



KARADENİZ İHRACATÇI BİRLİKLERİ GENEL SEKRETERLİĞİ

Sayı : 35649853-TİM.KİB.GSK.TEŞVİK.2023/2050-4157

Giresun, 29/12/2023

Konu : Benin Yatırım Ortamı

E-POSTA

KARADENİZ İHRACATÇI BİRLİKLERİ ÜYELERİNE SİRKÜLER 2023 /743

Sayın üyemiz,

Kotonu Ticaret Müşavirliği Kanalıyla, T.C. Ticaret Bakanlığının bir yazısına atfen, Türkiye İhracatçılar Meclisinden alınan 27/12/2023 tarih 1170-3566 sayılı yazıda,

Benin yatırım ortamı ve yatırım teşviklerine ilişkin faydalı bilgiler içeren "Benin'de İş İkliminin İyileştirilmesi" ve "Yatırıma Yönelik Vergi Önlemleri ve Gümrük Düzenlemeleri" ne ilişkin dokümanın Cumhurbaşkanlığı'na bağlı Yatırım ve İhracatı Teşvik Ajansı'ndan (Apiex) temin edilerek gönderilmiş olduğu, buna ilaveten ülkedeki kamu ihalelerinin <https://www.marches-publics.bj/> internet sitesinden takip edilebileceği, gönderilen bir diğer doküman olan "Tax Measures and Customs Regulations" da ise "Yatırım Kanunu ve Özel Ekonomik Bölge Kanunu" kapsamında yatırım süresince ithalat gümrük vergisi muafiyeti ile işletme döneminde 5 ila 17 yıl arasında değişen sürelerde kurum, gelir ve meslek vergileri muafiyeti gibi desteklerin sağlandığı, buna ek olarak üçüncü bir doküman olarak gönderilen 2021-2026 Hükümet Eylem Programı'nda (PAG 2021-2026) tarımsal sanayi, tarım, elektrik enerjisi ve dijital sektörlerde yapılacak yatırımlarda bir üst kademe teşviklerin uygulandığına ilişkin bilgi verilmektedir.

Buna göre PAG (2021-2026)'de Benin'in ekonomik ve sosyal kalkınmasını hızlandırmak amacıyla, kamu kaynakları ve kamu özel ortaklığıyla finanse edilmesi planlanan, toplam maliyeti 12.111 milyar Batı Afrika Frangı (F CFA) (yaklaşık: 18,5 milyar Avro) olan ve 87 reform ile 201 projeyi içeren tutarın %55'ini altyapı, enerji, dijital, tarım, turizm ve sanayi sektörlerinin oluşturduğu, söz konusu dokümanın "Main Projects" bölümünden karayolu, havalimanı ve elektrik santralleri inşası, liman genişletilmesi ve yukarıda özetlenen alanlardaki bazı spesifik projelerin ayrıntılarına ulaşılacağı, ilave olarak, Nijerya, Burkina Faso, Nijer ve Togo ile ortak sınırı bulunan Benin'in, Abidjan-Lagos ve Kotonu-Niamey bölgesel koridorlarının kesişme noktasında yer alan coğrafi konumu itibarıyla önemli bir ticaret ve turizm merkezi konumunda olduğu, tekstil ve tarımsal sanayi başta olmak üzere ihracata yönelik endüstriyel yatırımların artış gösterdiği, bu kapsamda

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Ayrıntılı bilgi için: Şahin KURUL – Şube Müdürü

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**KARADENİZ İHRACATÇI BİRLİKLERİ
GENEL SEKRETERLİĞİ**



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ülkenin yatırımcı, ihracatçı, müteahhitlik ve teknik müşavirlik firmalarımızca takip edilmesinin önem arz ettiği ifade edilmektedir.

Bilgilerinize sunarız.

e-imzalıdır
Şahin KURUL
Genel Sekreter a.
Şube Müdürü

EKLER:

EkI: Benin'de İş İkliminin İyileştirilmesi (2 Sayfa)

EkII: Tax Measures and Customs Regulations (4 Sayfa)

EkIII: 2021-2026 Hükümet Eylem Programı (224 Sayfa)



