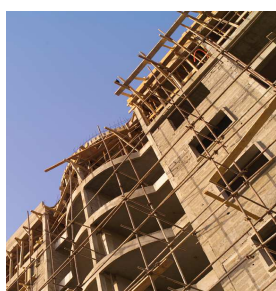
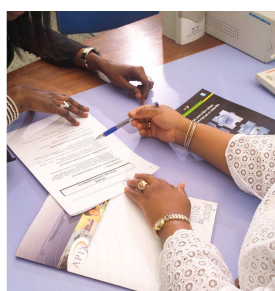


SUMMARY FREE EXPORT COMPANY AND INCITIVE SCHEMES OF THE GENERAL TAX CODE





Révision : 12/07/2013

Impression : xx/xx/xx

52-54, rue Mohamed V, BP 430, CP 18524, Dakar Sénégal
Tél. (221) 849 05 55 • Fax (221) 823 94 89

www.apix.sn • www.investinsenegal.com



ELIGIBLE ACTIVITIES

The eligible field of activity comprises:

Agriculture in the broad sense, industry and teleservices.

ADMISSION CRITERIA

To obtain approval, a company must demonstrate the potential to export at least 80% of its turnover.

GUARANTEES AND PRIVILEGES

The status of free export company guarantees:

- Free transfer to countries outside the franc area of the funds required for their investment and commercial and financial transactions;
- Free transfer of salaries for foreign employees;
- Free transfer of foreign shareholders' dividends;
- Free hiring of personnel;
- Arbitration by the International Centre for the Settlement of Investment Disputes.

In addition to these guarantees, separate privileges are granted to companies.

DURATION OF PRIVILEGES

These privileges remain valid for a period of 25 years renewable with effect from the date of the application of the Law (15th October 1996).

	ADVANTAGES
--	-------------------



REGIME	
ENTERPRISES	<ul style="list-style-type: none">- Exemption from customs duties and stamps on utility vehicles and tourist vehicles and means of transport used for production ;Exemption from all duties based on salaries paid by companies ;Exemption from registration and stamp fees during the creation of the company and the modification of its statutes;Exemption from patent fees and property tax on built and unbuilt property, license fee;Exemption from capital yield tax deducted by the company from the distributed dividends ;- Perception of the corporate tax rate of 30% and ability to deduct 50% of the taxable income which reduce collection of corporate tax at the rate of 15 %.- CFCE exemption <p>Note : Concessionary companies are still subject to geological, mining or forest fees and charges.</p>
GOODS	<ul style="list-style-type: none">- Duty-free export and import of capital goods, equipment, raw materials, finished and semi-finished products;- Local duty-free purchases;- Goods may remain under a storage procedure for an unlimited period of time;- Possibility to sell part of the production on the local market;- No restriction with respect to flags flown by vessels transporting goods.

OBLIGATIONS OF APPROVED COMPANIES

They are bound to:

- Make a tax declaration to the Tax and Customs Directorate;
- Make a monthly declaration of their turnover to the Tax and Customs Directorate;
- Declare all exports or imports to the Customs Department;
- Submit the company's accounting and financial statistics to the Statistics Directorate;
- Submit the annual financial statements certified by an accounting firm and statements showing the breakdown of their sales between exports and the domestic market to APIX;
- Achieve 80% of their turnover through exports.

RECRUITMENT OF FOREIGN EXPATRIATES



Companies must submit the working contracts of expatriate staff for the approval of the Employment Director who has 15 days to process them.

However, the free export company status provides for the possibility to recruit expatriate staff without any restrictions or limitations.

For the foreign staff wishing to obtain a working contract, the possession of a residence permit is a prerequisite.

APPLICATION PROCEDURES AND ADMINISTRATIVE FORMALITIES

APIX has 30 days to process applications to obtain the status of free export company.

Beyond that period, approval shall be tacit in the event that no notification is received from APIX.

Application File:

For all Companies

- An application addressed to the Minister of Finance, including a detailed description of the nature and location of the activity;
- A national identity document for sole proprietorship companies, a notarised copy of the articles of incorporation for corporations or the minutes of the constitutive General Assembly;
- A data sheet in 10 copies, emphasizing the target markets and the breakdown of the turnover based on local sales and exports, as well as the details of investments necessary to reach these targets;
- Copies of contracts signed with customers, purchase orders and/or letters of intent for teleservices.

For existing companies

- A tax clearance issued not later than six months before;
- the financial statements of the last corporate year;
- A record of shipper's export declarations for the last two years with the value and the weight of the exported goods. This record must be certified accurate by the Customs Authorities;
- A record of VAT declarations for the last two years certified by the Tax Authorities;
- A manufacturing or production certificate (for agribusinesses) for each exported product.

For existing teleservices



- The financial statements of the last corporate year
- A record of VAT declarations for the last two years certified by the Tax Authorities
- Copies of contracts signed with customers, purchase orders and/or letters of intent for teleservices
- Copies of invoice drawn on behalf of clients
- Copies notice of bank credit

Sources:

- Law n°95-34 establishing status of free export companies
- Law n°99-03 of 29-01-1999 amending article 19 of Law n°95-34 of 29-12-1995
- Law n°2004-11 amending first article of Law n°95-34 establishing status of free export companies
- Decree n°96-869 applying Law n°95-34 of 29-12-1995
- Decree n°2000.422 EFE amending certain provisions of Decree n°96-869 applying Law n°95-34 of 29-12-1995
- Law n°2012-31 of 31 december 2012 on the General Tax Code