

# Burkina Faso

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RISK & COMPLIANCE REPORT

DATE: March 2018

<b>Executive Summary - Burkina Faso</b>	
<b>Sanctions:</b>	None
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	Compliance with FATF 40 + 9 Recommendations Not on EU White list equivalent jurisdictions
<b>Medium Risk Areas:</b>	Weakness in Government Legislation to combat Money Laundering Corruption Index (Transparency International & W.G.I.) World Governance Indicators (Average Score) Failed States Index (Political Issues)(Average Score)
<p><b>Major Investment Areas:</b></p> <p><b>Agriculture - products:</b> cotton, peanuts, shea nuts, sesame, sorghum, millet, corn, rice; livestock</p> <p><b>Industries:</b> cotton lint, beverages, agricultural processing, soap, cigarettes, textiles, gold</p> <p><b>Exports - commodities:</b> gold, cotton, livestock</p> <p><b>Exports - partners:</b> China 25.9%, Turkey 24.8%, Belgium 5.2% (2012)</p> <p><b>Imports - commodities:</b> capital goods, foodstuffs, petroleum</p> <p><b>Imports - partners:</b> Cote d'Ivoire 17.6%, France 15.2%, Ghana 4.8%, Togo 4.4% (2012)</p>	
<b>Investment Restrictions:</b>	

The Government of Burkina Faso (GOBF) wishes to attract more foreign direct investment (FDI) and has been implementing, over the years, reforms to make Burkina Faso more attractive to international investors.

Under the investment code, all personal and legal entities lawfully established in Burkina Faso, both local and foreign, are entitled to the following rights: fixed property, forest and industrial rights; concessions; administrative authorizations; access to permits; and participation in state contracts.

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## Section 1 - Background

Burkina Faso (formerly Upper Volta) achieved independence from France in 1960. Repeated military coups during the 1970s and 1980s were followed by multiparty elections in the early 1990s. Current President Blaise COMPAORE came to power in a 1987 military coup and has won every election since then. Burkina Faso's high population density and limited natural resources result in poor economic prospects for the majority of its citizens.



## Section 2 - Anti – Money Laundering / Terrorist Financing

### FATF status

Burkina Faso is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

### Compliance with FATF Recommendations

The initial Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Burkina Faso was undertaken by the Financial Action Task Force (FATF) in 2009. According to that Evaluation, Burkina Faso was deemed Compliant for 0 and Largely Compliant for 5 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for all 6 of the Core Recommendations.

#### Fourth follow-up report of Burkina Faso

The fourth follow-up report of Burkina Faso showed that the country had taken actions to strengthen its AML/CFT system by the designation of a competent authority for administrative freezing via Decree 2012- 1136/PRES/PM/MEF of December 2012. In this regard, the Minister of Economy and Finance has been designated as the competent authority to implement the measures for the freezing of funds and other assets belonging to terrorists or terrorist organizations. An Advisory Committee on Administrative Freezing was also established. The FIU of Burkina Faso strengthened its organizational, technical and operational capacity, thus enabling it to be admitted to the Egmont Group of FIUs in July 2013. The FIU signed MoUs with the FIUs of Cabo Verde, Mauritius, Algeria and Chad. The FIU also received and responded to requests for information from foreign FIUs and disseminated intelligence reports to prosecutors for further action.

However, Burkina Faso needs to address the remaining deficiencies in its AML/CFT system such as the revision of the AML and CFT laws to ensure conformity with acceptable international AML/CFT standards. Also, the country is required to set up adequate enhanced measures for high-risk customers and effective regulation and supervision of financial institutions and DNFBPs and cash couriers.

Based on the steady progress made by Burkina Faso throughout the follow-up process, the Plenary maintained the country on Expedited Regular Follow- up and directed Burkina Faso to submit its fifth follow-up report to the Plenary in November 2014.

### **Prevalence of Predicate Crimes**

Like all GIABA member States, Burkina Faso is a cash-based economy, with most transactions carried out through informal channels. With long, poorly manned borders in a region where terrorism and organized crime are on the rise, Burkina Faso is highly vulnerable to an array of predicate crimes to ML/TF. Drug trafficking, smuggling, contraband, and black market currency transfers are rife within it. As contained in its annual country report to GIABA, the most prevalent predicate crimes in Burkina Faso are drug trafficking, corruption, tax fraud, smuggling of precious stones and metals, bank fraud, forgery and capital market crimes.

The World Drug Report 2013 cites Burkina Faso as one of the countries where cocaine use has risen in recent years. This increased drug use may have been fuelled by the rise in the use of the country as a land trafficking route for Europe-bound cocaine. The Trafficking in Persons Report 2013 also identified Burkina Faso as a country of origin, transit and destination for human trafficking. Apart from the use of children for forced labour in homes, farms and mines, commercial sexual exploitation is rampant. Commercial sexual exploitation is the most notorious of these and operates through an underground market of young girls from within the country and from other ECOWAS member States en route to neighbouring countries or European destinations or intended to remain in Ouagadougou, the capital city.

Burkina Faso is landlocked, shares borders with six countries and lacks the required resources to police its borders adequately. This makes the country highly vulnerable to cross-border crimes that generate illicit money for ML. Also, some of the neighbouring countries host terrorist groups that operate across the region. Burkina Faso is therefore constantly faced with the combined threats of ML and TF, and is under pressure to strengthen its AML/CFT system.

### **AML/CFT Situation**

Burkina Faso submitted the fourth follow-up report on its mutual evaluation to the GIABA 20th Technical Commission/Plenary in November 2013. The report provided details of the measures the country has taken since November 2012 to address the gaps identified in its AML/CFT system. The Burkina Faso FIU was admitted into the Egmont Group of FIUs in 2013, which is a sign that the country has made some progress in its AML/CFT system.

In addition, the Burkina Faso FIU, in collaboration with GIABA, organized a national sensitization workshop for DNFBPs on the fight against ML/TF from 30 to 31 July 2013. The workshop was aimed at sensitizing and reinforcing the capacity of DNFBPs to effectively implement AML/CFT measures, including identification and reporting of suspicious transactions.

According to the country report to GIABA, 135 STRs were submitted by reporting entities to the FIU in 2013, 132 of which are related to ML. However, only 10 of such reports were sent on to law enforcement agencies for investigation, with no convictions reported. While the efforts of the country in addressing its AML/CFT gaps are commendable, its inability to achieve conviction exposes the serious weakness of the country's AML/CFT system.

### **Conclusion**

Burkina Faso is faced with a number of ML/TF threats. The rising profile of violent Islamist organizations in neighbouring Sahel countries and the porosity of its long borders have heightened the country's vulnerability. Its burgeoning economy, which is largely cash-based, is also a natural attraction to organized crime.

The country has made impressive progress in strengthening its AML/CFT regime. Its membership of the Egmont Group of FIUs is a testimony to this progress. Yet the remaining deficiencies need to be addressed in order to effectively counter the threats of ML/TF.

Of particular importance is the need to drastically improve border security. Border protection is very costly, and Burkina Faso may not have the financial resources to fully monitor its long borders with six countries against the illegal movement of goods, cash and persons. The country needs to be supported in order to ensure that its borders are fully secure, taking into consideration the prevailing situation in its neighbourhoods.

### US Department of State Money Laundering assessment (INCSR)

Burkina Faso was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

#### **Perceived Risks:**

Burkina Faso is not a regional financial center. Its economy is primarily cash-based, and most economic activity takes place in the informal sector. Only an estimated 13 percent of the population had bank accounts as of 2015. Burkina Faso lacks the resources necessary to monitor adequately the movement of goods and people across its porous borders. Narcotics trafficking, smuggling, contraband sales, and black market currency transfers occur within the country.

Corruption, a lack of resources, and overburdened and weak judicial and law enforcement systems are major challenges to the government's ability to counter these activities. Burkina Faso continues to struggle with corruption in its customs service and, to a lesser degree, in the National Police, increasing the country's vulnerability to smuggling and money laundering.

Following the abrupt resignation of former President Blaise Compaore in October 2014 due to a popular uprising, the country was under a transitional government until elections were held in November 2015. This hampered administrative and judicial functions. It also has increased the country's susceptibility to illicit activities, including smuggling and money laundering.

While there is no significant domestic market for illicit or smuggled goods in Burkina Faso, there is evidence that goods have been smuggled across the country's borders and through the airport in Ouagadougou, specifically narcotics, cigarettes, and endangered animal species. Those involved in smuggling are generally not producers, organizers, or financiers; they are generally low-level couriers serving criminal and trafficking networks based in neighboring countries.



DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes  
Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: NO  
KYC covered entities: The Public Treasury, Central Bank of West African States (BCEAO), banks and microfinance organizations, exchange bureaus, independent legal professionals, auditors, real estate agents, funds transporters, owners of casinos and lotteries, travel agencies, nongovernmental organizations (NGOs), and agents selling high-value goods and precious metals

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 68: January 1 - November 26, 2015  
Number of CTRs received and time frame: 0 in 2015  
STR covered entities: The Public Treasury, BCEAO, banks and microfinance organizations, exchange bureaus, independent legal professionals, auditors, real estate agents, funds transporters, owners of casinos and lotteries, travel agencies, NGOs, and agents selling high-value goods and precious metals

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 3: January 1 - November 26, 2015  
Convictions: 0 in 2015

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: NO Other mechanism: YES  
With other governments/jurisdictions: YES

Burkina Faso is a member of the Inter Governmental Action Group Against Money Laundering in West Africa (GIABA), a FATF-style regional body.

**ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:**

The Government of Burkina Faso has a three-year strategy, from 2014 - 2016, for fighting financial crime, but due to recent political uncertainty much of this strategy has not been implemented. Realistically, action on AML/CFT deficiencies will likely be delayed until the new government resulting from the November 2015 elections sets its priorities.

One aspect of the strategy, a strengthening of financial disclosure requirements for government officials, was included in the charter for the transitional government that was adopted on November 16, 2014. Until recently, high-ranking government officials were only required to file financial disclosure forms with the Constitutional Council on entering and leaving office. Under the new requirements, the disclosure of the President will be published

in the Official Journal, and the Court of Auditors will be able to investigate the assets of high-level government officials.

In 2014, the government put in place a committee on administrative asset freezing. In late September 2015, the government froze the assets of 14 individuals and four political parties suspected of involvement in the failed coup d'état which took place earlier that same month.

In 2014 Burkina Faso joined the Partnership on Illicit Finance, an initiative that brings African partners and the United States together to jointly address the generation and movement of proceeds from corruption and other financial crimes. Its two main objectives are to examine illicit financial flows from Africa and to develop national action plans through which each member government can improve transparency and accountability in public and private sectors.

Burkina Faso's financial intelligence unit (FIU) is the National Financial Information Processing Unit (CENTIF). CENTIF reports there are 17 individuals currently being prosecuted for money laundering or other financial crimes, with three new cases in 2015. It can take years for criminal cases in Burkina Faso to reach a conclusion, and there were no money laundering or financial crime convictions in 2014 or 2015.

Burkina Faso remains at risk of money laundering and faces threats emanating from predicate criminal activities and insecurity in the Sahel region. Its capacity to respond to these threats remains insufficient, although the Government of Burkina Faso continues to cooperate with regional and global counterterrorism efforts.

Burkina Faso should move prosecutions of financial crimes through its court system, demonstrate the effectiveness of its terrorist asset freezing regime, and incorporate the West African Economic and Monetary Union directives on money laundering and terrorist financing into its national law. The government also should adopt procedures for the declaration or disclosure of cross-border currency movements and fully implement its national strategy to combat money laundering and terrorism financing, especially given the challenges inherent in the regional security environment. Furthermore, the Government of Burkina Faso should strengthen due diligence measures in the financial system, the supervision and monitoring of reporting entities, and international cooperation efforts.

#### **Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):**

According to the US State Department, Burkina Faso does not conform with regard to the following government legislation: -

**System for Identifying/Forfeiting Assets** - The jurisdiction has enacted laws authorizing the tracing, freezing, seizure, and forfeiture of assets identified as relating to or generated by money laundering activities.

**Arrangements for Asset Sharing** - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

**International Transportation of Currency** - By law or regulation, the jurisdiction, in cooperation with banks, controls or monitors the flow of currency and monetary

### **EU White list of Equivalent Jurisdictions**

Burkina Faso is not currently on the EU White list of Equivalent Jurisdictions

### **World Governance indicators**

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

### **Failed States Index**

[To view Failed States Index Ctrl + Click here](#)

### **Offshore Financial Centre**

Burkina Faso is not considered to be an Offshore Financial Centre

### US State Dept Narcotics Report 2012:

Cannabis, amphetamines, and diverted licit medications remain the three principal drugs abused in Burkina Faso. There are also a very limited number of cocaine and heroin addicts. Toxic inhalants are used by the poorest drug addicts, especially street kids. Natural herbs with reported psychoactive effects are utilized in some traditional ceremonies. Illicit drug production in Burkina Faso is limited to cannabis cultivation. Cannabis cultivation has been reported across Burkina Faso, but is more prevalent along the southern borders, the outskirts of Ouagadougou, near Bobo Dioulasso, and close to Boromo.

Burkina Faso borders six countries, making it a natural transit point for drugs moving from coastal West Africa across the Sahel to Europe. Its porous, largely unmonitored borders and lack of trained border control personnel and inspection equipment make it hard for Burkina Faso enforcement to counter all types of trafficking. Burkinabe officials, however, believe that Burkina is not a West African drug hub and that there are no established networks or distribution centres in Burkina Faso. The interdiction of drugs remains a low priority for the Government of Burkina Faso when compared with other economic, social, and political issues.

Hard drugs are not imported into Burkina for local consumption, and Burkina Faso does not manufacture any hard drugs to export to other markets. The Ouagadougou airport is neither known to be a hub for drug couriers nor an important drug transshipment point. Although some Burkinabe citizens are employed in the drug industry and profit indirectly from the transiting drug trade, they are not producers, organizers, financiers, or major players. Instead, they are organized, frequently as drug mules or small-scale street pushers, by criminals from Nigeria, Togo, Ghana, Côte d'Ivoire, and Guinea Bissau.

Drug shipments and couriers in Burkina Faso are sometimes intercepted by the national police, gendarmerie, and customs officials. Interdiction of these couriers is the source of most of Burkina enforcement's drug seizures. Over the last two years, a number of drug traffickers intercepted in Burkina Faso have ingested drug-filled pellets or have had cocaine or cannabis hidden on their bodies. Ouagadougou airport security officials have limited technical equipment and training to detect and interdict the drugs, but they have received basic training in drug courier profiling and know how to look for particular passenger behavior such as nervousness and late, hasty check-ins. France provided drug scanning equipment in 2011, although the materials have not been fully integrated into the airports operations due to ongoing construction. AFRICOM provided drug testing kits in 2011. Airport security officials are particularly vigilant with passengers on those airlines that have historically been favored by traffickers in Africa.

The National Gendarmerie was successful in intercepting a number of significant cannabis and Indian hemp shipments in 2011. In March the Gendarmerie seized nearly 800 kilograms of hemp and cannabis, and another 1,055 kilograms in July, both near the economic capital of Bobo Dioulasso. The shipments were transported by numerous couriers on bicycles and are thought to have originated in Ghana and destined for Mali. In July, 145 kilograms of hemp were seized on the Burkina Faso-Mali border. From January to June the Customs office in

Nako (10 kilometers from the Ghana border) reported they had seized 6.8 metric tons of drugs, up from 4 tons in all of 2010. In September, police intercepted more than 100 kilograms of cannabis in Houndé, not from from Bobo-Dioulasso. All drugs seized are catalogued, photographed then destroyed.

Although customs officials at border posts and airports are financially rewarded for detecting and seizing undeclared goods, receiving 25 percent of the overall value of undeclared goods, this is not the case for drugs, which are considered "unproductive goods." While funding to provide customs officials with bonuses for drug seizures has been used in the past, budget shortfalls have stymied these efforts. Drug seizures declined in parallel with the loss of these bonuses. Predictably, customs officials prefer to focus on interdicting the smuggling of non-narcotic goods since it brings them financial rewards.

Burkina Faso's overall drug policy is directed by the National Committee to Combat Drugs. The Committee has asked for additional resources, and for its transformation into a National Drug Office; this proposed reorganization has yet to be addressed by the Government of Burkina Faso. All laws applicable to drugs are included in the "Code des Drogues." Burkina Faso has received funding and technical assistance from the United Nations Office on Drug and Crime (UNODC) and in- country drug experts are occasionally invited to attend European Union or ECOWAS conferences. France has provided drug/chemical detection kits as well as training, as has AFRICOM.

As a matter of government policy, Burkina Faso does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Burkina Faso is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

### **US State Dept Trafficking in Persons Report 2016 (introduction):**

#### Tier 2

Burkina Faso is a source, transit, and destination country for women and children subjected to forced labor and sex trafficking. Burkinabe children are subjected to forced labor as farm hands, gold panners and washers, street vendors, domestic servants, and forced begging by unscrupulous Koranic school teachers; girls are exploited in sex trafficking. Burkinabe children are transported to Cote d'Ivoire, Mali, and Niger for forced labor or sex trafficking. To a lesser extent, traffickers recruit women for ostensibly legitimate employment in Lebanon, Qatar, Saudi Arabia, and various European countries but subject them to forced prostitution. Burkina Faso is a transit country for traffickers transporting children from Mali to Cote d'Ivoire, and is a destination for children subjected to trafficking from neighboring countries, including Ghana, Guinea, Mali, and Nigeria. Women from other West African countries are fraudulently recruited for employment in Burkina Faso and subsequently subjected to forced prostitution, forced labor in restaurants, or domestic servitude in private homes. In recent years, Nepalese traffickers have subjected Tibetan women to sex trafficking in Burkina Faso. During the reporting period, women and girls from Cote d'Ivoire were discovered in Burkina Faso en

route to Saudi Arabia, where they allegedly would have faced domestic servitude. Reports from an international organization contend 10 Burkinabe peacekeepers deployed to the UN mission in Mali may have engaged in sexual exploitation.

