

Laws , administrative procedures and guidelines

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1. Investment Code (IC)

Investment operations in Guinea-Bissau are governed by the IC, established by Law No. 13/2011 of July 6. In this law, foreign investment is defined as all investments made by an investor with resources not originating from the country, whether an individual or a company, of any nationality, in economic activities in the territory of Guinea-Bissau. Excluded from the scope of the IC are investments in the areas of mining, oil and forestry, as well as those made in free trade zones and stores, which are governed by their own legislation or by Investment Contracts.

Foreign investors enjoy equal treatment vis-à-vis national investors and are allowed to transfer abroad dividends or distributed profits and repatriate capital, as well as the proceeds from the assignment, sale or liquidation of the investments made, including capital gains, after payment of the taxes due. The State guarantees the security of the assets and rights resulting from the investments made, and the projects benefit from protection against nationalization, expropriation or requisition of its assets, except on grounds of public interest or utility.

2. Customs System and Import Regime

Guinea-Bissau is guided by the ECOWAS Common External Tariff (PEC). This PEC, although aimed at UEMOA countries, also applies to 7 other countries that are part of ECOWAS. In 2000, a Common External Customs Tariff was created, based on the World Trade Organization's Customs Code, which is built on 4 categories of goods:

- Essential social goods, computer hardware, capital goods, cultural and scientific goods – exempt from customs duties;
- Raw materials, including oil and grain for agriculture – subject to customs duties at a rate of 5% of the value of the goods
- Intermediate products, including vehicles – subject to customs duties at a rate of 10% of the value of the goods;
- Final consumer goods – subject to customs duties at a rate of 20% of the value of the goods. In addition to these customs tariffs, various taxes/taxes may also be charged, such as the Statistical Tax (1%), Community Solidarity Tax (0.8%), ECOWAS Tax (0.5%), Special Consumption Tax (variable depending on the type of products), VAT (19%) and Customs Service Fees.

In order for a company to export to Guinea-Bissau, it must present to the Competent Authorities the commercial invoice and the certificate of origin (in EUR1 format for products with EU origin), the latter only upon request. An import license for statistical purposes, automatically issued by the Ministry of Trade, is also required. In the case of plants and

derivatives, a phytosanitary certificate is also required. There are no specific standardization requirements, nor are there any specific labeling or packaging regulations.

3. Social Security System

Guinea-Bissau has recently implemented a Social Security system that aims to actively ensure the protection of citizens against risks that determine the loss or reduction of their working capacity.

Enrollment in the National Institute of Social Security (NISS) is mandatory for employees and implies a contribution in the amount of 22% of the remuneration value, the respective charge being shared by both parties (employee: 8%; employer: 14%).

On the other hand, self-employed workers can benefit from their own Social Security regime, although on an optional basis.

4. How to practice an activity in Guinea-Bissau?

As Guinea-Bissau is a member of the Organization for the Harmonization of Business Law in Africa ("OHADA"), its Uniform Acts apply directly in the country, taking precedence over domestic legislation.

According to the Uniform Act on the Law of Commercial Companies and Economic Interest Grouping (“AUSC”), natural or legal persons, domestic or foreign, have the possibility of establishing themselves in Guinea-Bissau under one of the following forms: (i) branch, (ii) general partnership, (iii) limited partnership, (iv) limited liability company, or (v) joint stock company.

With the exception of certain business sectors such as the extractive industries, the law does not require that a commercial company must be incorporated with local partners.

Among the corporate types listed above, we highlight those that, as a rule, foreign investors most appeal: limited liability companies and joint stock companies.

5. Procedure for incorporating a company by foreign investors

5.1 Foreign investors wishing to incorporate a company in Guinea-Bissau may do so at the Enterprise Formalization Centre (“CFE”), with the following documentation:

- Identification documents of the applicant;
- Bank deposit of the amount of the share capital (and respective proof);
- Minutes of the Constituent General Assembly;
- Articles of Association that will indicate the company

name, corporate purpose, type of company, corporate bodies and their organization, distribution of corporate holdings.

5.2 After the incorporation of the company, investors will receive the following documentation regarding the company:

- The negative certificate
- The public deed
- The notary's certificate
- The registration certificate
- The company's tax identification number.

6. Business License/Permit

According to Decree Law No. 8/2011 of May 10, after the deed of incorporation of the company and its registration, an application must be made to the ministry of technical supervision for the company's activity. This permit may be commercial, industrial or tourism.

Some economic activities are subject to prior licensing or other licensing requirements, namely fishing, pharmaceutical, mining and banking activities, and are therefore not subject to the alvará regime.

Sources:

- GBI – Guinea Investment promotion Agency – Country File (Current economic panorama and summary of the main investment opportunities)
- GBI – Guinea Investment promotion Agency – Investment Guide