investment is open to Yemeni, Arab, or foreign investors acting solely or in partnership on any project. •In order to encourage investment in Yemen, the Yemeni Investment Law offers certain incentives for foreign investors who carry out commercial activities in Yemen in accordance with its provision. These include reduced custom duties, guarantees against expropriation and sequestration. The General Investment Authority (GIA) is the main government organization tasked with attracting foreign investment to Yemen. They have recently gone through a major re-organization, and are now more customer-focused. As part of their drive to make life easier for the new investor, they opened a “One Stop Shop”. Representatives of nearly all the relevant Ministries will have their offices attached, and the plan is that a potential investor will be able to complete all the necessary paperwork at one visit, and permissions granted within a few days. Foreign investment in the exploration for and production of oil, gas, and minerals is subject to production-sharing agreements. Foreign investment is not permitted in the arms and explosive materials industries, or in industries that could cause environmental disasters, or wholesale and retail imports. Though political unrest and civil violence are deterrents, Yemen appears to have attracted some regional investment enthusiasm and political support since its presidential election in late 2006. Foreign exchange accounts are permitted. There are no restrictions on payments and transfers, and capital transactions are subject to few restrictions. However corruption is significant. •Yemen's investment law stipulates that private property will not be nationalized or seized, and that funds will not be blocked, confiscated, frozen, withheld or sequestered by other than a court of law. Real estate may not be expropriated except in the national interest, and expropriation must be according to a court judgment and include fair compensation based on current market value. •Arab and foreign capital and Arab and foreign investors shall be on a par with Yemeni capital and Yemeni investors without discrimination with respect to the rights, obligations, rules and procedures set forth in this Law and the decrees and regulations enacted in the execution thereof. •Yemen’s investment law does not specify performance requirements as conditions for establishing, maintaining or expanding investment. Incentives permitted under the law include, but are not limited to: Exemption from customs fees and taxes levied on fixed assets of the project; tax holiday on profits for a period of seven years, renewable for up to 18 years maximum; the right to purchase or rent land and buildings; and, the right to import production inputs and export products without restrictions and registration in the import/export register. •While foreigners may own property, Yemen’s commercial law requires foreign companies and establishments to operate through Yemeni agents. Law 23 of 1997 (as amended) regulates agencies and branches of foreign companies and firms and outlines the requirements for establishing a Yemeni agent. Chapter 3 of Law 23 permits foreign companies and firms to conduct business in Yemen by establishing foreign-owned and managed branches. Foreign establishments wishing to open branches in their own names must obtain a permit by decree from the Minister of Industry and Trade. •In 2002, Yemen became a member of the Greater Arab Free Trade Area. GAFTA requires member countries to undertake specific commitments regarding the elimination of tariffs, non-tariff measures, and rules of origin. In 1997, Yemen adopted the Executive

	Program of the Agreement for the Facilitation and Promotion of Trade for the implementation of GAFTA, which calls for tariff reductions at a rate of 16% annually. Thus, tariffs would be reduced to zero by 2010. •The current income tax law includes corporate profits, personal income tax, and real estate tax. The tax year is the calendar year, unless otherwise stated. Corporate tax is levied at a unified rate of 35%. Companies are eligible for registration under the investment law for investment projects are exempt from corporate tax for a period of seven years. The Yemeni government has approved Sales Taxes or VAT and the sales tax is 10%. •The investment law provides guarantees, exemptions, privileges and facilities for all projects, irrespective of size. The minimum capital needed to be eligible for a 15% corporate income tax in an investment project is 3 million USD. All projects with an investment capital of less than 1 million USD are subject to a 20% corporate income tax. Lands can be provided for strategic investments exceeding 10 million dollars provided that the land is owned by the government. •The law guarantees equality between domestic and foreign investors. Equality between the Yemen and non-Yemeni investors in all rights and duties. The possibility of having a non-Yemeni investor own up to 100% of an investment project, land and real-estate. Exemptions vary between projects undertaken in the investment zone (a) located in main cities and the investment zone (b) located in remote areas. The former zone enjoys up to 7 years of profit tax exemption and the latter zone up to 9 years. •Yemen has entered into major trade agreements with Saudi Arabia and has applied for World Trade Organization (WTO) accession. Provisions of the 1934 Taif Treaty with Saudi Arabia call for establishment of open markets, a single customs system for both countries, reciprocal most favored nation trading status, and unimpeded transit rights through both nations. The treaty was reaffirmed in the June 2000 Saudi-Yemeni border treaty, also called the “Jeddah Treaty.” Yemen is also a founding member of the Indian Ocean Rim Association, has applied for membership in the British Commonwealth, and was granted observer status at the WTO in 1999. In 2000, the General Council of the WTO accepted Yemen’s application for accession. Yemen presented a memorandum of foreign trade regime to the WTO in 2002 and had its first working party meeting in November, 2004. In 2005, Yemen's request to join the WTO discussion was considered and a delegation from the Ministry of Industry and Trade attended its first meeting in Geneva, Switzerland. Discussions and negotiations between WTO and Yemen is ongoing but Yemen still has a considerable ground to cover in order to comply with WTO standards.

References

Country Report April 2012. www.eiu.com, The Economist Intelligence Unit Limited 2012, **(www.eiu.com)**

Data Resource and Statistics Department (DRSD), Statistical Monograph No 32: Key Socio-Economic Statistics on IDB Member Countries, Islamic Development Bank

Doing Business 2012, Doing Business in a More Transparent World, The World Bank Group, 2012
http://www. Country online.com/foreign investment.htm, (For a number of OIC member country)

http://en.wikipedia.org/wiki/ Chamber_of_Commerce_Industries_and_Mines (For a number of OIC member countries)

Laws & Regulations, www.doingbusiness.org, World Bank Group

Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), Annual Economic Report 2011

The Global Competitiveness Report 2011–2012, World Economic Forum