IMPROVEMENTS IN THE BUSINESS CLIMATE IN BENIN

2 A FEW IMPACTS OF ACTIONS ILLUSTRATED BY SEVERAL INDICATORS AND INTERNATIONAL RANKINGS

- ▲ **Financial rating by Standard & Poor's** : Benin was rated B+ sovereign credit rating, with a stable outlook, which ranks the country among the top 5 best rated countries in Africa.
- ▲ **Financial rating by Bloomfield Investment** : Benin has a sovereign credit rating of A-stable.
- ▲ **Financial rating by FitchRatings** : Benin obtained a B+ stable sovereign credit rating.
- ▲ **Doing Business Index 2019** : Benin has improved its Doing Business ranking.
- ▲ **Recent IMF assessment (end October 2019)** : implementation of public policies is satisfactory. Economic activity is expanding, with growth of 6.7% in 2019 in a context of controlled inflation.
- ▲ **The National Policy and Institutional Assessment Index of the World Bank (CPIA 2020)** : Benin obtains an overall score of 3.6, higher than the average for Sub-Saharan Africa (3.1).
- ▲ **The Mo Ibrahim Index of Governance in Africa (IIAG)**, one of the barometers of the situation on the continent, ranks Benin in the top 4 of ECOWAS countries (2020 report data).
- ▲ **Transparency International rating** : Benin's rating in 2019 is 80 and it has moved up 5 places.

Furthermore, the clearly stated and implemented development ambition, the good prospects and the relevance of the Government's Programme of Action have enabled Benin to benefit from important international initiatives to support its economic and social development. One of these initiatives is :

- ▲ **Benin's accession to the G20 Africa Compact**



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In order to promote sustainably the economic and social development, the Government is positioning itself in a facilitator role **to boost the economic dynamics** and help the private sector to fully play its role as wealth generator and to exploit investment opportunities offered by the Programme of Action of the Government (PAG).

This facilitator role is reflected in the following :

- ▲ **Creating a business-friendly environment to facilitate wealth generation and contribute to the prosperity of companies.**
To this end, the Government has implemented a series of actions and reforms to remove the obstacles to private investment, improve the business climate and attract foreign capital.
- ▲ **Building infrastructure necessary for the structural transformation of the country and the availability of low-cost production factors.**
Indeed, to correct the infrastructure deficit which is a major hindrance to private investment, the Government has initiated a programme of massive public investment, on the one hand, in production factors (roads, energy, communication networks, etc.) and, on the other hand, to boost private investment, particularly in the tourism sector.
- ▲ **Providing investors with technical and financial studies for projects identified as having a growth potential.**
The technical studies for the preparation of investment projects are carried out by renowned consultancy firms.

In addition, the government is undertaking to clean up the macroeconomic and governance framework in order to increase the capacity to mobilise its own resources and to direct the State's resources towards productive and structuring investments. This approach also aims at rationalising public expenditure in order to improve the conditions for providing social services to the population. The actions initiated since 2016 are being pursued and allow Benin to have one of the best macroeconomic frameworks in the sub-region with the support of the IMF.

WWW.APIEX.BJ



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ACTIONS AND REFORMS TO IMPROVE THE BUSINESS CLIMATE

These actions are grouped into four (04) points :



Governance at strategic level

- ▶ The creation of the Inter-ministerial Committee for Investment Promotion to improve strategic coordination of relations with the private sector as well as the follow-up by the Presidency of the Republic.



Implementation mechanism

- ▶ The Investment and Export Promotion Agency (APIEx) is now the one-stop window for investors in Benin. This mechanism enables to improve the reception, orientation, formalities for business creation and provide support to investors and exporters.

Strengthening of the legal and judicial framework to secure investment

- ▶ Reform of the Investment Code to make it more attractive, in particular by the possibility of granting specific advantages to projects deemed strategic and to non-resident investors
- ▶ The law on Special Economic Zones.
- ▶ Adoption of a unified and secure legal framework for Public-Private Partnership. Revision of the Public Procurement Code.
- ▶ Relaxation of Labour Code provisions, in particular with regard to hiring conditions, the capping of the amount of compensation in the event of dismissal and the regulation of the right to strike.
- ▶ Adoption of the digital code.
- ▶ Modernisation of public administration: procedures, computerisation, digital archiving and dematerialisation (Smart Gov).
- ▶ Establishment of a biometric population file.
- ▶ Revival of technical education and vocational training in partnership with the private sector.
- ▶ Creation of the International Innovation and Knowledge City [Cité Internationale de l'Innovation et du Savoir (CIIS)] with tax exemption for training, research and incubation activities.
- ▶ Implementation of an action plan to clean up the public finance management system and improve transparency.
- ▶ Reform of administrative order control bodies.
- ▶ Taking measures to ensure the security and protection of goods and people.
- ▶ The law on the promotion of micro, small and medium enterprises.
- ▶ Revision of international tax treaties and trade laws.
- ▶ The law on state-owned companies and modalities of denationalizations.



Areas of reform



▶ BUSINESS CREATION

- Implementation of 100% online business creation www.monentreprise.bj integrating payment by credit card and mobile money
- Benin is ranked by UNCTAD as the top country for business creation (less than 5 hours for company creation)

▶ BUILDING PERMIT ISSUANCE

- Dematerialization of the building permit application procedure : <https://permisdeconstruire.gouv.bj/>
- Dematerialisation of water supply connection application procedure : www.soneb.bj
- Free water connection for SMEs and SMIs with a maximum connection time of 6 days
- Free of charge service by fire-fighters as part of the implementation of the fire safety report.

