COMESA TAX GUIDE

2009

COMESA

Regional Investment Agency

RIA

COMESA

Introduction

«COMESA Tax Guide 2009» is a booklet produced by COMESA RIA on tax information of Member States.

First Edition includes Comoros, Burundi , Djibouti, DRC, Egypt, Kenya, Malawi, Mauritius, Seychelles, Rwanda, Swaziland , Uganda, Zambia and Zimbabwe.

The next edition will include the remaining countries; Libya , Sudan, Eritrea, Ethiopia and Madagascar the information of which is still being compiled.

This booklet is available in an electronic format, so we can email a copy to you.

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About COMESA

COMESA was founded in 1994 as a successor to the Preferential Trade Area (PTA) for Eastern and Southern Africa, which was established in 1981. COMESA formally succeeded the PTA on 8 December 1994 upon ratification of the Treaty by the requisite number of States. Today COMESA is a group of 19 Member States stretching from Libya to Swaziland. It was established to collaborate in economic development through deep regional integration based on mutual respect of the sovereignty of each state, while maintaining peace and security and promoting a just and democratic system of governance and enforcement of the rule of law.

The establishment of COMESA was a fulfillment of the requirements of the PTA Treaty, which provided for the transformation of the PTA into a common market in ten years after the entry into force of the PTA Treaty. The main function of COMESA is to promote economic prosperity through regional integration.

In attaining its goal, COMESA recognises that peace and security are key factors in promoting investment, and enhancing regional economic integration. The COMESA agenda is to deepen and broaden the integration process among Member States through the adoption of more comprehensive trade liberalisation measures through the free movement of capital and labour.

COMESA aims to achieve sustainable economic and social progress in all Member States. This is to be done through increased co-operation and integration in all fields of development, particularly in trade, customs and monetary affairs; transport, communication and information; technology, industry and energy; gender, agriculture, environment and natural resources.

It is estimated that COMESA's total population is over 400 million people with an annual import bill of close to USD71 billion, an export bill of about USD96 billion and a gross domestic product (GDP) of over USD300 billion, representing a sizable trading market.

The region is rich in natural resources including minerals and oil and is strategically located on major world trade routes, the Suez Canal, the Red Sea and the Indian Ocean.

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About COMESA Regional Investment Agency

The Regional Investment Agency (RIA) for the Common Market for Eastern and Southern Africa (COMESA) aims to make the COMESA region a viable, attractive destination for regional and international investors. In the long term RIA's vision is to present the region as a fully integrated, internationally competitive regional economic utility.

RIA's key role is to be the strategic driver for capacity building among COMESA Member States' Investment Promotion Agencies, promoting best practice and facilitating each Member State to generate a positive business environment for potential investors - thus creating a strong region within Africa for investment.

RIA seeks to optimise investment and trade opportunities in the region through developing and establishing synergies, networks, alliances, and co-operation with other regional economic communities, co-operating partners and international institutions, so as to achieve high investment levels that lead to rapid and sustainable economic growth and development.

Since its launch in 2006, the role of RIA within COMESA has been fine-tuned to focus on investment promotion and capacity building for IPAs. The issue of policy changes to improve national investment environments is now seen as the primary responsibility of the COMESA Secretariat.

RIA has been engaged in building the capacity of the various IPAs which are now in operation in all of the Member States. In addition, RIA acts as an information hub for investors seeking information about the region.

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Republic of Burundi »

Burundi

Often called "the heart of Africa," Burundi covers an area of 27,834 square kilometers. Bounded to the North by Rwanda, to the West by Democratic Republic of Congo, and to the East and South by Tanzania, Burundi is part of East-Central Africa. It is part of the region of great lakes and rift valleys, which extends through Central Africa from the Red Sea to Lake Malawi through Ethiopia.

Burundi is a small (about 8.5 million people) and landlocked country. It has one of the highest population densities in Africa, about 300 people per square kilometer.

Burundi made a successful transition to a multi-party system of government from 2000 to 2005. A transitional government, based on power sharing, took office in January 2002 for a 36-month term. In February 2005, the country approved by referendum a new constitution emphasizing power sharing and protection of minority rights. Communal elections took place in June 2005, and Parliamentary elections took place in August 2005.

Since 2000, the Government of Burundi has implemented a program of financial and structural reforms to stabilize the economy and revive economic activity. These have included: prudent monetary policy implemented by a more independent central bank in the context of a liberalized foreign exchange regime, prudent fiscal policy with poverty-focused expenditure priorities, and steps to strengthen and improve the transparency of public financial management.

Economic performance has improved, but real GDP growth still averaged only about 3 percent from 2001-2008. Economic growth remains highly volatile due to its dependence on the widely fluctuating agricultural sector, whose volatility is largely due to climatic shocks in recent years.

Successful implementation of the government's economic reform program enabled Burundi to reach the Heavily Indebted Poor Country (HIPC) decision point in August 2005 and HIPC completion point in January 2009. Debt relief to Burundi under the enhanced HIPC Initiative will total about USD 832 million in net present value (NPV) terms.

Foreign investment is officially welcome and receives equal treatment. There is mandatory screening of foreign investment if a company seeks any of the special incentives provided through the Investment Code. There is no limitation on the flow of funds for remittances of profits, debt service, capital, capital gains, returns on intellectual property, or imported inputs. In principle, there are no restrictions on converting or transferring funds associated with foreign investment; in practice, limitations depend on the availability of hard currency. Residents and non-residents may hold foreign exchange accounts and withdraw funds up to a set limit upon presentation of documentation. Central bank approval is required for accounts held abroad. Most capital transactions, including credit operations, direct investment, and personal capital movements, are subject to restrictions or authorization requirements.

Burundi Tax Rates:

Tax	Tax base	rate
Corporate Tax Rate	Taxable profit (turnover)	35 %
Value Added Tax (Vat)	Cost of materials	17 %
Social Security Contributions	Gross salaries	3.90%
Health Insurance Contribution	Gross salaries	3 %
Building Tax	Per square meter of developed land	BIF 36
Land Tax	Per square meter of undeveloped land	BIF 3

Burundi Customs and Duties

Burundi applies two import tariff regimes depending on the origin of the merchandise:

- **Free Trade Area:**
  All commodities imported from COMESA countries in the Free Trade Area (the Common Market for Eastern and Southern Africa) are exempt from custom duties. Burundi has also joined the East African Community (EAC) and is currently debating changes in import tariffs to harmonize its system with those of other member countries.

- **Other countries:**
  - Raw industrial materials for capital goods and pharmaceutical products **5%**
  - Commodities deemed essential, such as industrial and building materials **10%** to **15%**
  - Non essential product, such as alcoholic beverages and imported food items **30%**

Once Burundi has completely harmonized its system with that of the EAC, import tariffs will decrease by 5% for each category – effectively eliminating tariffs on raw industrial materials and pharmaceuticals.

It is also worth noting that a new tax code is expected to be adopted in 2009.

Union of the Comoros

Comoros

The Union of the Comoros is a developing nation located in the Indian Ocean off the east coast of Africa. Comoros consists of three islands, Ngazidja (also known as Grand Comore), Moheli and Anjouan that cover about 900 square miles. A fourth island, Mayotte, is claimed by Comoros but remains a territory of France. Ngazidja is home to the capital city, Moroni, and is the most developed of the three islands.

In 2008, Gross Domestic Product (GDP) amounted to over USD 700 million at current market prices. Comoros depends largely on fishing and subsistence agriculture, which employs approximately 80 percent of the population and provides 40 percent of GDP. Though much of the terrain is not suitable for agriculture, Comoros is the world's leading producer of ylang-ylang (a perfume ingredient) and second leading producer of vanilla.

The Investment Division of the Ministry of Finance, Budget, Economy, Commerce, and Investments monitors and facilitates investment in Comoros.

Inflation is relatively low, averaging 3.1 percent between 2005 and 2007. Comoros imports a high proportion of its fossil energy requirements, and higher international oil prices are fueling inflation. Monetary policy remains circumscribed by Comoros's membership in the Franc Zone and the related fixed exchange rate against the euro.

Comoros top income tax rate is 30 percent, and the top corporate tax rate is 50 percent. Other taxes include consumption tax, an insurance tax, and a vehicle tax. In the most recent year, overall tax revenue as a percentage of GDP was 12.0 percent.

Comoros Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable Profit (Turnover)	0% enterprises with a turnover not exceeding 20 million Comorian Francs (CF)
		35% turnover of between CF 20 million and CF 500 million.
		50% turnover of which exceeds CF 500 million
Payroll Tax Rate	Annual Income	0% for annual income below CF 150,000
		5 % for annual income between CF150,000 and CF500,000

Tax	Tax Base	Rate
Payroll Tax Rate	Turn Over	10% for annual income between CF 500,000 and CF 1,000,000
		15% for annual income between CF 1,000,000 and CF 1,500,000
		20% for annual income between CF 1,500,000 and CF 2,500,000
		25% for annual income between CF 2,500,000 and CF 3,500,000
		30% for annual income more than CF 3,500,000
Business License Charges	Rental Value	Fees on business licenses vary from CF 5,000 to CF 750,000. These fees are composed of a fixed charge, depending on the type of business, and a proportional charge, based on the rental value of the business premises, which in turn depends on the location of the premises.
Property Tax Rate	Property Recording Fees	Taxes on recording property transactions are levied at 2% of the value for property rights and mortgages and 1% of the cumulative value for leases.
	Tax On Registered Property	Tax on real estate transfers are charged at different rates, depending on the type of transfer: • Sale – 2% to 9% of selling price • Donation and inheritance- 5% to 60% of the assessed value • Judicial act- fixed amount of CF 1,000 to CF 20,000

Tax	Tax Base	Rate
Tax On Rental Income	Rental Value	• 20% for residential units and farms • 30% for commercial and industrial units
Capital Gains Tax	Capital Gains	20.00%
Consumption Tax	Cost	• Basic necessities 0% • Water supply, private schools and inter-island airfares 3% • Electricity, telephone, banking services 5% • Importation, production, transformation and trade activities, and other services 10% • Casino 25%
Tax On Insurance Policies	Insurance Policy Value	• 3% for life, maritime and rental insurance • 15% for fire insurance • 4% for all other insurance categories.
Stamp Duty	Type Of Transaction	• It ranges between CF 500 and CF 25,000
Taxes On Vehicles		• CF 3,000 to CF 22,500 per cylinder, depending on the vehicle's age and engine capacity • CF 25,000 per ton of load capacity for diesel engine vehicles except those used in agricultural activities • CF1,000 parking fees per vehicle except those used in agricultural activities.

