



## Snapshot

### General information

Capital city: Conakry  
Official language: French  
Area: 245,857 Km<sup>2</sup>  
Population: 12.6m  
Currency: Guinean Franc (GNF)  
Time Zone: UTC + 01:00

### Macroeconomic indicators

(2015/2016 F)

GDP (current): \$ 6.7 bn/ \$ 6.6 bn  
GDP growth rate: 0.1%/ 4.1%  
FDI (Net inflows): \$ 85 m  
Inflation rate: 8.2%/ 7.9%  
Country risk assessment (Coface): D  
Human development index: 0.411  
(182 out of 188 countries)

### National account (2015/2016 F)

Budget balance (% GDP): -6.6%/ -3.3%  
Current account balance (% GDP):  
-16.7%/ -19.7%  
Public debt (% GDP): 40.9%/ 36.2 %

### Doing Business ranking 2016:

165 out of 189 (up 6 positions from 2015)

**Currency** – The GNF has value only on Guinean territory

### General Investment Information

- Guinea has considerable potential for growth especially in the agricultural, fishing and mining sectors.
- Laws for specific sectors (like mining and oil) provide certain incentives and there is also an Investment Code in Guinea.
- Guinea applies a rule of reciprocity so that all foreigners from countries which allow Guineans to carry on business activities may undertake business activities in Guinea.
- The APIP (Agence de Promotion des Investissements Privés) promotes private investment and the CFE (Centre de Formation des Entreprises) assists investors with

formalities to incorporate companies.

- Guinea has signed the OHADA treaty between 17 West and Central African countries to harmonise business laws and is a member state of the OAPI, the central intellectual property registration system for 16 African countries.

## Administrative Procedures

### Principal business entities

Many types of companies that can be registered. These include:

- Partnerships (Société en Nom Collectif - SNC)
- Joint-venture (Groupement d'intérêt Economique - GIE)
- Private Limited Companies (Société à Responsabilité Limitée - SARL)
- Public Limited Companies (Société Anonyme - SA)

### Starting a business

Rank: 126 out of 189

Approximate time: 8 calendar days  
Approximate cost: c. 1,820,000 GNF (for a standardized limited liability company)

### Steps to start a limited liability company:

- Deposit the legally required initial capital in a bank and obtain deposit evidence (1 day)
- Check the uniqueness of the company name (1 day)
- Prepare the company deeds and Articles of Association with the notary (2 days)
- Register with the One-stop shop (APIP) to obtain company registration, tax registration, and social security registration and pay fees (4 days)
- Notification to AGUIPE - Agence Guinéenne pour la Promotion de l'Emploi – (3

days / simultaneous with previous procedure)

- Make a company seal (1 day / simultaneous with previous procedure)

**Recent initiatives** – Reduction of the minimum capital requirement.

### Protecting minority investors

Rank: 166 out of 189

**Recent initiatives** – Introduction of greater requirements for disclosure of related-party transactions to the board of directors and possibility for shareholders to inspect the documents pertaining to related-party transactions and to appoint auditors to conduct an inspection of such transactions.

**Shareholder's rights** – Shareholders holding 10% of the company share capital can call for an extraordinary meeting of shareholders. Shareholders can remove members of the board of directors before the end of their term. A company must obtain its shareholders' approval before it issues new shares.

### Getting credit

Rank 133 out of 189

**Recent initiatives** – Access to credit improvements through amendments to the OHADA Uniform Act on Secured Transactions that broaden the range of assets that can be used as collateral (including future assets), extend the security interest to the proceeds of the original asset and introduce the possibility of out-of-court enforcement.

### Enforcing contracts

Rank: 118 out of 189

**Procedure** – contract enforcement takes 311 days and costs 45% of the value of the claim.

### Resolving Insolvency

Rank: 108 out of 189



**Highlights** – Resolving insolvency takes 3.8 years on average and costs 8.0% of the debtor’s estate, with the most likely outcome being that the company will be sold as piecemeal sale. The average recovery rate is 19.90 cents on the dollar

## Work permit

No visa authorizes an individual to work. A work permit authorized by the national employment and labor office (AGUIPE) must be obtained.

The request for an initial work permit is made by a letter from a prospective employer explaining the reasons why the applicant is being hired. It should be accompanied by four copies of the expatriate work contract, two identification photographs, hotel reservations or an invitation letter, and a return flight ticket.

Foreign nationals may establish businesses in Guinea. In addition, foreign companies may set up subsidiaries headed by foreign nationals.

## Taxes

### Corporate taxation

**Basis** – Guinean companies are taxed on the territoriality principle. As a result, Guinean companies carrying on a trade or business outside Guinea are not taxed in Guinea on the related profits. Foreign companies with activities in Guinea are subject to Guinean corporate tax on Guinean-source profits only.