▶ CONNECTION TO ELECTRICITY

- Dematerialization of the connection procedure : www.sbee.bj
- Maximum connection time of 30 days
- Free electrical connections (*)

(*) For SMEs and SMIs with consumption needs from 140 Kva up to 160 Kva

▶ CROSS-BORDER TRADE

- Dematerialization of customs clearance procedures (www.guce.bj)
- Dematerialization and electronic payment of certificates, licences and permits via Mobile Money
- Optimization of container inspection times
- Establishment of an Authorised Economic Operator programme reducing customs formalities (direct clearing) <http://douanes-benin.net>

▶ CREDIT SECURING

- Leasing Act
- Factoring Act
- Information and Credit Bureau Act
- Credit Information Bureau establishment Authorization (Credit Info Volo)
- Establishment of a platform on security interests : www.suretes.tccotonou.bj

▶ TRANSFER OF OWNERSHIP

- Reform of the land code
- Maximum time for the procedure set at 72 hours
- Dematerialization of the property transfer procedure (e-notary platform, <http://enotaire.andf.bj>)
- Revision of the notaries' fee (1% instead of 3% previously)
- The national Land Register is available online: <https://cadastre.bj>
- Suspension of registration fees on real estate transfers of less than 25 million CFA francs

▶ TAXES AND DUTIES

- Abolition of the advance payment on synthetic business tax for business start-ups
- Implementation of the single form for tax and social security declarations : www.impots.finances.gouv.bj
- Dematerialization of tax returns : <https://eservices.impots.bj>
- Dematerialization of the transmission of balance sheets : <https://ebilan.impots.bj>
- Reduction of the tax rate applied to dividends :
 - 5% versus 7% applied to the proceeds of shares regularly distributed by listed companies
 - 5% versus 10% applied to the proceeds of shares regularly distributed to partners not resident in Benin
- Abolition of 11 taxes

▶ EXÉCUTION DES CONTRATS ET RÈGLEMENT DES LITIGES COMMERCIAUX

- Law on modernisation of the justice system (establishment of a small claims chamber in magistrates' courts and commercial courts, limitation of the number of hearing referrals to 2 in favour of the debtor, etc.).
- Establishment of the Commercial Court of Cotonou : www.tribunalcommercecotonou.bj
- Specialisation of a hearing for collective proceedings at the Commercial Court
- Exemption from registration duty on court decisions in commercial matters for amounts less than CFA 5 million
- Operationalisation of the Arbitration and Mediation Centre : www.ccibenin.org/service-camec
- Free mediation by CAMEC-CCIB for disputes of less than 10 million CFA francs



TAX MEASURES AND CUSTOMS REGULATIONS IN FAVOUR OF INVESTMENT

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The Government of the Republic of Benin has embarked on a vast programme to promote Benin as a preferred destination for investors. Under this programme, new laws have been adopted and amendments made to existing laws to improve the business climate and encourage investment.

Several investment promotion mechanisms have been put in place, the most important of which are The **Investment Code**, the **Law on Special Economic Zones (ZES)** and the Law on Development of Micro, Small and Medium Enterprises (MSME).

The Investment Code offers customs and tax exemptions for a period ranging from 5 to 17 years depending on the location of the project and the amount of investment.

The Law on Special Economic Zones offers two (02) types of exemption schemes: the export scheme and the intra-community trade promotion scheme allowing to be granted the community certificate of origin. A first Special Economic Zone with an area of one thousand six hundred and forty (1640) was created in Glo-Djigbé in partnership with ARISE group, specialised in planning, development and exploitation of special economic zones.

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REASONS TO INVEST IN BENIN

- ▲ **Particularly advantageous geostrategic position**
- ▲ **Gateway to West Africa for investors**
- ▲ **Model of democratic stability in sub-Saharan Africa and in the world** with strong institutions
- ▲ **Country of peace and security**
- ▲ **2nd best ranking of Doing Business in West Africa**
- ▲ **Economic and financial performance acknowledged by the main rating agencies in the world:** Financial rating by Standard & Poor's (B+ stable), Bloomfield Investment (A- stable) and FitchRatings (B+ stable), rating it among the top five highest rated countries in Africa
- ▲ **Member of the West African Economic and Monetary Union (WAEMU) and ECOWAS**, giving it access to a market of more than 200 million inhabitants
- ▲ **Member of the African Continental Free Trade Area (AfCFTA)**
- ▲ **AGOA eligible country**, which allows companies producing in Benin to export duty free to USA.



