

## Legislative Framework

The Francophone West Africa biggest economic and financial power and second in West Africa, after Nigeria, Côte d'Ivoire is by far the best entry point for any business in West Africa.

Indeed, since the end of the post-electoral crisis that the country has suffered, the Government has undertaken vast infrastructure and industry projects to upgrade and modernize the country and enable a quickly regain of strong growth allowing to resume its place and to display new ambitions.

Côte d'Ivoire also aspires to become an emerging country by 2020. In order to carry out this project, the Ivorian Government has adopted a strategic plan, the National Development Plan (PND), over a five-year period (2016- 2020).

The objective of this ambitious plan, is the structural transformation of the Ivorian economy for the country's economic growth and development.

Within this plan's implementation process, a preponderant place is given to private sector investments, which are the privileged actor of the economic growth.

Indeed, the investments expected from the private sector represent 62% of the PND 2016-2020 financing and are estimated at 30 000 billion FCFA (US\$50 billion).

Therefore, in order to create favorable conditions for investment, Côte d'Ivoire has undertaken major reforms for the business environment improvement, with the aim of offering this sector, the guarantee of a dynamic and competitive development on an international scale.

This vast reform plan set up since 2012, with the support of the International Finance Corporation (IFC), is part of the Doing Business framework which evaluates the business regulation and its effective application in the private sector of 189 economies worldwide.

Since then, Côte d'Ivoire has embarked on forty (40) reforms, allowing it, over two consecutive years, to position itself among the ten (10) most reforming countries in the world.

Through this initiative, Côte d'Ivoire has won thirty-five (35) places, allowing it to be ranked at the 142th position instead of the 177th in the Doing Business (AIP) ranking.

This performance is explained by the legislative and regulatory adoption of a series of reforms in support of the strategic sectors of the country's economic development and of multiple investment incentives, especially in the fields of posts and telecommunications, mining and oil, water and electricity, real estate...

### **Reforms implemented to promote investment**

The State is taking significant measures to introduce innovative investment incentives by sector of activity so as to make Côte d'Ivoire one of the preferred destinations for private

capital.

We will focus here on the attractive reforms of the investment code, which encourage private investors to prefer Côte d'Ivoire's destination.

The process of reforms to improve the business environment has resulted in eleven reforms (11) in 2013, fourteen (14) in 2014 and fifteen (15) in 2015.

The reforms implemented to date mainly rely on ten (10) pillars, namely:

■ **Company creation** : This major indicator registered reforms in 2014, 2015 and 2016. The application of the texts in force to date has enabled, among other, time and cost reduction when setting up company as well as the simplification of the related formalities through the creation of a one-stop-shop for setting up a company.

■ **Investors Protection** : Various texts were adopted in order to enhance investments security.

■ **Taxes payment** : In 2016, the reform of this axis was mainly initiated by the adoption of a range of text in order to facilitate and simplify the declaration and payment of taxes and duties; Reduce the burden of tax control; Facilitate the repayment of tax credits and strengthen the guarantees given to taxpayers.

■ **Contracts Compliance** : Aware of contracts importance, texts have been adopted in order to streamline the procedures for resolving commercial disputes and to formalize alternative dispute resolution methods.

■ **Insolvency settlement** : Strengthening the legal framework of insolvency proceedings and incentives for buyers are the main points of the texts that has been adopted.

■ **Ownership transfer** : The texts adopted mainly aimed at:

- Tax requirements reduction prior to real estate transactions in order to reduce the time required to complete tax formalities related to any real estate transaction.

- Costs and procedures reduction for ownership transfer.

■ **The building permit** : Facilitation and reduction of costs and procedures related to

building permits granting are at the heart of these reforms, which enable the creation of a one-stop shop for building permits.

■ **Le raccordement à l'électricité** : Les procédures et délai de raccordement à l'électricité ayant été jugés trop longs, des textes ont été adoptés afin de pallier aux difficultés que cette situation engendrait.

■ **Connection to electricity** : Since the procedures and timing of connection to electricity were considered to be too long, texts were adopted in order to remedy the difficulties caused by this situation.

■ **Cross-border trade** : This key indicator registered some substantial reforms, essentially with the institution and establishment of private credit office in charge of collecting data related to credit and borrowers.

■ **Loans obtention** : Aware of cross-border trade importance for the country's economy development, the state of Côte d'Ivoire has undertaken reforms related to the one-stop shop for the external trade operationalization, reducing thereby the costs of cross-border operations.

### **A favorable legislative framework for investment**

Moreover, the new investment code, adopted on 7 June 2012, provides two (02) favourable tax regimes for the creation and / or development of activities in all sectors excluding buildings and public works, commerce and Transport, banking and financial services, namely:



#### **The Declaration Regime**



#### **The Regime of Accreditation.**

The benefits granted cover a period of 5 to 8 years and are related, as appropriate, to exemptions from corporation tax; patents and licenses; customs duties; tax on industrial and commercial benefits, or property tax on constructed properties.

Undoubtedly, these reforms will remove the last locks that will definitely enable Côte d'Ivoire to become an attractive state for both domestic and foreign investors. The ultimate goal for Côte d'Ivoire is to be ranked among the fifty (50) best economies in the World Bank Doing Business rankings, by 2019 at the latest.

CLKA, aware of the importance of this project and its strong impact on the country's

economy, has been contributing to the DOING BUSINESS project since 2012 and is at the heart of all these reforms. Indeed, we regularly review the reforms undertaken by the State of Côte d'Ivoire for the benefit of the World Bank, which on this basis has criticized the said reforms and improvement projects.

Given this strategic position, which provides special expertise, CLK Avocats supports and advises its clients with a broad anticipation on future reforms.