**Taxable income and rate** - The regular corporate income tax rate is 35%. Since the issuance of the amended Mining Code in April 2013, the rate for the mining sector is 30% (applicable to mining companies only; not applicable to subcontractors). The annual minimum tax payable is 3% of annual turnover. However, under the 2012 Financial Law, it cannot be

less than GNF15 million or more than GNF60 million.

Profits realized in Guinea by branches of foreign companies are deemed to be distributed and therefore are subject to a branch withholding tax of 10% on after-tax income.

Corporations may apply for various categories of priority status and corresponding tax exemptions. The priority status varies, depending on the nature of the project and the level of investment.

**Taxation of dividends** – Dividends are subject to a 10% withholding tax, which may be credited by the recipient against corporate income tax.

**Capital gains** – Capital gains are taxed at the regular corporate rate. The tax, however, may be deferred if the proceeds are used to acquire new fixed assets in Guinea in the following three financial years.

Capital gains on transfers of shares are taxed at a rate of 10%.

**Administration** – The fiscal year is from 1 January to 31 December. Tax returns must be filed by 30 April of the year following the fiscal year.

Companies must pay the relevant annual minimum tax before 15 January of the year following the fiscal year.

### Personal taxation

**Residence** – Individuals resident in Guinea are subject to tax on worldwide income. Nonresidents are subject to tax on Guinea-source income only.

Individuals are considered resident if they meet either of the following conditions:

- They maintain a home in Guinea or stay there for more than six months in a year.
- They are engaged in employment or self-

employment activities in Guinea, unless they prove that these activities are incidental to activities performed abroad.

**Basis** – The basis of this tax is the sum of net income from various categories of revenue earned by the taxpayer within one fiscal year.

**Taxable income** – taxable income consists of total net income from all categories earned by the taxpayer within the tax year, plus the profit from any gainful transactions engaged in by the taxpayer.

**Deductions** - The following expenses are deductible:

- Social security contributions
- Amounts withheld by an employer for a legal pension plan

**Capital gains** – Gains derived from the transfer of shares are subject to withholding tax at a rate of 10%.

Capital gains related to self-employment activities generally are included with other self-employment income and taxed

**Rates** – The general income tax is imposed at scheduler rates ranging from 0% to 40%. Non-commercial profits (fees) are generally subject to a withholding tax (WHT), applied at an effective rate of 15%. The WHT applies to individuals that are active and have no professional establishment in Guinea. An individual in business may opt to be taxed at a flat rate of 15% and become exempt from the general income tax.

### Value added tax

**Taxable transactions** – VAT is imposed on production activities, the distribution of goods and the rendering of services in the Guinea. VAT is also applied to imported goods and services. The standard rate is 18% and a zero rate (0%) is applicable for exports and international carriage.



Taxpayers must register with the local tax authorities. VAT returns and payments are due monthly by the 15th of the following month.

**Rates** – The total VAT in Guinea is 18%.

### Trade relations

Memberships – United Nations, WTO, ECOWAS, West African Economic and Monetary Union (WAEMU), the International Monetary Fund (IMF), World Bank, the African Union and the Mano River Union (MRU) with Liberia and Sierra Leone.

### Agreements between Morocco and Guinea

- Double Taxation Treaty signed and awaiting ratification
- Investment Protection and Promotion Agreement signed and awaiting ratification
- Partnership agreement between Casablanca Finance City Authority (CFCA) and APIP to assist CFC companies in their operations in Guinea.

### Useful links

#### Investment Promotion Agency Guinea

<http://www.apiguinee.gov.gn/>

#### Codes

##### Investment code

<http://www.apiguinee.gov.gn/sites/default/files/documents/Code%20des%20investissements%20guinee.pdf>

##### Construction Code

<http://www.apiguinee.gov.gn/sites/default/files/documents/Code%20de%20la%20construction%20et%20de%20l%27habitation%20Aout%202015.pdf>

##### Labour code

[http://www.apiguinee.gov.gn/sites/default/files/documents/code-du-travail-adopte\\_10012014.pdf](http://www.apiguinee.gov.gn/sites/default/files/documents/code-du-travail-adopte_10012014.pdf)

##### Tax code

<http://apiguinee.gov.gn/sites/default/files/documents/Code%20des%20impots%20guinee.pdf>

##### Customs code

<http://apiguinee.gov.gn/sites/default/files/documents/Code%20des%20douanes.pdf>

### Sources

#### CASABLANCA FINANCE CITY AUTHORITY

DELOITTE, Guide to Fiscal Information, 2015

ERNST & YOUNG, 2015-16 Worldwide Corporate Tax Guide

ERNST & YOUNG, 2015-16 Worldwide Personal Tax Guide

#### APIP - INVESTMENT PROMOTION AGENCY GUINEA

PwC, Worldwide Tax Summaries - Corporate Taxes 2015/16

THE WORLD BANK, Doing Business 2016

#### INTERNATIONAL MONETARY FUND