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THE INVESTMENT CODE

SCHEME A	Investment from 50 million up to 1 billion FCFA	<p>Settlement period: full exemption from import duties and taxes</p> <p>Operating Period (5 years nationwide):</p> <ul style="list-style-type: none"> • exemption from corporate income tax (IS) • exemption from occupation and business taxes and licences • 50% reduction on employer's contribution on wages
SCHEME B	Investment from 1 billion to 50 billion FCFA	<p>Settlement period: full exemption from import duties and taxes</p> <p>Operating period (Zone 1: 8 years / Zone 2: 10 years / Zone 3: 12 years):</p> <ul style="list-style-type: none"> • exemption from corporation tax (IS) • exemption from occupation and business taxes and licences • 80% reduction on employer's contribution on wages
SCHEME C	Investment over 50 billion FCFA	<p>Settlement period: full exemption from import duties and taxes</p> <p>Period of operation (Zone 1: 15 years / Zone 2: 16 years / Zone 3: 17 years)</p> <ul style="list-style-type: none"> • exemption from corporation tax (IS) • exemption from occupation and business taxes and licences • exemption from the employer's payment on wages • exemption from registration fees in the event of a capital increase
SECTORAL INCENTIVE SCHEME (PRIORITY)	Investment eligible for schemes A or B in priority sectors of the Programme of Action of the Government (PAG) (agro-industry, agriculture, electrical energy, digital sector)	<p>For scheme A: possibility to benefit from scheme B</p> <p>For scheme B: possibility to benefit from scheme C</p>
SECTORAL INCENTIVE SCHEME (PRIORITY)	<ul style="list-style-type: none"> • Infrastructure and facilities for tourism, culture, sports, health and education • Infrastructure for the storage of products such as gas, hydrocarbons, chemicals 	<p>Investment phase: total exemption from entry fees except for community taxes and levies</p> <p>Operating phase: common law regime</p>



- Submission of application file in soft and hardcopy versions to APIEx
- Scheme application file processing by APIEx within 20 working days

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THE LAW ON SPECIAL ECONOMIC ZONES

CUSTOMS PROCEDURE	EXPORT SCHEME <ul style="list-style-type: none">• Total exemption from customs duties• Simplified procedure for transfers of imported goods to SEZ
	INTRA-COMMUNITY TRADE PROMOTION SCHEME <ul style="list-style-type: none">• Exemption from customs duties on machinery, materials, equipment, accessories and spare parts related to the production programme• Simplified procedure for transfers of goods and imported goods to SEZ• Benefit from the Community scheme certificate
TAX SYSTEM	<ul style="list-style-type: none">• Exemption from all taxes: corporate tax, dividend tax, VAT, property tax on built and unbuilt properties, registration and transfer tax, employer's contribution on wages, all withholding taxes.• Freedom to repatriate income• Freedom to distribute dividends• Refund of VAT credits within 30 days
TRADE SYSTEM	<ul style="list-style-type: none">• No licensing or quota setting for imports• Freedom to sell in the customs territory• Freedom to transfer funds through licensed financial institutions
SOCIAL PLAN	<ul style="list-style-type: none">• Freely negotiated employment contract• Facilitation of the issuance of entry visas and economic residence cards
 <p>The administrative authority is represented by the Investment and Export Promotion Agency which organises the one-stop window for formalities and administrative procedures for all actors intervening in the SEZ.</p>	

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OTHER ADVANTAGES BENIN OFFERS TO INVESTORS

Access to public procurement

- Reservation of an annual quota of public contracts for Micro, Small and Medium Enterprises (MSMEs), through the Finance Act.
- Allocation of a preferential margin of 5% to any offer submitted by MSMEs (cumulative with the WAEMU community preferential margin of 15%)

Repayment of Government debts within 60 days maximum.

- **Subcontracting and co-contracting:** allocation of a preference margin up to 5% for any subcontracting commitment with an MSME, of at least 30% of the contract value

Taxation

- Exemption from occupation and business taxes in the first year
- Exemption from import duties and taxes on professional equipment necessary for MSME's activities
- Exemption from import duties and taxes on professional equipment including packaging necessary for the activities of MSMEs that process local raw materials
- Tax incentives to private promoters of business incubators, craftsmen and craft enterprises, and Approved Management Centres
- Total exemption from corporation tax in the event of profits reinvestment for a maximum period of 5 years
- Clearing of advance payments on corporation tax (AIB) paid to the customs
- Possibility of benefiting from the Investment Code
- Setting up tax payment facilities: moratoriums/payment schedules, suspension of proceedings, surtax remission and tax relief

Reduction of the tax rate applied to dividends

- 5% versus 7% applied to the proceeds of regularly distributed shares of listed companies
- 5% versus 10% applied to the proceeds of shares regularly distributed to non-resident partners in Benin

- **Tax scheme applicable to contracts performed under public-private partnership contracts:** freely negotiated when drafting the contract.



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