The Government of Burkina Faso does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. The government reported an increased number of prosecutions and convictions of trafficking offenders, made some modest efforts to address unregistered Koranic schools that subject students to forced begging, and continued to train authorities and social workers on victim protection. It also increased its funding for victim services. Despite identifying seven alleged traffickers posing as Koranic school teachers, however, there is no evidence the government initiated investigations into the traffickers; victim protection measures remained inadequate, especially long-term services and services for adults; and the national anti-trafficking committee remained inactive for a second consecutive year.

## US State Dept Terrorism Report 2016

### Overview:

Following historic national elections that brought President Roch Marc Christian Kabore to power in late 2015, Burkina Faso's new government took office January 13, 2016. Just days later, a soft target terrorist attack on a café and hotel occurred in Ouagadougou, revealing shortcomings in the government's crisis response plans. The past year has seen a significant uptick in terrorist activity, including numerous cross-border attacks, although it was not always clear which terrorist organization was responsible. Many of these incidents remained under investigation, with no prosecutions before the end of 2016.

Events of the past two years, including the extra-constitutional step taken by the former Presidential Security Regiment to hold the then-transitional government hostage, in addition to the increase in violent attacks, have continued to demonstrate the need for broad security sector reform. Recommendations from a security sector reform commission established in December 2015 were never made public, and, in the past year, the country has not seen significant changes either in the structure or leadership of any of its security services. Further, the Burkinabe government appears to have largely rejected recommendations made in a UN evaluation of security sector reform priorities.

Burkina Faso's overall willingness to engage in regional counterterrorism and stability operations was made possible primarily as a result of approximately US \$30 million over the past four years that was provided to its security forces through the Department of State's Africa Peacekeeping Program (AFRICAP) II, Africa Contingency Operations Training and Assistance contracts, the Trans-Sahara Counterterrorism Partnership (TSCTP), and National Defense Authorization Act Section 2282 funding initiatives.

Attacks on security forces and a kidnapping in 2016, combined with attacks in neighboring countries, have bred a sense of insecurity and fear amongst the population. In response to this insecurity, the Burkinabe military has taken steps to address the need for increased coordination and communication between members of the Burkinabe armed forces and its

citizens. In the summer of 2016, for example, the armed forces partnered with the United States to host a security symposium with community members and civil society from the affected regions.





## International Sanctions

None applicable

## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	42
World Governance Indicator – Control of Corruption	53

Corruption is a widespread problem in Burkina Faso and presents business operating or planning to invest in the country with very high risks. Corruption is pervasive in all sectors of the economy and government. Burkina Faso belongs to the category of the world's poorest and least developed countries, and is largely dependent on foreign donors for its economic development. The latter factor has thus pushed the government to pass new anti-corruption legislation in 2015, further broadening the anti-corruption legal framework of the country. Active and passive bribery, abuse of office, embezzlement and other forms of corruption are criminalized under the Penal Code. However, weak enforcement of these laws, coupled with poor access to information, a culture of impunity, weak institutions, have made the fight against corruption all the more difficult. Gifts and facilitation payments are forbidden practices in Burkina Faso. **Information provided by GAN Integrity.**

### US State Department

Transparency International indicates that corruption is still a major issue for most Burkinabè. Burkina Faso ranked 83 out of 177 on Transparency International's Corruption Perception Index. The main challenges the country currently faces are poor access to information, a weak judiciary, limited enforcement powers of anti-corruption institutions, misappropriation of public funds, and the lack of an effective separation of powers.

According to public perception, civil servants who most commonly engage in corruption include: custom officials, members of the police force and gendarmerie, justice officials, healthcare workers, educators, tax collectors, and civil servants working in government procurement.

One of the main governmental bodies for fighting official corruption is the Superior Authority of State Control (ASCE), an entity under the authority of the prime minister. ASCE has the authority to investigate ethics violations and mismanagement of public funds in the public sector, including state civil service employees, local and public authorities, state-owned companies, and all national organizations involved with public service missions. ASCE publishes an annual report of activities, which provides details on their investigations and issue recommendations on how to resolve them. The 2012 report, published in November 2013, is based on nearly 600 cases investigated. In December 2012, ASCE organized a workshop to validate the mechanism for monitoring and evaluation of the national anti-corruption policy and to obtain statistics on the state of corruption in Burkina Faso and devise steps to eradicate it.

In January 2008, the government established an 11-member anti-fraud squad (BNAF) focused on gold mining and issued laws that allow BNAF to regulate gold marketing and curb fraud cases.

The Autorité de régulation de la commande publique (ARCOP), established in July 2008, is the regulatory oversight body that ensures fairness in the procurement process by monitoring the execution of all government contracts. ARCOP may impose sanctions, initiate lawsuits, and publish the names of fraudulent or delinquent businesses. It also educates communities benefiting from public investment monies to take a more active part in monitoring contractors. ARCOP works with the media to strengthen journalists' capacity to investigate suspected fraud cases. Since 2012, the media has noticeably increased its coverage of high-profile corruption cases.

In December 2011, the National Assembly established two commissions of inquiry into corruption: the first on the award of public contracts, the second on public subsidies in the health sector. These commissions were proposed by the Network of Parliamentarians engaged in the fight against Corruption (BURKINDI).

As part of a plan to establish anti-corruption committees within the police, the Directorate of the National Police held training seminars in April 2014 for police officers exercising control, management or operational command functions. Anti-corruption NGO RENLAC assisted the police with the training and praised the initiative.

Private citizens have also established a non-governmental organization (NGO) called Réseau National de Lutte contre la Corruption (REN-LAC). This NGO looks broadly at the management of private and public sector entities. It publishes annual reports on the state of corruption in the country and has established a wide range of anti-corruption initiatives and tools. African Parliamentarians' Network against Corruption has a local chapter in Burkina Faso and cooperates with REN-LAC. In 2012, REN-LAC created a 24-hour hotline that allows it to gather information on alleged corrupt practices anonymously reported by citizens. REN-LAC also annually releases a report on the state of corruption in Burkina Faso. Customs, the municipal police, the judicial system, secondary education, and health institutions have topped the list as the most corrupt institutions for the last two years running.

Burkina Faso has taken steps to fully adopt regional and international anti-corruption frameworks and the country ratified the UN Convention against Corruption in October 2006.

As a member of the West African Economic and Monetary Union (WAEMU), Burkina Faso has agreed to enforce a regional law against money laundering and has issued a national law against money laundering and financial crimes.

While the government has identified corruption as an obstacle to doing business, the World Bank ranked Burkina Faso as the fourth best Sub-Saharan African country in the area of corruption control, trailing only South Africa, Madagascar and Ghana.

## **Corruption and Government Transparency - Report by Global Security**

### **Political Climate**

Burkina Faso's economic performance has progressed in recent years, and currency and price stability has been largely achieved. The country's annual GDP has grown by an average of 5-6% over the past three years. The US Department of State 2011 reports that the government revised the investment code in 2010 in order to attract more FDI, diversify the economy and to boost GDP. Burkina Faso has been ruled for over two decades by President Blaise Compaoré, who seized power in a coup in 1987. Despite a constitutional amendment in 2005 which limited the presidency to two terms in the future, Compaoré won a fourth term as President with 80% of the vote in November 2010. Despite the landslide victory, the opposition candidates claimed that the election was rigged, and requested that the result should be declared void, according to a November 2010 news article by BBC News. President Compaoré's party dominates Burkinabé politics, and President Compaoré's Congress for Democracy and Progress (CDP) party increased its representation as a result of the May 2007 National Assembly elections, while opposition parties were left even weaker than earlier. Following civil unrest which erupted in February 2011, the President was forced to fire his government and appoint a new Prime Minister. The newly appointed Prime Minister is the former Burkinabé ambassador to Paris and the former editor of the state daily Sidwaye. He has never before held a ministerial post and the opposition is very sceptical towards his ability to solve the crisis that the country is witnessing.

According to sources such as Freedom House 2010 and the Bertelsmann Foundation 2010, corruption remains widespread, despite a number of public and private anti-corruption initiatives. The courts have been unable to effectively prosecute a range of senior officials charged with corruption. According to Freedom House 2011, there has been no progress in dealing with corruption in the country. There have been no cases of prosecution of high-level officials and the courts have not been able to overrule the presidency on serious issues. There has been no transfer of constitutional power from the strong executive to the legislative assembly and there is no greater likelihood of electoral transition, nor has there been an increase in transparency within the ruling party. Poor access to information, a culture of impunity, weak enforcement of anti-corruption legislation and institutions, misappropriation of public funds and problems with separation of powers, are some of the most severe challenges facing the country. A June 2009 public survey cited in the Heritage Foundation 2010 shows that two-thirds of the surveyed population believes that corruption is becoming more rampant, and nearly half of the respondents have been directly affected by corruption. This is also supported in the Bertelsmann Foundation 2010, according to which, there has been a general public outcry over the serious corruption that flourishes in all sectors, and an increasing number of people have started to demand that the government increase the fight against corruption. In response to the high level of corruption, the government has launched a national anti-corruption policy and developed several anti-corruption institutions. However, Burkina Faso still lacks comprehensive anti-corruption legislation that can govern all relevant institutions. Moreover, the existing control structures lack independence as the key anti-corruption agencies are controlled by the executive. Furthermore, these agencies lack enforcement powers, leading to a situation in which anti-corruption laws are being ignored. The majority of citizens surveyed (61%) by REN-LAC 2006 knew of the existence of anti-corruption structures. Amongst them, 55% judged them to be effective whereas 45% found them ineffective. The Heritage Foundation's Index of Economic Freedom 2010 characterises the government's anti-corruption units as fragmented and lacking autonomy and sufficient funding.