Tax exemptions and reliefs

- Under the new investment law of 2007, foreign and national enterprises with an investment program of over CF 5 million and having a potential to create significant employment for the nationals are able to benefit from certain tax exemptions. These have been outlined in the chapter titled Foreign Investment.

- The other main tax exemptions exiting under the national taxation law are Exemption from property tax: new properties used for private residence are not subject to property taxes during the first two years of usage.

- Exemptions from tax on imports: petroleum products, cements, fertilizers, flour and rice are exempted from the administrative levy tax. Reduced rates on petroleum products are further applied to diplomatic missions, ships and aircrafts. For fait tax is exempt under the following circumstances:

    - A container with more than 60% of one product
    - A container with a mixture of more than 60% the following: Rice, tobacco, alcohol, soda beverages, cosmetics, spare parts and printed textiles.

- Exemption from capital income tax: capital income tax does not apply on interest on loans contracted or granted by microcredit agencies, housing cooperatives and agricultural credit unions.

The Government of Comoros also grants tax exemptions for business entities and employees of the business entities on a case to case basis.

Comoros Customs and Duties

Comoros has three categories of products:

- The social bare necessities (20%) and other products with a specific tax system.
- Finished products: 30% and 40%
- Raw materials: 3%

The duties put on alcohol and tobacco are from 180%, 200% up to 250%.

In addition commodities imported from COMESA countries in the Free Trade Area are exempted from custom duties.

Democratic Republic of the Congo

DR CONGO

The DR Congo has the third largest population (66 million in 2008) and the second largest land area (2.3 million Km^2) in Sub-Saharan Africa. It is rich in natural and human resources, and is endowed with the second largest rain forest in the world, with fertile soils, ample rainfall, and considerable and varied mineral resources. Historically, mining (copper, cobalt, diamonds, gold, zinc, and other base metals) and petroleum extraction accounted for about 75 percent of total export revenues and about 25 percent of the country's GDP.

Since 2001, the government has launched the implementation of economic, financial and structural reforms aimed at stabilizing the macroeconomic situation and the creation of a climate conductive to private sector-led development. It managed to break the hyperinflation cycle and to stabilize the exchange rate. From a rate of 511% in 2000, the inflation declined to 135% in 2001, and fell further to 18% in 2006. Reforms included the adoption of new investment, labor, mining, and forestry codes which are keys to attracting foreign investors and restoring transparency in traditionally opaque sectors.

In addition, DR Congo reached the HIPC Decision Point in 2003 (with a total relief estimated at USD 6.3 billion for a total stock of outstanding external debt estimated at USD7.9 billion in NPV terms). As a result of the reforms, economic growth returned in 2003 after a decade of contraction. Growth stood at approximately 6 percent a year, driven mainly by a post-conflict rebound of basic activities (a pattern typical of post-conflict countries), notably in the trade, transport, construction, agriculture and selected manufacturing and services. In the coming years, the real GDP growth is projected to rise substantially with a recovery in mining and manufacturing. Private sector investment has been relatively high (about USD 2.7 billion in new investments since 2003).

Despite The global economic downturn which has had a profound effect on DR Congo economy, the economy remained resilient in 2008, maintaining growth at the 2003 to 2008 average. Playing off growing demand and record high prices for industrial commodities, increased activity in the extractive industries sector in the first three quarters of 2008 led to an 11 percentage increase in production in 2008 and stimulated growth in the construction and services sectors; this led to a structural change in the GDP growth composition in 2008. While growth remains driven by trade and commerce, growth contributions from the extractive industries sector rose significantly from 5 to 24 percent. Growth was also maintained in the agriculture sector. The sectors contribution to growth stood at 18.8 percent in 2008, while that of transport and telecommunication was 8.0 percent.

DR Congo Tax Rates:

Tax	Tax base	rate
Corporate Tax Rate	Taxable Profit (Turnover)	40%
Income Taxes	Gross Salaries	Calculated according to progressive rate by band of 3 to 30 % of the taxable income.
Tax On Share-Generated Profits	Profit	20%
Social Security Contributions	Gross Salaries	5% (9% in Katanga)
Tax On Turnover On Import	Imports	• 3 % for capital goods; agricultural, veterinary and cattle-breeding inputs and specifically-named products in the tariff of duties and taxes on import. • 13 % for others
Tax On Turnover Locally		• 3 % for sales of capital goods and agricultural, veterinary and locally-made cattle-breeding inputs. • 6 % for conveyance operations within the country • 9 % for provision of services by banks and financial institutions as loans • 13 % for sales of other home-made products • 15 % for conveyance operations abroad • 18 % for provision of services by natural persons or legal entities established in the country • 18 % for property work • 30 % for provision of technical assistance by natural persons or legal entities not established in the country.

The DRC adopted a harmonized system of tariff classification in 1998. Most tariffs are ad valorem and are on a CIF (Costs and Insurance Freight) basis. The DRC's tariff customs structure (import duties) includes the three rates as follows:

- Equipment goods, machinery, plant, tools, heavy vehicles **8%**
- Agriculture, breeding inputs, raw materials, pharmaceutical inputs **10 %**
- Spare parts and intermediate products **20%**

The OCC, DRC's import-export control authority, charges a 2% tax (ad valorem) on the CIF value of all imports.

Republic of Djibouti

Djibouti

Djibouti's spectacular strategic location is its main economic asset. The large, well equipped Port of Djibouti, managed since 2000 by Dubai Ports World, straddles the juncture of sea routes between the Far East, the Arabo-Persian Gulf, Africa, Europe, and the East Coast of the United States. It serves as a gateway to internal African markets. Transshipment is growing, and currently accounts for approximately 20% of port business. The new Doraleh Port project is expected to quadruple revenues and significantly benefit Djibouti's economy.

Services provided by Djibouti's port, airport, financial institutions, and related sectors account for more than 80% of GDP. In recent years, intensive port activities, improved management, financial aid from the United States and France, and, especially, Foreign Direct Investment have significantly improved Djibouti's economy.

In 2003 these improvements resulted in the first positive real growth (3.5%) in more than a decade. This positive trend has continued, and real growth was estimated at 5.9% for 2008. Inflation is relatively moderate, averaging 4.5 percent between 2005 and 2007.

Djibouti has moderate tax rates. The top income tax rate is 30 percent, and the top corporate tax rate is 25 percent. Other taxes include a property tax and an excise tax. In the most recent year, overall tax revenue as a percentage of GDP was 20 percent.

Djibouti's financial sector has been growing as more banks, particularly foreign banks, have entered the market. One majority French-owned bank and one fully French-owned bank together account for 95 percent of deposits and 85 percent of credit. The government retains a minority stake in Banque pour le Commerce et l'Industrie-Mer Rouge, the country's largest commercial bank. The government has made efforts to promote the integrity and efficiency of the banking sector and adopted new banking laws in 2000.

Djibouti has pursued a moderate foreign policy. Djibouti's population is estimated at more than 600,000. A census slated for completion in 2009 should provide more accurate figures. French and Somali are the main languages used in government, business and daily activities. English is becoming more widely spoken due to increased American presence and more English-speaking foreign investors.

Djibouti Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable Profit	25% of Taxable Profit
		1% of Turnover is only applied in case of deficit result and for exonerated companies
Sales Tax	Sales	20%

Tax	Tax Base	Rate
Property Tax	Rental Value	25%
Value Added Tax	Cost Of Materials	7% for companies with annual turnover exceeds 80 million Djiboutian Francs
Local Tax	Value	4.5%
Social Security Contributions	Gross Salaries	15.7%

Djibouti offers benefits to investors, through the Investment Code, if they meet the following requirements:

● **REGIME "A"** investments and companies realize an investment of a minimum amount of five million Djibouti Francs having the following objectives:

● Exploitation, preparation or transformation of products of vegetable or animal origin, whatever is the origin;
● Fishing in high-sea and deep-sea; preparation, freezing, Transformation or storage of the products of the sea;
● The mining development, the industry of treatment or formation of the mining products or metals, that they are or not extracted from the ground of the territory;
● Research, exploitation or storage of any source of energy as well as refining of hydrocarbons;
● Creation, exploitation of establishments aiming at the development of the tourism and the craft;
● Creation and electric, electronic, and chemical exploitation and ship buildings industries; Land, sea or air transports;
● Harbor and airport activities;
● Construction, repair and maintenance the ships for Sea transports or of fishing;
● Manufacturing or conditioning on the spot of the products or goods for great consumption;
● Banking or credits activities to be promoted new investments as well as the activities of warranting (credit, storage);
● Concealing services, engineering, computer data processing, telemetric center server of data bases.

The benefits are the followings:
• Exempted from the "Taxation of the license" during the year during which installations of activity put into operation and in the next five years.

● Exempted from the Home Tax of Consumption and Import Taxes for the materials necessary to the realization of its investments programs.

● **REGIME "B"** investments and companies realize an investment of a minimum amount of fifty million Djibouti Francs having the following objectives:

● The construction of buildings of exclusively industrial, commercial or tourist use;
● The construction of the social housing;

- Construction, creation and exploitation of educational and training schools.

The benefits are the followings:

- Tax license during the year which the installation are put into operation or the activity is initiated and the ten next following years.
- Constructions of buildings approved within the framework of the title can be exempted from land taxation on the buildings during a period minimum of ten years as from the year following the year of the completion of works.
- Exempted from tax on industrial and commercial incomes of natural persons resulting from approved activities, within the limit of a maximum of ten years as from the date of the exploitation.
- Exempted from tax on industrial and commercial incomes of the entities resulting from the activities approved within the limits of a maximum of ten years as from the date of the exploitation.

Djibouti Customs and Duties

Regular import taxes range from 5 to 40 percent according to the nature of the merchandise. While basic commodities enjoy low import taxes, goods such as cigarettes and alcoholic beverages pay surtaxes of 70 and 160 percent respectively.

In 2008, the government passed a decree setting the import tax on basic food commodities to zero.

In addition commodities imported from COMESA Member States in the Free Trade Area are exempt from custom duties.

Arab Republic of Egypt

Egypt

With a population of 78 million, Egypt is by far the largest Arab country. It sits in the heart of the Middle East with a growing economy that has become much more diversified than in the past. Over the last few years, Egypt has implemented a series of important economic reforms which have led to a solid macroeconomic performance that is helping the country to weather the tough economic times.

Egypt is a major oil and gas producer, with natural gas production increasing rapidly. Investment needs in power infrastructure remain substantial. The government is putting in place an institutional framework for private public partnerships (PPPs). PPP projects in the pipeline include building and maintaining public schools, hospitals, potable and wastewater stations, and freeways.

Due to global financial crisis, a considerable slowdown in economic activity is expected. According to the IMF estimates, economic growth could fall to 4 -5 percent in 2008 and 2009 (from a 7 percent average in the last three years), with inflation declining to 8 - 12 percent over the same period. The international economic crisis is also likely to weaken FDI flows and net exports of goods and services would most likely decline as key markets shrink and export prices fall. On a positive note, the financial sector has escaped the negative effects of the international crisis so far. This can be attributed to improved banking supervision, conservative lending practices, and the central bank recently guaranteeing all bank deposits.

Egypt has low personal income and corporate tax rates. The top income and corporate tax rates are 20 percent. A special corporate tax of 40.55 percent remains in effect for oil, gas, and exploration companies. Other taxes include a value-added tax (VAT) and a property tax. In the most recent year, overall tax revenue as a percentage of GDP jumped to 15.8 percent due to a widening tax base and improvements in the collection system, including incentives for timely payments.

Egypt Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable Profit	20%
Corporate Tax For Companies Engaged In Exploration And Production Of Oil And Gas.	Taxable Profit	40.55%
Sales Tax	Sales	10%

Tax	Tax Base	Rate
Income Tax	Annual Income	Less than EGP 5,000 exempted
		More than EGP 5,000 up to EGP 20,000 10%
		More than EGP 20,000 up to EGP 40,000 15%
		More than EGP 40,000 20%
Stamp Duty	Banking Transactions	0.02%
	Commercial Advertisements	15%
	Insurance Premium	0.08% to 10%
Social Security Contributions	Salaries	On basic monthly salary up to L.E. 700 / month 26% for employer and 14% for the employee
		On variable pay 24% for employer and 14% for the employee

However the Egyptian investment law provides the following exemptions for investors:

- **Five Years Exemption:** for the projects financed by the Social Development Funds
- **Ten Years Exemption:** for the following projects:
    - Reclamation and cultivation of barren and desert lands or either of them.
    - Animal production and bee-keeping.
    - Fish farms and boots.

- **Free zones projects** pay only an annual charge of 1% calculated upon the total value of their products excluding all raw materials, storage facilities are to pay 1% of the value of goods entering the Free Zones while service projects pay 1% of total annual revenue. Goods in transit to specific destinations are exempt from any charges.

- **Special Economic Zones (SEZ)** incentives and guarantees include a 5% flat rate on personal income tax; integrated custom administration, tax administration, dispute settlements, licensing as well as general investors services for projects incorporated within the zones; a 10% tax rate on all activities within the SEZ; and Egyptian certificates of origin for SEZ – based exporters, allowing them to make use of Egypt's international trade agreements.

Egypt Customs and Duties

In 2004, the Egyptian government reduced the number of ad valorem tariff bands from 27 to 6, dismantled tariff inconsistencies, and rationalized national sub-headings above the six-digit level of the Harmonized System (HS). The government also eliminated services fees and import surcharges ranging from 1 percent to 4 percent. The government reduced its 13,000-line tariff structure to less than 6,000 tariff lines. These and other changes have significantly reduced requests for customs arbitration over the past three years.

In February 2007, a presidential decree further reduced import tariffs on 1,114 items, including foodstuffs, raw materials, and intermediary and final goods. The government also adopted the World Customs Organization (WCO) HS-2007 for classifying commodities. The changes reduced the weighted average of import tariffs from 9.1 percent to 6.9 percent. Ninety percent of imported goods now face tariffs below 15 percent. These goods include many foodstuffs, raw materials, and intermediate goods, as well as some finished goods. Vehicles, alcohol, tobacco are the only items on which tariffs are still 40 percent or greater.

There is a 300 percent duty on wine for use in hotels, plus a 40 percent sales tax. The tariff for alcoholic beverages ranges from 1200 percent to 3000 percent.

A list of recent tariff reductions for some major industries follows:

- Automotive industry and its feeding industries: The tariffs on the automotive manufacturing components have been reduced from the range of 5-12% to the range of 2-5%, in addition to around 10% sales tax.

- Passenger cars with engines under 1,600cc were reduced in September 2004 to a maximum of 40 percent, while engines over 1,600cc now have a tariff rate of 135 percent, cars with engines over 2,000 cc are subject to an escalating sales tax up to 45 percent.

- Paper manufacturing, printing and publishing: Tariffs on material for paper manufacturing have been reduced from the range of 5-32% to the range of 2-12%.

- Iron and steel industry: Some materials have been completely exempted from tariffs, while others have been reduced from 5% tariffs to only 2%.

- Food industry: Tariffs have been unified and reduced for the food and pharmaceutical industries to 5%.

- Tariffs on textiles have been reduced from 12-22% to the range of 5-10%, while garments have also been reduced to 30% down from 40%. Customs on yarns were reduced from 12-20% to be around 5%. Imported color stabilizers and similar textile chemicals were reduced from 2% to 0%. Customs on medical equipment, including dentistry, equipment used for treating fractures, cardiovascular equipment, hearing aids, and needles used for sewing wounds: Tariffs range between 2% and 5%.

- Fresh fruits dropped from 40 percent to 20 percent. Textile machineries are custom tariff exempted.

Egypt is also a part of the COMESA Free Trade Agreement and the Greater Arab Free Trade Agreement which allow the products of these two groups to enter Egypt customs free.

Republic of Kenya

Kenya

Kenya the country of around 35.5 million inhabitants has enjoyed a long history of economic leadership in East Africa as the largest and most advanced economy in the region. Since 2003, Kenya's performance in attracting FDI has been marginally better; Kenya enjoyed a banner year in 2007 attracting USD728 million in FDI. In addition, in 2007, IFC ranked Kenya as one of three countries in Africa that had made significant strides in creating a conducive business environment in 2006/07.

Kenya is the transportation, communication, and financial hub of East Africa. Agriculture accounted for about 24 percent of GDP in 2007 and employs a majority of the population. Kenya has now fully liberalised its economy by removing all obstacles that previously hampered the free flow of trade and foreign private investment.

Among them were exchange controls, import and export licensing, as well as restrictions on remittances of profits and dividends, all of which no longer exist. These reforms have been painstakingly undertaken by the Kenyan government in order to create the necessary environment to attract foreign investment.

The Government of Kenya is taking a variety of steps to create an enabling environment for both foreign and domestic investment. This is in line with the Government's Economic Recovery Strategy for Wealth and Employment Creation (2003–2007), which is focused on the promises contained in the manifesto of the ruling party, the National Rainbow Coalition (NARC). Priorities are investment in infrastructure and improving access to education and health services. Also at the top of the agenda are fighting corruption and promoting good governance.

Kenya has moderate income and corporate tax rates. The top income and corporate tax rates are 30 percent. Other taxes include a value-added tax (VAT) and a tax on interest. In the most recent year, overall tax revenue as a percentage of GDP was 18.4 percent.