Another obstacle in the fight against corruption is that officials and politicians operate in an environment of impunity. According to several sources, this discourages people from reporting corrupt practices to the authorities. According to an April 2010 news article by Committee to Protect Journalists, the 1998 assassination of investigative journalist and editor of the weekly newspaper L'Indépendant, Norbert Zongo, is still an unsolved case and represents a turning point in the public opinion about corruption and impunity in the country. The assassination of Zongo was linked to his investigation of a murder case involving President Compaoré's brother. Zongo was shot together with his brother and two others, leading to a public outcry and ultimately forcing the government to take more serious steps towards democracy. According to the US Department of State 2010, a string of corruption scandals swept the country in recent years, but no high-ranking officials were prosecuted for corruption. Some observers pointed out that a lack of experience and training are some of the main reasons behind judges' inability to handle corruption cases. The US Department of State 2009 further states that the Superior Authority of State Control (ASCE) uncovered a misappropriation of nearly USD 190,000 in 2008; nonetheless, no known action has been followed up yet. According to the US Department of State 2011, corruption is most common among the police and gendarmerie, customs officials, political groups, the judiciary, healthcare workers, tax collectors, and the media.

### **Business and Corruption**

Burkina Faso belongs to the category of the world's poorest and least developed countries, and is largely dependent on foreign donors for its economic development. The country's economy has a large informal sector. According to the World Bank & IFC Doing Business 2012, Burkina Faso has implemented some reforms in 2011 making it easier to do business in the country. Areas of improvement include starting a business, dealing with construction permits which has been made less costly, and access to credit has improved through the OHADA Uniform Act on Secured Transactions. The government, which has traditionally been the largest economic actor, has for many years now been actively promoting foreign investment and privatisation of state-owned companies. Many state-owned companies have been privatised, but progress has reportedly been uneven and has slowed because of administrative delays. The UN Investment Policy Review 2009 reports that foreign direct investment flows in the mining sector in Burkina Faso have recently increased sharply, illustrating the potential for investment in the mining sector in the country. Nonetheless, foreign investment outside the two sectors of mining and telecommunications reportedly remains very limited.

According to REN-LAC 2006 (in French), 72% of the population perceives the private sector to be implicated in corruption. Burkina Faso's investment climate remains constrained by the overall level of corruption, which poses many challenges. According to the World Economic Forum Global Competitiveness Report 2011-2012, corruption is the second most problematic factor for companies operating in Burkina Faso, following access to financing. Business leaders surveyed in the report indicate that the diversion of public funds to companies, individuals or groups due to corruption is quite common. In a similar vein, the Heritage Foundation 2010 characterises corruption in Burkina Faso as pervasive. The World Bank & IFC Enterprise Surveys 2009 report that nearly 71% of companies identify corruption as a major constraint, and close to 9% of companies expect to make informal payments in order to 'get things done'. According to Freedom House 2010, preferential treatment of companies

connected to the ruling party is common in Burkina Faso, largely weakening the equality of opportunity among companies in securing contracts.

The prospects for fighting corruption and bribery in public procurement processes and contracting are further complicated by collusion between political parties and the country's large state-owned and private companies. However, REN-LAC 2006 showed a marked improvement regarding corruption in public procurement. Corruption in the form of facilitation payments, bribery and preferential treatment in procurement deals is common in the private sector and companies are recommended to use a specialised public procurement due diligence tool in order to mitigate the corruption risks associated with public procurement. Furthermore, it is also important for companies to develop, implement and strengthen integrity systems and conduct extensive due diligence when planning to do or are already doing business in Burkina Faso.

### **Regulatory Environment**

In an attempt to attract investment in the private sector, Burkina Faso adopted pro-business reforms in 2006. The Investment Code guarantees equal treatment of foreign and domestic investors. Nevertheless, the bureaucracy in Burkina Faso remains cumbersome. This is reflected in data from the World Bank & IFC Enterprise Surveys 2009 which shows that senior managers spend 22.5% of their time on average dealing with government regulatory requirements compared to the regional average of 8.6%. Establishing a business in Burkina Faso can be difficult due to continuing corruption within the public administration. Business leaders surveyed in the World Economic Forum Global Competitiveness Report 2011-2012 give the burden of government regulation a score of 3.5 on a 7-point scale (1 being 'burdensome' and 7 being 'not burdensome').

According to the World Bank & IFC Doing Business 2012, starting a business has nonetheless been made easier in recent years, and now requires 3 procedures and takes 13 days at a cost of 47.7% of GNI per capita, all well below regional averages. In the same vein, Freedom House 2011 reports that efforts have been made to streamline the process of establishing a business. For instance, business registration centres provide one-stop service for registration. Furthermore, registration centres continue to improve their performance and measurements of the cost, formalities, and time to establish a new business have been declining. The government, in an attempt to reduce the burden of excessive bureaucracy and related opportunities for bribery and the use of facilitation payments, has set up Enterprise Registration Centres under the Maison de l'Entreprise du Burkina Faso, designed as one-stop shops for business registration. These newly developed centres have simplified registration formalities and eliminated obstacles relating to opening a business. According to the International Finance Corporation 2009, Burkina Faso's efforts to improve its business environment have been successful. The US Department of State 2011 assesses Burkina Faso's regulatory environment as transparent and consistent with international standards. The same source also notes that the government has made strides to incorporate the informal sector. Informal sector companies and other small companies with an annual turnover of XOF 15 million or less pay a unique tax called the 'contribution du secteur informel', or CSI. The maximum CSI tax is XOF 100,000. Companies qualifying for CSI tax status are prohibited from bidding on state tenders.

The legal framework in Burkina Faso provides for the protection of property rights and facilitates their acquisition and disposition. However, these rights are enforced arbitrarily. In analysing the weaknesses of the country's legal framework, the Bertelsmann Foundation 2010 points to the weaknesses in the judicial system, involving outdated legislation, lack of courts, inadequate human and financial resources and the fact that traditional courts are often used in rural settings to resolve disputes. According to the UN Investment Policy Review 2009, Burkina Faso needs to reform its legal framework for investment in order to promote the development of a more dynamic and flourishing private sector. With regards to commercial disputes that cannot be solved effectively, the Burkinabé Investment Code requires commercial disputes to be submitted to international arbitration. Burkina Faso is a member of the Organization for the Harmonization of Business Law (OHADA, in French) in Africa. Furthermore, Burkina Faso is party to the New York Convention of 1958 and Burkinabé courts accept international arbitration as a means for settling investment disputes between private parties. However, according to the US Department of State 2011, companies should note that the enforcement of contracts due to fees is burdensome, and that the number of required procedures and the amount of time needed to resolve disputes are very high. Burkina Faso is also a member of the International Centre for the Settlement of Investment Disputes (ICSID). According to the US Commercial Service 2009, longstanding disputes that remain unresolved after administrative jurisdictional hearings are required to be submitted to arbitration. In 2007, Burkina Faso opened the Arbitration and Commercial Dispute Resolution Centre (Centre d'Arbitrage et de Reglement des Litiges Commerciaux) under the auspices of the Chamber of Commerce and Industry. Access the Lexadin World Law Guide for a collection of laws in Burkina Faso.

## Section 3 - Economy

### Banking

The formal financial sector is under-developed in Burkina and dominated by banks as shown in the table below. To date, Burkinabe banks mobilize nearly 68 % of the assets of the formal financial sector and about 85% of deposits.

### Stock Exchange

Founded in 1998, the Bourse Régionale des Valeurs Mobilières SA ("West African Regional Stock Exchange") or BRVM, is a regional stock exchange headquartered in Abidjan, Cote D'Ivoire, serving the following west African countries: Benin, Burkina Faso, Guinea Bissau, Côte d'Ivoire, Mali, Niger, Senegal and Togo.



### Executive Summary

Burkina Faso welcomes foreign investment and actively seeks to attract foreign partners to aid in its development. It has partially put in place the legal and regulatory framework necessary to ensure that foreign investors are treated fairly, including by setting up a venue for commercial disputes and streamlining the issuance of permits and company registration documents. More progress is needed on diminishing the influence of state-owned firms in certain sectors and enforcing intellectual property protections. Burkina Faso ranked 76 out of 168 countries in Transparency International's 2015 Corruption Index.

The gold mining industry has boomed in the last seven years, and the bulk of foreign investment is in the mining sector, mostly from Canadian and U.K. firms. Moroccan, Indian and UAE companies control local subsidiaries in the telecommunications industry, while foreign investors are also active in the agriculture and transport sectors. In June 2015, a new mining code was voted with the intent to standardize contract terms and better regulate the sector. The Government of Burkina Faso (GoBF) offers a range of tax breaks and incentives to lure foreign investors, including exemptions from value-added tax on certain equipment. Effective tax rates as a result are lower than the regional average, though the tax system is complex and compliance can be burdensome. Opportunities for U.S. firms also exist in the energy sector, where the government has an ambitious plan for the installation of new power capacity in both traditional and renewable sources.