Kenya Tax Rates:

Tax	Tax Base	Rate
Corporate tax rate	Taxable profit	30%
		37.5% branch of a foreign company
Turn over Tax	Turn Over	0.3%
Social Securities	Gross Salaries	5% maximum of KES 2,400 per employee

Tax	Tax Base	Rate
Income Tax	Annual Income	Progressive rates of 10%, 15%, 20% and 25% are levied on the first KES 466,705 in approximately equal bands and at 30% on any amount exceeding KES 466,704.
Value Added Tax	Value Added	16%
Royalty Tax	Royalities	5% withholding tax for Residents
		20% for Non Residents
Dividend Tax	Dividends	5% for Residents of Kenya and East African Communities
		10% for non residents
Transfer Tax	immovable property	4%
Tax on interest	interest income	15% (withheld)

Kenya's investment code, articulated in the Investment Promotion Act of 2004, is designed to streamline the administrative and legal procedures to achieve a more effective investment climate. The Investment Promotion Act objective is to attract and facilitate investment by assisting investors in obtaining the licenses necessary to invest and by providing other assistance and incentives. The Act set the minimum foreign investment threshold at USD 500,000 and conditions some benefits on obtaining an investment certificate from the KIA. The minimum foreign investment threshold was later revised to USD100,000 as an amendment to the Act.

The Act provide the following incentives

- Investment Incentives under Manufacturing Under Bond Program
  - 100% investment allowance
  - Duty and VAT exemption on machinery, equipments and raw materials.

- EPZ (Export Processing Zones) Programme:
  - 10 year tax holiday
  - Duty and VAT exemption
  - Single license
  - Exemption from stamp duty
  - Exemption for withholding tax
  - 25% corporate tax for 10 years after the first 10 years expire
  - 100% investment allowance
- Duty Remission: Exemption on duties and VAT on raw materials utilized to process confirmed exports orders.
- Liberal Depreciation Rates
- Loss-Carry forward: Business must recover previous losses before paying corporate tax.
- Capital expenditure: Duties paid

for capital expenditure in excess of USD 70,000 can be recovered from corporate tax.

- Capital goods and basic raw materials are zero-rated.
- Tourism:
  - Investments in tourist hotels can apply for waiver of duties and VAT.
  - Foreign investors are allowed to bring in cars for personal use duty free.
  - 100% investment allowance for new investments in manufacturing and tourist hotels.
  - 25% corporate tax for companies issuing initial public offers in the Nairobi Stock Exchange.
  - Computers are duty free

Kenya Customs and Duties

Kenya applies tariffs based on the international (HS) harmonized system of product classification. Recent tariff changes were announced in Kenya's 2007-2008 budget, the major highlights of which follow:

- Import duty on felt paper used for manufacture of oil and air filters for motor vehicles was reduced from 25% to 10%.

- Import duty on textile fabrics and felt that are needed in the manufacturing process of paper and that on millstones and grindstones for milling, grinding or pulping were reduced to 0%.

- Medical equipment imported by licensed hospital will be exempted from duty under the EAC Customs Management Act.

- Export duty of 20% or Kshs. 10/kg has been imposed on export of used lead acid batteries.

- Export duty on raw hides and skins has been increased from 20% or Kshs. 10 /kg to 40% or Kshs. 20/kg.

- Specific excise duty of Kshs. 6 per liter has been introduced on bottled water in addition to the existing ad valor excise duty of 10%.

- Excise duty on malt beer was increased from Kshs. 48 per liter to Kshs. 50 per liter.

- Commodities that have been zero-rated for Value Added Tax include: milk powder, imported pyrethrum extracts, specialized solar equipment and accessories including deep cycle sealed batteries, certain insecticides, rodenticides, fungicides, herbicides, anti-sprouting products, plant growth regulators, disinfectants, and waste pharmaceuticals.

- Live fowls, ducks, geese, turkey, guinea fowls, frozen fish, fresh/chilled fish fillet, cut flowers, flower buds, macadamia nuts (whether or not shelled or peeled, fresh or dried) have been exempted from VAT.

- Import Declaration Form (IDF) fee on imported goods has been reduced from 2.75% of CIF to 2.25% for non-EAC Partner States and completely removed for goods originating from the 5 EAC Partner States.

- The government maintains lower duties and value-added tax for selected items in certain priority sectors. Those items include: palm oil and tallow, bicycles, steel billets, wire rods, graphite lead, windmills, power transformers, cables, active ingredients used for preparation of human and veterinary pharmaceuticals.

In addition, tariff barriers among the three East African countries (Tanzania, Kenya and Uganda) were removed in 1999. In 2004, Kenya, Tanzania and Uganda signed a Customs Union Protocol, putting in place a three-tier tariff system and paving the way for further steps towards a common market. Rwanda and Burundi acceded to the EAC on June 18, 2007 and became full members of the Community effective July 1, 2007. Under the protocol, EAC member states are to allow zero-rated entry of raw materials from EAC members, levy a 10% duty on semi-processed goods, and levy a 25% duty on finished goods.

Also Kenya is a member of the COMESA Free Trade Area which allows COMESA Member States products duty free.

Republic of Malawi

Malawi

Malawi with Gross Domestic Product of USD 3.5 billion and high growth rates averaging 7.5% have been registered in the last 3-4 years, compared to below 3 per cent in previous years. A real GDP growth of 8.6 percent was recorded in 2007, with inflation reaching single digits the same year. Growth is projected at 7.9 percent in 2009. Interest rates have declined from 40% in 2003/4 to the current 15%.

Malawi's population is 13.1 million. Agriculture is the mainstay of the economy due to Malawi's tropical climate and fertile soil contributing 35 percent of GDP compared to 46 percent by services and 19 percent by industry, the sector accounts for more than 80 percent of Malawi's export earnings, and supports 85 percent of the population. The country's export trade is dominated by tobacco, tea, cotton, coffee, and sugar.

There is increasingly more interest in the mining sector's contribution to the economy. While the country now has a sense of its mineral potential and applications for rights to explore minerals are increasing, a uranium mine is now operational at Kayelekera in the northern part of the country. Uranium is expected to contribute over USD200million annually. Malawi also has proven deposits of asbestos, graphite and titanium. However, given that Malawi is situated within the mineral-rich Southern African region, it could contain many more mineral deposits. With increased foreign interest in Malawi's minerals, the government is planning a sophisticated digital survey, where the success of the uranium and bauxite mining projects is likely to attract foreign investors to develop other mines in Malawi.

There are around 100 manufacturing and industrial companies in Malawi, which together accounted for 11% of GDP in 2004. The country's industry consists mainly of agro-processing, textiles, and the production of clothing and footwear, and building and construction materials.

Malawi Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable Profit	30% for Malawi-registered companies
		35% for branches of foreign companies
Income Tax	Annual Income	The first MWK 120,000 of annual income is tax-free. Thereafter, the next MWK 36,000 is taxed at 15% and the excess at 30%.
Value Added Tax	Value Added and Land Sale	16.5%

Tax	Tax Base	Rate
Tax On Interest	Interest Income	15% for non residents (withheld) 20% for residents (withheld)
Royalties	Royalties	15% for non residents (withheld)
Capital Duties	Increase In Share Capital	0.75% is payable on the authorised share capital upon incorporation. Thereafter, the rate is 1% for any subsequent increase in capital.
Real Property Tax	Buildings	From 5 to 10%
Estate Duty		Progressive rates up to 11% for amounts in excess of MWK 600,000. No tax is levied if the estate is valued at MWK 30,000 or less
Dividends	Dividends	10% for non residents
Payroll Tax	Annual Salary	1%
Transfer Tax	Cost Of Buildings	3% is chargeable on the transfer of real property

A Draft National Investment Policy aimed at improving the investment climate was produced in June 2008 and is currently awaiting Government approval. This follows the Malawi Growth and Development Strategy 2006-11 which aim to transform the country's consumption/import based economy to an economy based on production and export.

There are no restrictions on ownership or location of investments and only a few small-scale activities are restricted to local investors only. The minimum foreign investment is USD50,000.

The Act provide the following incentives

- 100% investment allowance on qualifying expenditure for new building and machinery
- Allowance up to 40% for used buildings and machinery
- 50% allowance for qualifying training costs
- Allowance for manufacturing companies to deduct all operating expenses incurred up to 25 months prior to the start of operations
- Zero duty on raw materials used in manufacturing
- Loss carry forward of up to seven years, enabling companies to take advantage of allowances

- Additional 15% allowance for investment in designated areas of the country

- Duty-free importation of buses with seating capacity of 45 persons (including driver) and above

- Duty-free direct importation of building materials for factories and warehouses

- Duty-free direct importation of goods used in the tourism industry, which include building materials, catering and related equipment, and water sport equipment

- Free repatriation of dividends, profits, and royalties

- Qualifying assets in the manufacturing, agricultural and tourism sectors are eligible for a 100% investment allowance in the first year of acquisition

- Companies licensed as operating in an Export Processing Zone are taxed at 0%

- Companies operating in "priority" industries, the rate is either 0% for 10 years or 15% (no time limit is specified).

Malawi Customs and Duties

Domestic protection through tariffs is gradually diminishing as the government continues to shift sources of revenue collection from customs duties to consumption and direct taxes. Import duties vary according to product and country of origin. As a member of The Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), Malawi grants reciprocal preferences to member states of these organizations. Malawi has bilateral trade agreements with South Africa, Mozambique, and Zimbabwe, which allow duty-free entrance of Malawian products. In June 2000 the Government reduced tariff rates on intermediate goods and raw materials from 15 to 10%, but extended 20% surtax to commercial transport fees. COMESA members eliminated duties for member-states in October 2000. Phased implementation of a SADC Free Trade Area began on January 1, 2001. Most SADC countries completed implementation in 2008, although Malawi has until 2012 to fully complete phase in their tariff reductions.