Burkina Faso completed a year-long political transition process in December 2015 when President Roch Marc Christian Kabore was sworn into office, the first time a civilian president took power from another civilian president in Burkina Faso. Kabore won the November 2015 election with 53 percent of the vote, which also put his party, the People's Movement for Progress, in the lead at the National Assembly.

Elections followed a year of political transition and instability as Burkina Faso turned the page on the 27-year rule of former President Blaise Compaore, who resigned after massive popular protests over his bid to amend the constitution and run again for a third consecutive term. Just a few weeks following his resignation, the country had adopted a transitional charter; chosen an interim president, prime minister, and legislative body; and committed to elections in late 2015. The transitional authorities also committed to advancing justice and national reconciliation, though it soon became clear that reform of the security sector was crucial. The [now former] Presidential Security Regiment, uncertain of its future, destabilized the transitional process three times throughout the following year and then attempted a coup d'état in September 2015 on the very eve of the presidential and legislative campaign. With the intervention of the regular military and advocacy of international community, the transitional government was reinstated. Though delayed, elections were peaceful, free, and transparent, as affirmed by numerous local and international observers.

Shortly after the new government took office, on January 15, 2016, Burkina Faso suffered a series of attacks—a terrorist attack on a café and hotel in downtown Ouagadougou, an attack on a gendarmerie convoy in northern Burkina Faso, and the kidnapping of two Australian nationals. The government is struggling to balance security concerns with its

economic priorities, and will continue to face the twin challenges of few resources and high public expectations.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	85 of 175	<a href="http://transparency.org/cpi2014/results">transparency.org/cpi2014/results</a>
World Bank's Doing Business Report "Ease of Doing Business"	2015	149 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
Global Innovation Index	2015	102 of 143	<a href="http://globalinnovationindex.org/content/page/data-analysis">globalinnovationindex.org/content/page/data-analysis</a>
U.S. FDI in partner country (\$M USD, stock positions)	2015	N/A	N/A
World Bank GNI per capita	2014	\$700	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

*Millennium Challenge Corporation Country Scorecard*

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a per capita gross national income (GNI) of \$4,125 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: <http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015>.

**1. Openness To, and Restrictions Upon, Foreign Investment**

Attitude toward Foreign Direct Investment

In his global policy statement at the National Assembly on February 5, 2015, new Prime Minister Paul Kaba Thieba expressed his desire to improve Burkina Faso's "Doing Business" rating. For him, the current economic situation of Burkina Faso is characterized by a lack of attractiveness, lack of competition and few funding opportunities adapted to productive activities. To address this situation, the government announced a series of reforms as part of a global strategy to make the national economy viable and competitive. These measures seek to align Burkina Faso's business climate with international best practices in order to bring the country into the ranks of the Top 10 African countries.

Other Investment Policy Reviews

There have been no investment policy reviews by the WTO or UNCTAD in the past five years. The most recent UNCTAD review of Burkina Faso is from 2010. In July 2014, the organizations Réseau Africain de Journalistes pour l'Intégrité et la Transparence and the Natural Resource Governance Institute published a report entitled «Impact of Tax and Customs Regimes on the Mining Sector and on the EITI Reports in Burkina Faso».

#### Laws/Regulations on Foreign Direct Investment

The investment code, revised in 2010, 2012 and 2013, demonstrates the government's interest in attracting FDI to create industries that produce export goods and provide training and jobs for its domestic workforce. The code provides standardized guarantees to all legally established firms operating in Burkina Faso, whether foreign or domestic. It contains four investment and operations preference schemes, which are equally applicable to all investments, mergers, and acquisitions. In light of the policy declaration of the new Prime Minister and his background in the finance sector, it is likely that the investment code will be revised again.

Burkina Faso's regulations governing the establishment of businesses include most forms of companies admissible under French business law, including: public corporations, limited liability companies, limited share partnerships, sole proprietorships, subsidiaries, and affiliates of foreign enterprises. With each scheme there is a corresponding set of related preferences, duty exceptions, corporate tax exemptions, and operation-related taxes.

Under the investment code, all personal and legal entities lawfully established in Burkina Faso, both local and foreign, are entitled to the following rights: fixed property; forest and industrial rights; concessions; administrative authorizations; access to permits; and participation in state contracts.

Burkina Faso's National Assembly passed a law in 2012 establishing a special tax and customs regime for investment agreements signed by the state with large investors. This scheme provides significant tax benefits. Burkina Faso further strengthened the legal and institutional framework for investment through the adoption in May 2013 of general investment guidelines. This included the creation of a deposit institution that provides financing for small and medium-sized enterprises, public-private partnerships, and real estate investments, among others.

To further encourage business and investment, the GoBF created the Presidential Council for Investment which met for the first time in 2009. It is an advisory body, chaired by the head of state, whose mission is to make recommendations on the development and implementation of policies to stimulate investment and economic growth.

#### *Business Registration*

In March 2013, the GoBF created the Burkina Faso Investment Promotion Agency (API-BF). This and the establishment of the Presidential Council fulfilled recommendations of a 2009 UNCTAD Investment Policy Review. The website is [investburkina.com](http://investburkina.com).

To simplify the registration process for companies wishing to establish a presence in Burkina Faso, the government created eight enterprise registration centers called Centres de Formalités des Entreprises, known by their French acronym as CEFORÉs. The CEFORÉs are one-

stop shops for company registration. On average a company can register its business in 13 days with three procedures. The CEFORs are located in Ouagadougou, Bobo-Dioulasso, Ouahigouya, Tenkodogo, Koudougou, Fada N’Gourma, Kaya, Dedougou and Gaoua.

In 2014, Burkina Faso strengthened protections for minority investors by enhancing access to shareholder actions and by increasing disclosure requirements on related-party transactions. This helped Burkina move up 14 places to 122 of 189 in the World Bank rankings on Protecting Minority Investors.

Other sites of interest:

<http://www.cci.bf/?q=fr/creation-dentreprise>

Chambre des Mines du Burkina Faso: [chambremines.bf](http://chambremines.bf)

AmCham Burkina: [amchambf.org](http://amchambf.org)

A description of tax and administrative procedures can be found at:

<http://burkinafaso.eregulations.org/>

<http://iab.worldbank.org>

Among the 21 countries covered by the World Bank’s Investing Across Sectors indicators in the Sub-Saharan Africa region, Burkina Faso is one of the more open economies to foreign equity ownership. Most of its sectors are fully open to foreign capital participation, although the law requires companies providing mobile or wireless communication services to have at least 1 domestic shareholder. Furthermore, the state automatically owns 10% of the shares of all companies active in the mining sector. The government is entitled to nominate 1 member of the board of directors for such companies. Select additional strategic sectors are characterized by monopolistic market structures. In particular, the oil and gas sector, the electricity transmission and distribution sectors, and the fixed-line telephony sector are dominated by publicly owned enterprises, making it difficult for foreign investors to engage

#### Industrial Promotion

The investment code provides additional incentives for investments in the areas of agriculture, silviculture, animal breeding, and fish farming and for companies investing at least fifty kilometers outside of the cities of Ouagadougou and Bobo-Dioulasso.

In the mining sector, the National Transitional Council adopted a revised Mining Code on June 26, 2015. The new draft seeks to strike a balance and ensure that Burkina Faso derives maximum benefit from its mineral resources while maintaining an attractive climate for investment. The revised mining code imposes a new tax on surplus production and increases from 0.25% to 1% the portion of revenues that must be deposited in a Community Investment Fund. The Fraser Institute recently ranked Burkina Faso second in Africa and 29th in the world on the attractiveness of its mining sector.

The government also established a Center for Construction Facilitation (CEFAC) to improve the process of issuing construction permits. The CEFAC has made it possible for companies to obtain and process all the paperwork required for construction permits from one office, reducing the average number of procedures from 46 to 12, and the average amount of time from 226 days to 98 days.

#### Limits on Foreign Control and Right to Private Ownership and Establishment

There are no laws or regulations specifically authorizing private firms to adopt articles of incorporation or association that limit or prohibit foreign investment, participation, or control.

#### Privatization Program

GoBF announcements for privatization bids are widely distributed, targeting both local and foreign investors. Bids are published in local papers, international magazines, mailed to different diplomatic missions, e-mailed to interested foreign investors, and published on the Internet on sites such as <http://www.dgmarket.com>.

Foreign investors receive the same treatment and timetable as local investors in the bidding process. Bidding criteria are established and enforced by the government tenders regulation authority, l' Autorité de Regulation de la Commande Publique (ARCOP). Bidding requirements are the same for all bidders. ARCOP, which was reorganized in May 2014, advocates for free access to government tenders, equality in the bidding process, and transparency of procedures.

#### Screening of FDI

The government of Burkina Faso does not screen foreign direct investment.

#### Competition Law

Competition matters are reviewed by the Commission Nationale pour la Concurrence et la Consommation. Some competition matters are under the aegis of the West African Economic and Monetary Union (WAEMU).

## **2. Conversion and Transfer Policies**

#### Foreign Exchange

Burkina Faso is a member of the West African Economic and Monetary Union (WAEMU, or UEMOA when referred to by its French acronym), whose currency is the CFA franc (XOF), or FCFA. The FCFA is freely convertible into euros at a fixed rate of 655.957 FCFA to 1 euro. Investors should consider the advantages offered by the WAEMU, which allows the FCFA to be used in all eight member countries: Senegal, Togo, Côte d'Ivoire, Mali, Benin, Guinea Bissau, Niger, and Burkina Faso.