Republic of Mauritius »

Mauritius

Over the years, Mauritius has made it to the league of successful developing economies by adopting international norms and best practices and promoting a business friendly environment. Located in the Indian Ocean, off the Eastern coast of Africa with nearly 1.28 million inhabitants, the country has achieved remarkable economic, political and social success, based on good governance and an exceptional use of trade preferences for sugar and clothing exports. At independence in 1968, the country's per capita income was about USD 260. Today, it is an upper middle income country, with a 2008 per capita income of approximately USD 7,300 (USD 15,200 in terms of Purchasing Power Parity), one among the highest in Africa. The country's ability to profit from the trade opportunities testifies to its institutional strengths – a stable democracy and rule of law; multi-ethnicity and macroeconomic stability.

The Mauritian Government's objective to place Mauritius among the top ten most investment and business friendly locations in the world has led to a total makeover of the business and investment climate, making Mauritius a premier investment destination. Since 2006, major reforms have been introduced which have helped remove obstacles in the investment chain. Companies can now incorporate within three days; investors and professionals are increasingly being encouraged to travel, work and live in Mauritius without any difficulty and last but not least, the country has introduced a flat and harmonized tax rate of 15% for income and corporate taxes. As a result, Mauritius offers the best environment for businesses to start, grow and expand in Africa. This is further confirmed by the recent 2010 World Bank Doing Business report where Mauritius has been promoted to the 17th position globally and the country maintains its first position in Africa. The 2009 Ibrahim Index of African Governance has equally ranked Mauritius as the best economy in Africa for governance.

The Government of Mauritius has embarked on a bold, multi-year program of structural transformation aimed at restoring macroeconomic balance and diversifying the economy into new growth sectors such as Financial Services, ICT/BPO, seafood, knowledge, healthcare and high end tourism. The objective is to engineer a far reaching transformation of the economy capable of sustaining the Mauritian miracle for future generations. The country grew at an annual rate of 5% in 2008 and is set to grow at 2.7% in 2009; the fall in growth rate mainly explained by the slowdown in economic activities worldwide. The Mauritian financial intermediation sector grew at 10.6% in 2008, while the ICT/BPO and tourism sectors grew at an average rate of 25% and 2.7% respectively for the same period. Private sector investments grew by 10% in 2008 and public sector investment is set to rebound by 47.5% in 2009.

Over the years, Mauritius has earned recognition as the regional hub for investments into Africa and Asia and as a major platform for the delivery of global business services. Successive governments have been implementing Mauritius' vision for its future by restructuring and innovating the sugar and textiles industries, introducing modern legislations to facilitate and regulate the delivery of global business services, and further attracting FDI in growth sectors like infrastructure and connectivity, properties and hospitality, healthcare, manufacturing, seafood, logistics, creative and media, ICT and financial services to mention a few key sectors. In line with its 'Maurice Ile Durable' concept, the Government is equally emphasizing a lot on attracting investments in green data centres, renewable energies and other green eco-friendly projects.

Mauritius Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable Profit	15%
Income Tax	Taxable Income	15%
Value Added Tax	Value Added	15%
Tax On Interest	Interest Income	15%
Registration Duties	Value Of Property	5%

As a result of the recent reforms, all investment incentive schemes have been eliminated, except IRS and Freeport. Mauritius has moved away from incentives or preferences to a low tax regime and a common, more equitable and competitive level playing field.

All sectors benefit from same incentives including low corporate tax rate of 15%; zero or low customs duties on imports; no tax on dividends; no capital gains tax; a low rate of 5% registration duty for for properties; free repatriation of profits, dividends and capital, and no exchange control.

A non-citizen purchasing a property in an Integrated Resorts Scheme (IRS) of a value not less than USD 500,000 in Mauritius is granted, along with his/her spouse and dependents, resident permits to live in Mauritius.

Currently in the Freeport sector, trading companies are exempt from corporate taxation. This sector specific incentive is being phased out in 2011.

Mauritius Customs and Duties

As from the 1st October 2006, there is no duty remission on equipment and materials. Practically, all materials identified to be used as input in a production process have been made duty-free. In addition to the above, Government has further streamlined the customs tariff structure to only 3 non-zero bands – 10, 15 and 30%.

Companies registered as manufacturers with Customs under E70 can benefit from duty exemption on:

- Equipment (excluding building materials, office equipment, furniture and vehicles) and identifiable and specialised spare parts thereof and for machinery;
- Materials (including packing materials) and accessories, and
- Laboratory equipment.

Republic of Rwanda

Rwanda

Rwanda is a landlocked country in Central Africa with 9.7 million, with a land size of 26,338 sq.km

Rwanda has made remarkable progress, peace and political stability have been re-established, reconciliation efforts are continuing, and democratic institutions and processes are being strengthened. Poverty and social indicators have also improved. Rwanda has been able to maintain overall macroeconomic stability and implement extensive reforms which have contributed to a strong growth performance.

Rwanda's USD 4.2 billion economy grew 7.9 percent in 2007 and an estimated 8.5 percent in 2008, due largely to strong agricultural progress. Increased productivity in the agricultural and service sectors, accompanied by strong public and private sector investment activity are key sources of growth, employment and poverty reduction in the short to medium term.

Parallel efforts have been made to put in place a sound economic governance framework, including independent regulatory agencies, stronger public expenditure management systems with independent audit agencies, and a strong focus on anti-corruption.

Agriculture currently accounts for about 40 percent of GDP and provides jobs to 80 percent of the population. Rwanda joined the East African Community (EAC) on July 1, 2007. Rwanda is also a member of the Nile Basin Initiative, the Common Market for Eastern and Southern Africa (COMESA), and the Economic Community for the Great Lake Countries (CEPGL).

Rwanda's long term development vision is articulated in the Rwanda Vision 2020 document. The vision sees Rwanda as a lower middle income economy (USD 900 per capita) operating as a knowledge-based service hub by 2020.

Rwanda Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable Profit	30%
Income Tax	Annual Income	• RWF 0 – RWF 360,000: 0% • RWF 361,000 – 1,200,000: 20% • RWF 1,200,001 and greater 30%
Value Added Tax	Value Added	18%
Tax On Interest	Interest Income	15%
Tax On Dividends	Dividends Income	15%

Tax	Tax Base	Rate
Tax on Rental	Rental Income	• RWF 0-60,000: 0% • RWF 60,001-180,000: 10% • RWF 180,001-300,000: 15% • RWF 300,001-600,000: 20% • RWF600,001-1,000,000: 25% • Above 1,000,000: 30%
Tax on Royalty	Royalty Income	15%
Social security contributions	Gross salaries	3%

The Kingdom of Swaziland is the third smallest and among the least populous countries on the African continent. Landlocked, and with South Africa and Mozambique as its only neighbors, Swaziland 's economy is fairly diversified, with agriculture, forestry and mining accounting for about 13 percent of GDP, manufacturing (textiles and sugar-related processing) representing 37 percent of GDP and services – with government services in the lead – constituting 50 percent of GDP. Title Deed Lands (TDLs), where the bulk of high value crops and plantations are grown (citrus, sugarcane and forestry) are characterized by high levels of investment, irrigation, and high productivity.

The Swazi economy is very closely linked to the South African economy, from which it receives over 90 percent of its imports and to which it sends about 70 percent of its exports. Swaziland's other key trading partners are the United States and the EU, from whom the country has received trade preferences for apparel exports to the United States (under the African Growth and Opportunity Act (AGOA), and for sugar (to the EU). Under these agreements, both apparel and sugar exports did well, with rapid growth and a strong inflow of foreign direct investment. Textile exports grew by over 200 percent between 2000 and 2005, and sugar exports increased by more than 50 percent over the same period. The recently concluded Investment Climate Assessment (ICA) provides some positive findings, namely that Swazi firms are among the most productive in Sub-Saharan Africa.

In addition, the country has a long established free enterprise economy, political and economic stability as well as a safe and secure location for business, family and property. Institutional support services are available from well established international firms.

Competitively priced utilities such as water, electricity, telephone and postal services are readily available. Foreign exchange and international money transfers are provided through the international commercial banks operating in the country. Capital goods and raw materials enter the country free of customs and excise duties.

The Manufacturing and Processing

sectors have been the major contributors to the economic growth and the government is committed to increasing its contribution through a variety of incentives. In addition, Tourism, Agriculture and Natural Resources have been identified as having potential for driving economic development and are also eligible for government support.

Republic of Seychelles

Seychelles

Seychelles, located in the Indian Ocean with 455 sq km, of which Mahé has 153 sq km and Praslin 38 sq km and with around 82,800 million inhabitants

Seychelles is noted for its sound environmental policies, and the country has the highest proportion of protected land in the world (over 50% of the total). Behind this lies a desire to capitalise on the international trend towards ecotourism. Seychelles has won several awards for environmental schemes and has two UNESCO-designated World Heritage sites: the Vallée de Mai Reserve on Praslin and the Albadra Atoll.

The services sector "including transport, communications, commerce and tourism" dominates the Seychelles economy and has accounted for just under 70% of GDP in recent years. Shipping plays a key role in the Seychelles economy, both as the main conduit for trade and because of the revenue earned by providing services for international cruise liners, fishing vessels and freight carriers. As well as being an important tuna transshipment port, it also offers repairs and is an important refueling point (two-thirds of petroleum imports are re-exported). Seychelles, together with Mauritius, tops the African league on most telecommunications indicators, including fixed and mobile phone subscriptions, personal computers and Internet use.

In an attempt to make the offshore sector the third pillar of the economy "after tuna and tourism" the government established the Seychelles International Business Authority (SIBA). The most recent data available show that the number of international business companies rose from 10,632 at the end of 2002 to 35,000 in 2006. Although most are shell organisations that pay no tax, it was estimated that they generate around USD 3 million in foreign exchange for local agents, lawyers and accountants per year. The government's efforts to develop the sector were boosted by the OECD's decision in 2002 to name Seychelles as one of the 11th offshore jurisdictions with which it enjoys a close working relationship.