Burkina Faso's investment code guarantees foreign investors the right to the overseas transfer of any funds associated with an investment, including dividends, receipts from liquidation, assets, and salaries. Such transfers are authorized in the original currency of the investment. Once the interested party presents the request for transfer, accompanied by all relevant bank documents, Burkinabè banks transfer the funds directly to the recipient banking institution. Foreign exchange is readily available at all banks and most hotels in Ouagadougou and Bobo-Dioulasso.

#### *Remittance Policies*

The GoBF is not expected in the foreseeable future to change its current remittance policy concerning purchasing foreign currency in order to repatriate profits or other earnings.

As a member of a regional currency union (WAEMU), Burkina Faso does not engage in currency manipulation.

Burkina Faso is a member of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA), a FATF-style regional body.

### **3. Expropriation and Compensation**

The Burkinabè constitution guarantees basic property rights. These rights cannot be infringed upon except in the case of public necessity, as defined by the government. This has rarely occurred. Until 2007, all land belonged to the government, but could be leased to interested parties. The government reserves the right to expropriate land at any time for public use. In instances where property is expropriated, the government must compensate the property holder in advance, except in the event of an emergency.

In 2007, Burkina Faso drafted a national land reform policy that recognizes and protects the rights of all rural and urban stakeholders to land and natural resources; clarifies the institutional framework for conflict resolution at a local level; establishes a viable institutional framework for land management; as well as strengthens the general capacities of the government, local communities and civil society on land issues.

A 2009 rural land management law provides for equitable access to rural lands in order to promote agricultural productivity, manage natural resources, encourage investment, and reduce poverty. It enables legal recognition of rights legitimated by traditional rules and practices. In rural areas, traditional land tenure rules have long governed land transactions and allocations. The 2009 law reinforces the decentralization and devolution of authority over land matters, and also provides for formalization of individual and collective use rights and the possibility of transforming these rights into private titles.

In 2012, the government revised the 2009 law, marking the end of exclusive authority of the state over all land. It includes provisions to recognize local land use practices. The new law provides conciliation committees to resolve conflicts between parties prior to any legal action. There are several property rights recognition and protection acts, such as land charters, individual or collective land ownership certificate and a loan agreement which governs the nature, duration and counterparties for transfer rights between land owner and a third party.

The 2010-2014 Millennium Challenge Compact supported the establishment of local authorities and the issuance of titles as part of the land tenure reform process. USAID continues to support the decentralization of land policy, through the establishment of the National Land Observatory charged to produce/collect/distribute information on national/local land tenure issues to aid in government decision making.

### **4. Dispute Settlement**

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The Civil Code protects property and contractual rights. Government interference in the court system is not frequent, and judgments from foreign courts are accepted and enforced by local courts. It should be noted, however, that the World Bank ranked Burkina Faso as

163rd out of 188 countries in 2015 and 2016 for its ability to enforce contracts because of high fees, the number of required procedures, and the amount of time needed to resolve disputes.

Burkina Faso's 1995 Code of Commerce contains all applied commercial law used by the Burkinabè business community. In 2006, Burkina Faso introduced specialized commercial chambers in the general courts and in 2007 opened the Arbitration, Mediation and Resolution Center (Centre d 'Arbitrage, de Médiation et de Conciliation de Ouagadougou (CAMCO) under the auspices of the Chamber of Commerce and Industry.  
<http://www.camco.bf/>

#### Bankruptcy

Burkina Faso has a bankruptcy law, and ranks 112 out of 189 countries for Resolving Insolvency in the World Bank's 2016 "Doing Business" report.

#### Investment Disputes

Over the last several years, Burkina Faso has not been involved in investment disputes with U.S. or any other foreign investors or contractors.

#### International Arbitration

Burkina Faso is a party to the Washington Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards and outlines arbitration procedures in its investment code. Burkinabè courts accept international arbitration as a means for settling investment disputes between private parties. Longstanding disputes that remain unresolved after administrative jurisdictional hearings are required to be submitted to arbitration. Burkinabè courts recognize and enforce foreign arbitral awards.

#### *ICSID Convention and New York Convention*

In the event that an amicable settlement of a dispute between the government and an investor cannot be reached, the investment code requires that arbitration procedures be submitted to international arbitration under the rules outlined by the 1965 Convention of the International Center for Settlement of Investment Disputes (ICSID), of which Burkina Faso is a member.

In cases where the enterprise of a national does not meet nationality conditions stipulated by Article 25 of the Convention, the code specifies that the dispute be resolved in accordance with the dispositions of the supplementary mechanisms approved by ICSID in September 1978.

#### Duration of Dispute Resolution – Local Courts

Not applicable.

### **5. Performance Requirements and Investment Incentives**

#### WTO/TRIMS

Burkina Faso has never notified the World Trade Organization (WTO) of inconsistent Trade Related Investment Measures (TRIMs). The GoBF does not require investors to purchase materials from local sources or to export a certain percentage of output. Foreign investors' access to foreign exchange is not limited to their level of exports. The GoBF does not impose "offset" requirements, which dictate that major procurements be approved only if the foreign supplier invests in Burkina Faso manufacturing, research and development, or service facilities in areas related to the items being procured.

#### Investment Incentives

All investment specific incentives are outlined in the revised investment code. The incentives are applied uniformly to both domestic and foreign investors. Additionally, all companies that use at least 50 percent locally supplied raw materials are exempted from trading taxes and receive a 50 percent reduction in customs taxes in addition to the elimination of other duties. These companies are also eligible to waive excise duties on production equipment and spare parts.

#### *Research and Development*

Not applicable.

#### Performance Requirements

The government generally encourages companies to hire Burkina Faso employees, but this is not a requirement. Citizens of ECOWAS countries can legally work in Burkina Faso. Other nationalities can also legally work in Burkina Faso but require employment visas/permits. These are not onerous and do not burden mobility of employees.

#### Data Storage

Not applicable.

### **6. Protection of Property Rights**

#### Real Property

Since the 2009 land tenure reform law, the government of Burkina Faso has been engaged in an effort to issue titles recognizing land ownership rights. The Millennium Challenge Compact focused on beginning this process in 47 communes, with plans for the government to expand the effort throughout national territory.

Only about 5,000 land titles have been granted countrywide since 1960, according to the National Land Observatory, and the majority of those were issued pursuant to the Millennium Challenge Compact. Obtaining a title is the last step in the process of land acquisition, and is preceded by obtaining a use permit or an urban dwelling permit, developing the land, and paying applicable fees. The title-holder becomes the owner of the surface and the subsoil.

Mortgages exist in Burkina Faso both for land and structures. Rules governing mortgages are set at the regional level by the West African Economic and Monetary Union, specifically under the Organisation pour l'Harmonisation en Afrique des Droits des Affaires (OHADA). Liens are not widely used, if at all.



## Intellectual Property Rights

Burkina Faso has a legal system that protects and facilitates acquisition and disposition of all property rights, including intellectual property. Legal protection exists for intellectual property, patents, copyrights, trademarks, trade secrets, and semiconductor chip design. In practice, however, government enforcement of intellectual property law is lax. Burkina Faso is a destination point for counterfeit medicines, which can readily be purchased on the street in Ouagadougou and Bobo-Dioulasso. The government was congratulated in 2012 by Interpol for its cooperation in an effort to seize illicit medicines and catch traffickers.

Burkina Faso is not cited in the USTR's Special 301 report.

Burkina Faso is a member of the World Intellectual Property Organization (WIPO) and the African Intellectual Property Organization (AIPO). The national investment code guarantees foreign investors the same rights and protection as Burkinabè enterprises for trademarks, patent rights, labels, copyrights, and licenses. In 1999, the government ratified both the WIPO Copyrights Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). In 2002, Burkina Faso was one of 30 countries that put the WCT and WPPT treaties into force. The government has also issued several decrees and rules to implement the two treaties.

The implementation of WTO Trade-Related Intellectual Property Rights (TRIPS) agreements is under the purview of two ministries:

Concerning copyright and related rights, the Office of Copyrights (le Bureau Burkinabè des Droits d'Auteurs, or BBDA), under the Ministry of Art, Culture and Tourism, has the lead.

Concerning industrial property, it is the National Directorate of Industrial Property under the Ministry of Commerce, Industry, and Handicrafts that has the lead.

These two authorities have the technical competence to identify needs. Arrangements are underway to assess the needs for the implementation of the TRIPS Agreement in Burkina Faso.

Statistics on the seizure of counterfeit goods are available upon request from the relevant agency. For example, if it pertains to artistic material, from the BBDA, if it pertains to pharmaceuticals, from the National Directorate of Industrial Property.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

### *Resources for Rights Holders*

Embassy point of contact:

John Corrao  
Economic and Commercial Officer  
+226 2549-5690  
[CorraoJC@state.gov](mailto:CorraoJC@state.gov)

Local attorneys list link: <http://ouagadougou.usembassy.gov/listattorneys.html>

## **7. Transparency of the Regulatory System**

The government of Burkina Faso aims for transparency in law and policy to foster competition. By law, prices of products, goods, and services must be established according to fair and sound competition. The government believes that cartels, the abuse of a position of superiority, restrictive practices, refusal to sell to consumers, discriminatory practices, unauthorized sales, and selling at a loss are practices that distort free competition.

At the same time, the price of some staple goods and services are still regulated by the government, including: fuel, essential generic drugs, tobacco, cotton, school supplies, water, electricity, and telecommunications.

The government has no history of using tax, labor, environmental, health and safety standards, or other laws and policies to impede entrance of foreign investors into the marketplace. However, the tax schedule is complex. In Burkina Faso, informal sector businesses and other small businesses with an annual turnover of FCFA 15 million (USD 25,000) or less pay a unique tax called the "contribution du secteur informel" or CSI. The maximum CSI tax is FCFA 100,000 (USD 166) per year. Businesses qualifying for CSI tax status are prohibited from bidding on state tenders. Individual enterprises and companies in Burkina Faso with an annual turnover exceeding FCFA 15 million (USD 25,000) are subject to a separate tax regime. These include an annual tax on industrial, commercial, and agricultural profits (IBICA), set at 27.5 percent, and a forfeit tax (IMPFIC) paid in advance each year. There is also a 25 percent tax on interest income (IRC) and a 25 percent tax on investment income (IRVM). Businesses must also pay an apprenticeship tax (TPA) on the salaries of all national and foreign employees (4 and 6 percent, respectively), and a licensing tax, which has two components: a fixed amount based on gross revenues and an 8 percent tax based on the rental value of company buildings and the value of the production equipment. Upon incorporating, companies must pay a registration tax equal to 3 percent of the company's capital. Since 1993, businesses have been required to apply a 15 percent value-added tax to products.

Non-IBICA profits are taxed at 27.5 percent. Private sector employees and civil servants pay a tax (IUTS) on salaries and tips, usually by payroll deduction.

Burkina Faso's legal, regulatory, and accounting systems are transparent and consistent with international norms. Burkina Faso adheres to the West African Economic and Monetary Union's accounting system, (Système Comptable Ouest Africain or SYSCOA). Introduced in 1998, SYSCOA allows enterprises to use a common accounting system. SYSCOA complies with international norms in force and is a source of economic and financial data.

Burkina Faso is a member of UNCTAD's international network of transparent investment procedures: <http://www.eregulations.org/>. Foreign and national investors may be able to find detailed information on administrative procedures applicable to investment and income generating operations including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures at: <http://burkinafaso.eregulations.org/>.

## **8. Efficient Capital Markets and Portfolio Investment**

The government of Burkina Faso is more focused on attracting FDI and concessionary lending for development than it is on developing the capital markets. Net portfolio inflows were estimated around 0.2% of GDP in 2013, while FDI was about 1.0%, according to Standard & Poor's. While the government does issue some sovereign bonds to raise capital in the WAEMU regional bond market, in general availability of different kinds of financial investments is extremely limited.

#### Money and Banking System, Hostile Takeovers

The financial health of the banking system is sound. The traditional banking sector is composed of nine commercial banks and three specialized credit institutions called "établissements financiers".

### **9. Competition from State-Owned Enterprises**

Private enterprises are allowed to compete with public enterprises on the same terms and conditions. The bidding process is considered to be open and fair. In practice, SOEs enjoy monopoly control of the segments in which they are active.

State-Owned Enterprises (SOEs) or "strategic companies" are active in four primary areas: service providers, commercial enterprises, enterprises of a specific nature, and social security.

The primary SOEs are in the areas of: oil imports and distribution (SONABHY), water and sanitation (ONEA), lottery (LONAB), mailing services (SONAPOST), rail equipment (SOPAFER-B), electricity (SONABEL), and social security benefits (CNSS).

Every year, all of the SOEs meet to report to the Prime Minister. While this meeting is covered in the press and top-line revenue and profit figures are announced, detailed SOE budgets are in most cases not publicly available. The list of all SOEs with their basic financials is published by the government.

The transitional government in 2015 announced it would open to private competition the market for refilling bottles of cooking gas, until then controlled by SONABHY, and further open up cooking gas distribution to additional players.

#### OECD Guidelines on Corporate Governance of SOEs

Each SOE has a board of directors that is appointed and also has a parent ministry. For example, CNSS is under the Ministry of Civil Service, Labor and Social Security. The most powerful SOE is SONABHY, and its board is appointed by the President. Board members of the other SOEs are primarily appointed by the appropriate minister.

#### Sovereign Wealth Funds

Burkina Faso does not have a sovereign wealth fund.

### **10. Responsible Business Conduct**

There is a general awareness of corporate social responsibility among both producers and consumers. The GoBF requires mining companies to invest in social infrastructure, such as health centers and schools, and other projects to benefit the local populations in the areas of their mining operations. A common practice for many companies is to provide food

supplies, typically rice or millet, to their workers often at the end of the year. Larger private businesses, such as civil engineering firms, sponsor sport events like the Tour du Faso and donate sporting equipment to disadvantaged communities. SOEs such as SONABHY and LONAB frequently undertake social projects.

#### OECD Guidelines for Multinational Enterprises

The government has not officially adopted the OECD Guidelines for Multinational Enterprises. However, it is evident that such actions on the part of enterprises are viewed favorably by the population and that many corporations engage in socially responsible projects.

### **11. Political Violence**

During the September 2015 attempted coup d'état by the former Presidential Security Regiment (RSP), 14 people, including protesters and bystanders, were killed by members of the RSP and an additional 251 were injured. The RSP was dissolved following the reinstatement of the transitional authorities, and the coup leader, General Gilbert Diendere, was put in prison. At writing, dozens of individuals have been formally indicted as part of related investigations, including leaders from the former ruling party, the Congress for Democracy and Progress, and former President Blaise Compaore's last Minister of Foreign Affairs, Djibril Bassole. General Diendere faces 11 charges, including treason, threatening state security, collusion with foreign forces to destabilize the country, murder, concealment of corpses, forgery, and crimes against humanity. Investigations into the coup are ongoing.

The violence in September 2015 echoed what had happened a year earlier during the popular uprising, when clashes between protestors and security forces between October 30 and November 2, 2014, resulted in 19 deaths and 625 injured, according to the government. Additionally, during and immediately after the October 2014 uprising, groups of people targeted and destroyed government buildings, private property, and residences they believed belonged to political leaders of the former ruling majority and individuals close to former President Compaore's family or inner circle in Ouagadougou and other major cities. Several warehouses containing food stocks for commercial and humanitarian purposes were also looted in Ouagadougou. A governmental committee estimated that a total of 14 public buildings and more than 260 private properties were attacked.

The October 2014 events were not the first instances of political violence the country had seen. In February 2011, a student died in police custody in the town of Koudougou. His death prompted violent protests throughout the country until a court found three policemen guilty of manslaughter and accessory to manslaughter in August 2011.

Military mutinies took place in several cities between March and June 2011 over the payment of certain benefits. The military fired shots in the air, looted, and destroyed public and private properties. The Government of Burkina Faso restored order in June. More than 600 soldiers were dismissed since July 2011, and more than 300 were prosecuted and remain detained for participating in the mutinies. Emergency loans and financial compensation mechanisms were also established for victims of looting and destruction.

Burkina Faso's commercial viability is closely linked to the stability of its neighbors. The ports of Abidjan (Côte d'Ivoire) and Lome (Togo) serve as key shipping points for Burkina Faso's imports/exports, with Lome growing in importance since the crisis in Cote d'Ivoire erupted in

2002. The ports of Cotonou (Benin) and Tema (Ghana) have also become increasingly important as alternative transshipment points for Burkinabè goods.

Relations with Côte d'Ivoire have been strained due to the alleged implication of Ivorian President of the National Assembly Guillaume Soro in the September 2015 attempted coup. Further, former President Blaise Compaore, who now resides in Cote d'Ivoire, was recently granted Ivorian citizenship. Compaore is the subject of an international arrest warrant for his role in the death of former President Thomas Sankara, from whom he seized power in a military coup.

## **12. Corruption**

Transparency International indicates that corruption remains a problem. Burkina Faso ranked 76th out of 168 on Transparency International's 2015 Corruption Perception Index. The main challenges the country currently faces are poor access to information, a weak judiciary, limited enforcement powers of anti-corruption institutions, misappropriation of public funds, and the lack of an effective separation of powers.

According to public perception, civil servants who most commonly engage in corruption include: custom officials, members of the police force and gendarmerie, justice officials, healthcare workers, educators, tax collectors, and civil servants working in government procurement.

One of the main governmental bodies for fighting official corruption is the Superior Authority of State Control (ASCE), an entity under the authority of the prime minister. ASCE has the authority to investigate ethics violations and mismanagement of public funds in the public sector, including state civil service employees, local and public authorities, state-owned companies, and all national organizations involved with public service missions. ASCE publishes an annual report of activities, which provides details on its investigations and issues recommendations on how to resolve them. The 2012 report, published in November 2013, is based on nearly 600 cases investigated. In December 2012, ASCE organized a workshop to validate the mechanism for monitoring and evaluation of the national anti-corruption policy and to obtain statistics on the state of corruption in Burkina Faso and devise steps to eradicate it.