Seychelles also has become a magnet for major new hotel developments, as operators seek to capitalise on the archipelago's reputation for exclusivity. In all, the government has approved the construction of 60 hotels in 2007, 12, of which about half are large establishments (in the three-star, four-star and five-star categories) and half smaller ventures. The main island, Mahé, is the primary location, followed by Praslin, La Digue, Silhouette, Long Island and Round Island. Developments on Mahé include those at Port Launay (the USD110 million integrated "Ephelia" development), Intendance, Petit Anse, Takamaka, Grand Police and Anse Capucins.

Seychelles Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable income	30%
Income Tax	Annual Income	• 0% on the first SR 250,000 • 40% on the amount exceeding SR 250,000
Tax On Interest	interest income	10% for non residents
Dividends	Dividends	15% for non residents
Royalties	Royalties	15% for non residents
Social Security Contributions	Gross Salaries	• Employer contribution - 20% of emoluments • Employee contribution - 2.5% of emoluments
Goods And Services Tax (GST)		GST commenced on 1 January 2002 and is levied on imported goods, specified goods manufactured in the Seychelles and specified service providers. Rates are specified in the GST Regulations and vary depending on the good or service. Items not specified in the GST Regulations or goods manufactured locally for export are exempt from GST.

The Investment Code Act 2005 was introduced to provide investors with added confidence on their investment. To this end, section 9 of the Act allows for the right to convert payments in Seychelles rupees relating to investments made by the investors and section 10 allows for the remittance of investment and returns in foreign exchange for those investors who or which generate foreign exchange income.

As part of its effort to increase FDI in the economy, the Government has created the Seychelles Investment Bureau to promote and boost investment in the domestic sector. Investors are permitted to carry out investment in the areas specified in the Seychelles Investment Code Act 2005.

The Investment Act provides the following incentives:

- Businesses in the tourism, agriculture and fisheries sectors benefit from the following concessions under the Tourism Incentives Act, Agriculture Incentives Act and the Fisheries Incentives Act respectively:

- Trades Tax and GST (Goods and Services Tax) concessions;
- Social Security concessions;
- Gainful Occupation Permit (GOP) concessions;
- Fuel concessions;
- Accelerated Depreciation;
- Market and Promotion.

Customs and Duties:

A trade's tax (import tax and customs duty) is applied to all items imported into the domestic economy. It is very similar to customs duty in that it is based on the CIF value of the item landed in Seychelles. Rates of tax vary between zero per cent to 200 per cent with the majority of the imported commodities subject to rates of 10-50 per cent.

The payment of trades tax may, at the direction of the Ministry of Finance, be exempted on imports of capital equipment by new businesses, raw materials, and industrial throughputs and personal effects of individuals taking up residence in Seychelles, excluding passenger vehicles.

Goods for transshipment and re-export are exempt from trades tax.

Kingdom of Swaziland

Swaziland

The Kingdom of Swaziland is the third smallest and among the least populous countries on the African continent. Landlocked, and with South Africa and Mozambique as its only neighbors, Swaziland 's economy is fairly diversified, with agriculture, forestry and mining accounting for about 13 percent of GDP, manufacturing (textiles and sugar-related processing) representing 37 percent of GDP and services – with government services in the lead – constituting 50 percent of GDP. Title Deed Lands (TDLs), where the bulk of high value crops and plantations are grown (citrus, sugarcane and forestry) are characterized by high levels of investment, irrigation, and high productivity.

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In addition, the country has a long established free enterprise economy, political and economic stability as well as a safe and secure location for business, family and property. Institutional support services are available from well established international firms.

Competitively priced utilities such as water, electricity, telephone and postal services are readily available. Foreign exchange and international money transfers are provided through the international commercial banks operating in the country. Capital goods and raw materials enter the country free of customs and excise duties.

The Manufacturing and Processing sectors have been the major contributors to the economic growth and the government is committed to increasing its contribution through a variety of incentives. In addition, Tourism, Agriculture and Natural Resources have been identified as having potential for driving economic development and are also eligible for government support.

Swaziland Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable profit	30%
Stamp duty	Marketable Securities	1.5%
	Transfers Of Immovable Property.	• 2% on the first SZL40,000 • 4% on the next SZL20,000 • 6% on the excess over • SZL60, 000
Income Tax	Annual Income	• 0 – SZL 33,000 (12%) • SZL 33,001 – 49,500 (20% of excess over 33 000) • SZL 49,501 – 66,000 (25% of excess over 49 500) • SZL 66,001 – 82,500 (30% of excess over 66 000) • Over SZL 82,500 (33% of excess over 82,500)
Sales Tax	Sales	14% and 25% to most alcohol and tobacco
With Holding Tax	Entertainers and sportsmen	15% of amount paid
	Contractors	10% of the payment to the non-resident
	Royalties and management fees	There is a withholding tax of 15% on all royalties and management fees payable to non-residents. Royalties accruing to ecclesiastical, charitable and educational institutions are exempt.
	Dividends	12.5% if it is paid to South African, Botswana, Namibian or Lesotho companies. The rate increases to 15% in respect of all other dividends.

Incentives on investing in Swaziland can be deemed to be comprehensive, in that they address almost every aspect of the investment process. Most importantly, issues of taxation are given due consideration. The corporate tax rate is 30% for all companies. There is also a provision for loss cover. In that regard, the unlimited loss-carry forward allows a company to carry forward its loss (given that it incurs a loss in the year of assessment), and set it off against future assessable income.

Investment inducements in Swaziland with regards to additional productive capacity are given by way of special deductions allowed in respect of new industrial buildings and of new plant and machinery brought into use in a process of manufacture, and any other similar process, or the hotel industry. The special deductions also apply in respect of second-hand machinery which has not been previously use in Swaziland and also, to leased plant and machinery.

A summary of the investment incentives in Swaziland are as follows:

- Human resources training rebate: Through approval by the Commissioner of Taxes, a rebate of 150% of the cost is written against tax for training schemes.

- Development Approval Order: The Government of Swaziland has identified specific areas to bolster investment (either local or foreign direct investment), and for such areas there exist a special corporate tax incentive. In investments such as; manufacturing, mining, agribusiness, tourism and international financial services; the Minister of Finance has the prerogative to nominate a certain investing company as crucial for the development of Swaziland, and thus with Cabinet approval afford it a minimum tax rate of 10% for a period of ten (10) years on withholding taxes.

- Duty Free Access on Capital Goods: Capital goods imported into the country for productive investments are exempt from import duties.

- Duty Free Access on Raw Materials: Raw materials imported into the country to manufacture products to be exported outside the SACU area are exempt from import duties.

- Export Credit Guarantee Scheme: Investors who manufacture/process for the export markets can obtain funds from local banks to process their orders. The Government of Swaziland, through the Central Bank of Swaziland, guarantees loans raised for this purpose.

- Five Year Work and Residence Permits: Permits are available for expatriate Directors, Senior Management and key technical personnel of new enterprises.

- Repatriation of Profits: The liberalized foreign exchange mechanisms also allow full repatriation of profits and dividends of enterprises operating in the country. Repatriation is also allowed for salaries of expatriate and capital repayments.

- Legal Protection of Investments: Investments in Swaziland are protected from undue expropriation under the Swaziland Investment Promotion Act of 1998. In addition, Swaziland is a Member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank which provides for added legal protection of investments.

Customs and duties:

Swaziland, together with Botswana, Lesotho, Namibia and South Africa, are members of the Southern Africa Customs Union (SACU). As a Custom Union, the five countries have a common external tariff. The taxes collected are remitted into the SACU revenue pool from which they are distributed to the five countries in accordance with an agreed revenue sharing formula. For a number of products, the Import Duty and Excise Tariff provides for both ad valorem and specific rates of duty. The ad valorem rates of duty range from 0-40 percent. Most products originating in SADC countries are duty free. The Excise Tariff is contained in Part 2 of Schedule No. 1 of the Act. Excise duty is charged on both imported

Republic of Uganda

Uganda

Uganda is a landlocked country in East Africa with a total estimated population of about 31 million people. The country is bordered on the east by Kenya, on the north by Sudan, on the west by the Democratic Republic of the Congo, and on the south by Rwanda and Tanzania.

With a unique strategic location and one of the fastest growing economies in Africa sustained growth averaging 7.8 percent since 2000, Uganda offers exceptional business opportunities in the heart of Africa. By providing a conducive environment and a wide range of incentives, the country has been significantly successful in mobilizing both foreign and domestic investment.

The steady growth in FDI inflows is accredited to the remarkable macroeconomic and political stability as well as proactive investment promotion efforts made worldwide.