Transition authorities appointed law professor Luc Marius Ibriga as the new State Comptroller on November 23, 2014. Professor Ibriga was an influential member of a coalition of civil society organizations advocating for better governance. Following his appointment, he published the financial disclosure forms he had submitted to the Constitutional Council, a first in the country.

On March 3, 2015, Burkina Faso's interim parliament, the National Transition Council, adopted a new anti-corruption law. The new legislation greatly expands the list of officials required to declare their assets. Government officials, including the president, lawmakers, ministers, ambassadors, members of the military leadership, judges and anyone charged with managing state funds, must declare their assets as well as any gifts or donations received while in office. Infractions will be punishable by maximum jail term of 20 years and fines of up to 25 million FCFA (USD 41,666). The new law also deals with international cooperation regarding asset recovery and mutual legal assistance in corruption cases. Among other

changes, the law shifts the burden of proof on potential defendants to prove that their assets and properties were acquired legally. It punishes "whoever cannot reasonably explain an increase in his lifestyle beyond the threshold set by regulation in relation to his/her lawful income." Offenders risk imprisonment for two to five years and a fine of 5 to 25 million FCFA (USD 8,333 to USD 41,666). In addition, the court can order the confiscation of the unjustified part of the assets.

The Autorité de Régulation de la Commande Publique (ARCOP), established in July 2008, is the regulatory oversight body that ensures fairness in the procurement process by monitoring the execution of all government contracts. ARCOP may impose sanctions, initiate lawsuits, and publish the names of fraudulent or delinquent businesses. It also educates communities benefiting from public investment monies to take a more active part in monitoring contractors. ARCOP works with the media to strengthen journalists' capacity to investigate suspected fraud cases. Since 2012, the media has noticeably increased its coverage of high-profile corruption cases.

In December 2011, the National Assembly established two commissions of inquiry into corruption: the first on the award of public contracts, the second on public subsidies in the health sector. These commissions were proposed by the Network of Parliamentarians engaged in the fight against Corruption (BURKINDI).

Private citizens have also established a non-governmental organization (NGO) called Réseau National de Lutte Contre la Corruption (REN-LAC). This NGO looks broadly at the management of private and public sector entities. It publishes annual reports on the state of corruption in the country and has established a wide range of anti-corruption initiatives and tools. REN-LAC has a 24-hour hotline that allows it to gather information on alleged corrupt practices anonymously reported by citizens. The group also annually releases a report on the state of corruption in Burkina Faso. African Parliamentarians' Network against Corruption also has a local chapter in Burkina Faso and cooperates with REN-LAC.

As part of a plan to establish anti-corruption committees within the police, the Directorate of the National Police held training seminars in April 2014 for police officers exercising control, management or operational command functions. Anti-corruption NGO REN-LAC assisted the police with the training and praised the initiative.

A January 2015 REN-LAC study on perceptions of corruption in the mining industry found that 64% of respondents (direct actors in the sector) had heard of or were aware of instances of corruption. Survey respondents said the greatest beneficiaries of this corruption were politicians, high-ranking government officials and mining company executives. The main points of entry identified were the granting of permits and mining claims, and the management of these claims (exploration, negotiation and signing of conventions, etc.)

The government has an 11-member anti-fraud squad (BNAF) that seeks to curb fraud in the marketing of gold.

As a member of the West African Economic and Monetary Union (WAEMU), Burkina Faso has agreed to enforce a regional law against money laundering and has issued a national law against money laundering and financial crimes.

The World Bank rating for control of corruption for Burkina Faso has declined since 2003 from the 56th percentile to the 33rd percentile. This means that while Burkina Faso was once rated much more favorably than its regional peers for limiting corruption, it is now close to the average for sub-Saharan African countries.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Burkina Faso has taken steps to fully adopt regional and international anti-corruption frameworks and the country ratified the UN Convention against Corruption in October 2006.

#### *Resources to Report Corruption*

REN-LAC hotline: (+226) 8000 1122

Or contact:

Claude Wetta  
Executive Secretary  
REN-LAC  
Telephone: +226 25 36 32 15

Luc Marius Ibriga  
Contrôleur Général d'Etat  
Autorité Supérieure de Contrôle d'Etat et de la Lutte contre la Corruption (ASCE-LC)  
Telephone: +226 25 30 10 91 or +226 25 33 60 39

### **13. Bilateral Investment Agreements**

Burkina Faso is a member of ECOWAS. In August 2014, the United-States signed a Trade and Investment Framework Agreement with ECOWAS during the US-Africa Leaders' Summit in Washington.

In 2002, the United States signed a Trade and Investment Framework Agreement with WAEMU. The framework agreement establishes a forum for discussion of trade and investment matters between the United States, the WAEMU Commission, and the eight member states of WAEMU. Outside of these regional accords, Burkina Faso has no investment agreement with the United States.

Burkina Faso has investment cooperation agreements with France and Switzerland, providing for free transfer of corporate earnings, interests, dividends, etc., between the two countries. Burkina Faso has also signed and ratified investment promotion and mutual protection agreements with Germany, the Netherlands, Malaysia, Belgium, Guinea, Ghana, Benin, and is in the process of negotiating agreements with Canada and Italy.

The Burkinabè investment code provides the right to transfer capital and revenues secured by alien personal and legal entities, which invest in Burkina Faso in foreign currencies. Foreign investors have the right, subject to foreign exchange regulations, to transfer dividends, any returns on the capital invested, the liquidating or conclusion proceeds of assets, in the same currency used in the initial investment.

Burkina Faso has signed various multilateral investment agreements including provisions in the Lome Convention and the WAEMU Treaty.

#### Bilateral Taxation Treaties

Burkina Faso does not have a bilateral taxation treaty with the United States.

### 16. Foreign Trade Zones/Free Ports/Trade Facilitation

There are no foreign trade zones or free ports in Burkina Faso. The Burkinabè investment code prohibits discrimination against foreigners. American firms not registered in Burkina Faso can compete for contracts on projects financed by international sources such as the World Bank, U.N. organizations, or the African Development Bank.

### 17. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2014	13,000	2015	12,542,221,941	<a href="http://www.worldbank.org/en/country">www.worldbank.org/en/country</a>
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	N/A	N/A	<a href="http://bea.gov/international/factsheet/factsheet.cfm?Area=447">http://bea.gov/international/factsheet/factsheet.cfm?Area=447</a>
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	N/A	N/A	<a href="http://bea.gov/international/factsheet/factsheet.cfm?Area=447">http://bea.gov/international/factsheet/factsheet.cfm?Area=447</a>
Total inbound stock of FDI as % host GDP	N/A	N/A	2013	1.0	Standard & Poor's



\*www.insd.bf

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	1,660	100%	Total Outward	204	100%
Barbados	272	16%	Senegal	85	42%
Canada	444	27%	Cote d'Ivoire	58	28%
France	220	13%	Niger	25	12%
Bermuda	192	12%	Cayman Islands	11	5%
Morocco	73	4%	Congo, Republic Of	9	5%

"0" reflects amounts rounded to +/- USD 500,000.

Section 5 - Government

#### Chiefs of State and Cabinet Members:

For the current list of Chiefs of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

#### Legal system:

civil law based on the French model and customary law

#### International organization participation:

ACP, AfDB, AU, CD, ECOWAS, EITI (candidate country), Entente, FAO, FZ, G-77, IAEA, IBRD, ICAO, ICC (NGOs), ICRM, IDA, IDB, IFAD, IFC, IFRCs, ILO, IMF, Interpol, IOC, IOM, IPU, ISO (correspondent), ITS0, ITU, ITUC (NGOs), MIGA, MONUSCO, NAM, OIC, OIF, OPCW, PCA, UN, UNAMID, UNCTAD, UNESCO, UNIDO, UNISFA, UNITAR, UNWTO, UPU, WADB (regional), WAEMU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

## Section 6 - Tax

### Exchange control

Exchange control regulations exist.

For further information - <http://www.bis.org/country/bf.htm>

### Treaty and non-treaty withholding tax rates

For further information - <http://www.bis.org/country/bf.htm>

## Methodology and Sources

### Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

### Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
<a href="#">FATF List of Countries identified with strategic AML deficiencies</a>	Not Listed	AML Deficient but Committed	High Risk
<a href="#">Compliance with FATF 40 + 9 recommendations</a>	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
<a href="#">US Dept of State Money Laundering assessment (INCSR)</a>	Monitored	Concern	Primary Concern
<a href="#">INCSR - Weakness in Government Legislation</a>	<2	2-4	5-20
<a href="#">US Sec of State supporter of / Safe Haven for International Terrorism</a>	No	Safe Haven for Terrorism	State Supporter of Terrorism
<a href="#">EU White list equivalent jurisdictions</a>	Yes		No
<a href="#">International Sanctions UN Sanctions / US Sanctions / EU Sanctions</a>	None	Arab League / Other	UN , EU or US
<a href="#">Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network</a>	>69%	35 – 69%	<35%
<a href="#">World government Indicators (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Failed States Index (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Offshore Finance Centre</a>	No		Yes

### **Section 3 - Economy**

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

### **Section 4 - Foreign Investment**

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

### **Section 5 - Government**

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

### **Section 6 - Tax**

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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