Uganda Tax Rates:

Tax	Tax Base	Rate
Corporate tax rate	Taxable profit	30% companies other than mining companies
		25% - 45% for mining companies
		15% Branch Profits
Small Business Tax	Gross Turnover	0% less than Shs. 5 million
		Shs 100,000 from Shs. 5 million to not exceeding shs. 20 million
		Shs. 250,000 or 1% whichever is the lower from more than Shs. 20 million to not exceeding Shs. 30 million
		Shs. 350,000 or 1% whichever is the lower from more than Shs. 30 million to not exceeding shs. 40 million
		Shs. 450,000 or 1% whichever is the lower from more than Shs. 40 million to not exceeding shs. 50 million
Income Tax for Residents	Taxable Income	0% for less than shs 1,560,000

Tax	Tax Base	Rate
Income Tax for Residents	Taxable Income	10% of the amount by which chargeable income exceeds shs. 1,560,000 for income exceeding shs.1, 560,000 but not exceeding shs. 2,820,000
		Shs 126,000 plus 20% of the amount by which chargeable income exceeds shs 2,820,000 for income exceeding shs 2,820,000 but not exceeding shs. 4,920,000
		Shs. 546,000 plus 30% of the amount by which chargeable income exceeds shs. 4,920,000 for income exceeding shs. 4,920,000
		10% for Not exceeding shs 2,820,000
		Shs. 282,000 plus 20% of the amount by which chargeable income exceeds shs. 2,820,000 for income exceeding shs 2,820,000 but not exceeding shs 4,920,000
		Shs 702,000 plus 30% of the amount by which chargeable income exceeds shs. 4,920,000 for income exceeding shs. 4,920,000
Social Security Contribution	Gross Salaries	By employer 10% By employee 5%
Individual Rental Tax	Chargeable Income	20% of the chargeable income in excess of shs 1,560,000

Tax	Tax Base	Rate
Value Added Tax	Turn Over	Exempt supplies (2nd schedule, VAT Act) Zero rated supplies(3rd schedule, VAT Act) Standard rated supplies, 18%
Value Added Tax for residential properties	Sales Value	5% taxable person who builds for rent or sale and owns more than ten residential dwelling units
Withholding/Income Tax Rates for Non-residents	International Payments: Dividend, Interest, Rent, Royalty, Natural Resource Payment & Management Charges.	15%
	Payments to Public Entertainers and Sports Persons	15%
	Payments to Contractors and Professionals	15%
	Providing Shipping, Air Transport and Telecom Services in Uganda.	2%, 2% and 5% respectively
Withholding Tax rates for payments to Residents	Interest	15%
	Dividends	15% or 10% for listed companies
	Goods and services and professional fees	6%

Investment Incentives

The Investment Code introduced in 1991 brought a substantive change to the previous foreign investment policies in Uganda. The code introduced general investment incentives, guaranteed profit repatriation and provided protection against expropriation of assets. It also created the Uganda Investment Authority (UIA) which acts under the supervision of the Ministry of Finance and Economic Planning, as a one-stop-shop to process investment proposals and to offer assistance and advice to potential investors.

The Investment code provides the following incentives

- Investment Capital Allowances
  - Initial Allowance on plant and machinery 50-75%
  - Start up cost spread over 4 years 25% p.a.
  - Scientific research expenditure 100%
  - Training expenditure 100%
  - Mineral exploration expenditure 100%
  - Initial Allowance on Hotel and Industrial Buildings 20%
  - Deductible annual Allowances (depreciable assets)
  - Depreciation rates of assets range 20-40%
  - Depreciation rate for Hotels, Industrial Buildings and Hospitals 5%

- Investors who register as investment traders are entitled to VAT refund on building materials for industrial/commercial buildings

- Duty and Tax free import of Plant and Machinery and essential spare parts

- Duty exemptions for personal effects and motor vehicle (previously owned for at least 12 months) to all investors and expatriates

- Export Zones (Provisional)
  - A ten year corporation tax holiday;
  - Duty exemption on raw materials, plant and machinery and other inputs;
  - Stamp duty exemption;
  - Duty drawback to apply on input of goods from domestic tariff area;
  - No export tax;
  - Exemption of withholding tax on interest on external loans;
  - Dividends repatriated to get relief from double taxation.

- Others
  - Tax exemptions from income derived from agro-processing industries outside Kampala (ie.30 km outside Kampala City)
  - Duty exemptions on construction materials for schools, health and hotels.

Customs Duty:

As from 1st January 2005, all plant and machinery and materials identified to be used as input in a production process were made free of duty.

In addition, Uganda is a member of the EAC Customs Union and COMESA and government streamlined the customs tariff structure to three bands as below:

- Uganda's offer to COMESA: 0%, 4% and 6%
- Common External Tariff: 0%, 10% and 25%

For approved raw materials & capital items; intermediate goods; and finished goods respectively.

Uganda administers a general exemption regime (free from payment of duties and taxes) under the 5th schedule of the EAC Customs Management Act 2004. These include:

- Passenger baggage and personal effects;
- Imported inputs by persons engaged in horticulture, agriculture or floriculture;
- Packaging Materials and raw materials for manufacture of medica-

ments;

- Educational articles and materials as specified in the Florence Agreement;
- Splints imported by a manufacturer for use in the manufacture of matches;
- Inputs imported by a manufacturer for use in the manufacture of agricultural equipment.
- Diapers, Urine bags and Hygienic bags for medical use.
- Diagnostic Reagents and Equipment
- Prescribed hotel equipment;
- Items imported for use in a licensed hospital;
- Refrigerated Trucks and Insulated tankers
- Computer Software; any media containing Computer Software.
- Electrical Energy saving bulbs for lighting also known as Compact Florescent Bulbs.
- Specialized Solar powered equipment and accessories including cycle batteries which exclusively use and/or store solar power;
- Motor Vehicles specially designed for refuse collection and disposal.
- Containers and pallets
- Mosquito nets and materials for the manufacture of the mosquito nets
- Motor vehicle for transportation of tourists

Republic of Zambia

Zambia

With a population of around 12 million inhabitants, Zambia is a landlocked country in the southern of Africa bordering Zimbabwe, Angola, DR Congo, Malawi, Mozambique, Tanzania and Namibia.

The performance of the Zambian economy has improved markedly over recent years, reflecting sound macro-economic policies and a favourable external environment, the average annual real GDP growth rate is 4.9 per cent over the past 7 years, in contrast with the early period of reform in 1991-1998 when GDP growth averaged 0.1 percent annually. For the first time in more than 20 years, Real GDP growth reached 6.3% in 2007 and is expected to be slightly higher this year. Average growth over the past 5 years was 5.7%, aided by the fast pace in construction, telecommunications and tourism.

Mining is the country's biggest export earner, but it contributes a relatively small amount to overall GDP, at less than 10% of real GDP. However, many other sectors of the economy are geared toward serving the mining sector. For example, much of the largest segment of GDP by factor cost, namely services, is related to the mining sector. In addition, the mining industry is an important consumer of local manufactured goods.

The combination of privatisation and surging international prices has provided a dramatic boost to copper mining in Zambia over the past few years. In real terms, the mining sector grew by almost 50% between 2001 and 2005.

Annual copper production in Zambia is expected to reach 600,000 tonnes during the next two to three years, a level last reached in the 1980s. Copper and cobalt account for 90% of mining production and around 65% of exports, with the mines concentrated in the Copper belt region bordering the mineral rich Katanga province in the Democratic Republic of Congo (DRC).

Zambia is among the most liberal banking regulations in Southern Africa, Zambian banks function efficiently. There are over ten operational commercial banks, including majority-foreign-owned banks such as Barclays of the UK, Citibank of the US, Stanbic (part of Standard Bank of South Africa) and Standard Chartered (also UK-based).

Zambia top income tax rate and the top corporate tax rate are both 35 percent. Other taxes include a value-added tax (VAT) and a property transfer tax. In the most recent year, overall tax revenue as a percentage of GDP was 16.1 percent. Tax collection has improved.

Zambia Tax Rates:

Tax	Tax Base	Rate
Corporate Tax Rate	Taxable profit	• Flat rate of 35 %* • Agricultural sector, non-traditional exports, chemical manufacture of fertilizer and commercial activities of exempt organizations (15%) • Companies listed on the Lusaka Stock Exchange (33%)** • Banks with income in excess of K250 million (40%) • Trusts, Deceased or Bankrupt Estates (35%)
Income Tax	Annual Income	• From Zero to K800,000 (0%) •From K800,001 to K1,335,000 (25%) • From K 1,355,001 to K4,100,000 (30%) • Above K4,100,000 (35%)
Value Added Tax	Value Added	16%
Property Transfer Tax	Sales Price	3%
Pension Contribution	Gross Salaries	5%
Mining Tax Regime	Royalties	Mineral royalty on gross revenue from base metals (3%)
	With Holding Tax	interest, royalties and management fees to affiliates or subcontractors 15%
	Turn Over	Variable profits tax on profits exceeding 8% of turnover 15%

Tax	Tax Base	Rate
With Holding Tax	Income	(15%) for: • Interest, dividends, royalties, rent income and management and consultancy fees; • Payments to non residents entertainers and sports persons; • Payments to nonresident contractors; • Commission paid to non employees. 0% on payments to foreign contractors of MFEZ and industrial park developers.

* On income from rural enterprises the tax chargeable is reduced by one - seventh for a period of 5 years.

** New listings on LUSE attract a 2 % discount on the above rates and a further 5% discount where Zambians hold at least 33% of the shares.

The Zambia Development Agency (ZDA) Act of 2006 offers a wide range of incentives in the form of allowances, exemptions and concessions for companies. The Act provides for investment thresholds that investors have to meet to qualify for fiscal and non-fiscal incentives. There are five categories of investors who can be considered under the ZDA Act. The first is that of investors who invest not less than USD 10 million in an identified sector or product. This category of investors is entitled to negotiation with the government for additional incentives other than what they might already qualify for under the ZDA act.

The second category is that of investors who invest not less than USD 500,000 in the Multi Facility Economic Zones (MFEZ) and /or in a sector or product provided for as a priority sector or product under the ZDA Act. This category, in addition to being entitled to the general incentives, is entitled to the following incentives:

- Zero percent tax rate on dividends for 5 years from year of first declaration of dividends.

- Zero percent tax on profits for 5 years from the first year profits are made for year 6 to 8, only 50 percent of profits are taxable and years 9 and 10, only 75 percent of profits are taxable.

- Zero percent import duty rate on raw materials, capital goods, machinery including trucks and specialized motor vehicles for five years.

- Deferment of VAT on machinery and equipment including trucks and specialized motor vehicles.

The third category of investors relates to investors who are designated as micro or small enterprises under the ZDA Act. Like the second category, this category is also, in addition to the applicable general incentives, entitled to the following incentives:

- For an enterprise in an urban area the income shall be exempt from tax for the first three (3) years.

- For an enterprise in a rural area the income shall be exempt from tax for the first five (5) years.

The fourth category is that of investors who invest less than USD 500,000 in a sector or product provided for as a priority sector or product under the ZDA Act. This category is only entitled to general incentives. The fifth and last category is that of investors who invest any amount in a sector or product not provided for as a priority sector or product under the Act. This category of investors is also only entitled to general incentives provided under the various pieces of legislation.

Ina addition the law provides for general incentives which are available to investors investing in various sectors of the economy. The main general tax incentives include the following:

A- Income Tax:

1. Income earned by companies in the first year of listing on the Lusaka stock exchange qualifies for a 2% discount on the applicable company tax rate in the particular sector, however companies with more than 1/3 of their shareholding in the hands of Zambians qualify for a 7% discount;

2. Implements, machinery and plant used for farming, manufacturing or tourism qualify for wear and tear allowance of 50% of the cost per year in the first two years;

3. Building used for manufacturing, mining or hotel qualify for wear and tear allowance of 10% of cost in first year and 5% of cost per year in subsequent years;

4. Duty free importation of most capital equipment for the mining and agriculture sectors;

5. Corporation tax at 15% on income from :

- Farming;
- Fertilizer production;
- Non-traditional exports;

6. Farm works allowance of 100% of expenditure on stumping, clearing, prevention of soil erosion, bore holes, aerial and geophysical surveys and water conservation;

7. Development allowance of 10% of the cost of capital expenditure on growing of coffee, banana plants, citrus fruits or similar plants.

8. Farm improvement allowance - capital expenditure incurred on farm improvement is allowable in the year of incurring the expenditure.

9. Dividends paid out of farming profits are exempt for the first five years the distributing company commences business.

10. Initial allowance of 10% on capital expenditure incurred on the construction or improvement of an industrial building is deductible;

11. Foreign exchange losses of a capital nature incurred on borrowings used for the building and construction of an industrial or commercial building are tax deductible.

12. Dividends declared by companies assembling motor vehicles, motor cycles and bicycles are exempt for the first five years of initial declaration of dividends;

13. Carry Forward of Losses

B- Value Added Tax:

1. Relief for VAT registered enterprises on imports of eligible capital goods. (VAT deferment);

2. Zero rate on export of taxable products.

C- Customs Duty Incentives
Most capital equipment attracts duty rates of 0 to 5 %.

D- Non –Fiscal Incentives

ZDA Act also provide for non –fiscal incentives for Investors invest at least USD 250,000 and employ not less than 200 local persons, are entitled to a self employment permit and employment permits for up to five (5) expatriates.

Customs and Duties:

Customs tariffs are calculated on the basis of the dutiable value, based on the WTO Agreement on Customs Valuation. Most tariffs are ad valorem, but a few specific tariffs remain. Zambia uses the international harmonized system. Zambia's tariff schedule is structured around four tiers: 0 %, 5 %, 15% and 25 % rates of duty. Virtually all raw materials and most industrial or productive machinery fall within the 0 and 5 percent tariff categories, while most imported intermediate goods are subject to 15 percent, and imported final products are rated at 25 percent. Zambia's simple average import tariff is about 14 percent. Other Levies and Charges Zambia levies excise duties on certain products at rates ranging from 3 percent to 145 percent. The excise duty is collected on mineral water, cane and beet sugar and some derivatives, beverages, tobacco and some derivatives and substitutes, electricity and petroleum products.

Republic of Zimbabwe

Zimbabwe

The Zimbabwean economy is essentially agriculture-based, but a strong manufacturing, mining, tourism, and services sector also exist. The economy has, therefore, a highly diversified industrial base that provides investors with a plethora of investment opportunities. The main sectors of the economy are manufacturing, which contributes 19% to GDP, agriculture (16%), mining (4%), tourism and distribution (16%), transport and communication (8%) and finance and insurance (7.2%).

Zimbabwe has emerged from a protracted land reform exercise, which was motivated and inspired by Government's desire to create equity and justice in the distribution of land as a natural heritage and a basic means of production for the majority of the indigenous people. With the land reform now accomplished, Government policy is now focused on cultivating and promoting win-win investment partnerships across all sectors of the Zimbabwean economy, on the back of the vast opportunities that remain untapped in the mining, manufacturing, agriculture, tourism and the financial services sector. With a fully developed, stable and fully functional financial services sector, Zimbabwe is a highly competitive investment destination, supported by an accommodating, flexible and world-class investment regulatory environment.

The country also has a high rate of literacy, averaging around 90%, meaning that Zimbabwe is one of the best-endowed countries in the world with respect to human capacities and expertise.

Zimbabwe Tax Rates:

Tax	Tax Base	Rate
Corporate Income Tax (Includes Basic Company Tax)	Taxable Profit	30 % + (plus 3% Aids Levy)
Income Tax	Annual Income	• From 0 to USD 1,650: 0% • From USD1,650.01 to 5,500: (20% - USD330) • From USD 5,500.01 to 11,000: (25% - USD605) • From USD 11,000.01 to 16,500: (30% - USD 1,115) • From USD 16,500.01 to 33,000: (35% - USD 1,980) • Above than USD 33,000: (37.5% - USD 2,820)
Value Added Tax	Value Added	15%
Property Transfer Tax	Sales Price	3%
Social Security Contributions	Gross Salaries	3%

Tax	Tax Base	Rate
Capital Gains Tax	Capital Gain	20%
Tax On Interest	Interest Income	20%

However to promote industrial growth, tax incentives are accorded to various operators as described below.

1. Mining Companies:
- Mining companies enjoy a special tax rate of 15% when compared to the standard rate of tax of 30%.
- Assessed losses can carried forward for an indefinite period

Investors who enter into special mining leases can be exempt from any taxes depending on the agreement entered into.

2. Manufacturing Companies:
- Taxable income from manufacturing or processing company which exports 50% or more of its output are taxed at a special rate of 20%.

3. Growth Points Incentives:
To promote or encourage business to invest in growth point areas, investors enjoy tax incentives. Incomes derived from:

(a) New manufacturing project is taxed at 10% for the first 5 years,
(b) New project providing infrastructure is taxed at 15% for the first 5 years.

4. Build, Own, Operate, Transfer (BOOT) or Build, Operate, Transfer (BOT) :
The incentive is in the form of a tax holiday from paying Income Tax for the first five years of the arrangement. Income Tax is paid at a rate of 15% for the second five years and 20% for the third five years. Thereafter, tax is paid at normal rates of tax.

5. Industrial Park Developer's Incentives:
The incentives afforded to an industrial park developer include the following:
- Exemption from paying Income Tax for the first five years, thereafter income is taxed at a rate of 15%
- Exemption from payment of Resident Shareholders' Tax and Non-Residents' Tax on interest and fees
- Exemption from paying Capital Gains Tax on the disposal of specified assets that form part of the industrial park

6. Operators of Tourist Facilities:
- Investors in an approved tourist development zone enjoy a tax holiday of Income Tax for the first five years of operation and will be subject to a 15% tax rate thereafter.

7. Farmers:
- Most farm inputs such as animal feed, animal remedy, fertilizer, plants, seeds and pesticides used for agricultural purposes are zero rated.
- Farmers are allowed special

deductions over and above the normal allowable deductions examples include expenditure on:

- Fencing
- Clearing and stumping of land
- Works for the prevention of soil erosion
- Boreholes
- Wells
- Aerial and geophysical surveys
- Restocking allowance

Value Added Tax

Deferment of collection of VAT on the importation of capital goods:

- VAT can be deferred on some capital equipment imported for the exclusive use in mining, manufacturing, agricultural and aviation industries whose investment generally relies on imported capital goods. The whole amount of VAT becomes due within 90 days from date of deferment.

Customs and Duties:

In general, the Government charges higher import duties on finished goods than raw materials, a means of assisting the country's productive sector.

There are three different types of payments upon importation of goods into Zimbabwe: customs duty, import VAT, and surtax. These are described in the Harmonized System Tariff Handbook and other relevant subsequent legislation. At present, MOST imported goods are not subject to surtax. The GOZ uses the General Agreement on Trade and Tariff (GATT) method of customs valuation.

In 1994, the GOZ ended the practice of requiring all imports to be licensed and also abolished the "official" exchange rate, although in January 1999, it informally pegged the value of the currency. The GOZ controls, via the Grain Marketing Board, export and domestic trading of major agricultural commodities (maize and cereals), and it imposes price controls on a wide array of basic goods and food staples, including energy. All base minerals from mines are exported through the Minerals Marketing Corporation (a state owned company), with the exception of coal and asbestos. All gold produced in the country is required by law to be sold to the Reserve Bank, which then controls its disposition. All exports require a "CD 1" form to ensure that export proceeds are remitted back to the country and the allowable remittance period has been reduced to 60 days. Some wildlife products are restricted through international conventions governing their trade such as CITES. Export Processing Zones (EPZ) Authority has been created to attract and facilitate export-oriented investment.

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