

# Cote D'Ivoire

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RISK & COMPLIANCE REPORT

DATE: March 2018

<b>Executive Summary - Cote D'Ivoire</b>	
<b>Sanctions:</b>	No
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	Non - Compliance with FATF 40 + 9 Recommendations Not on EU White list equivalent jurisdictions Corruption Index (Transparency International & W.G.I.) World Governance Indicators (Average Score) Failed States Index (Political Issues)(Average Score)
<b>Medium Risk Areas:</b>	US Dept of State Money Laundering Assessment Weakness in Government Legislation to combat Money Laundering
<p><b>Major Investment Areas:</b></p> <p><b>Agriculture - products:</b>            coffee, cocoa beans, bananas, palm kernels, corn, rice, cassava (manioc), sweet potatoes, sugar, cotton, rubber; timber</p> <p><b>Industries:</b>            foodstuffs, beverages; wood products, oil refining, gold mining, truck and bus assembly, textiles, fertilizer, building materials, electricity</p> <p><b>Exports - commodities:</b>            cocoa, coffee, timber, petroleum, cotton, bananas, pineapples, palm oil, fish</p> <p><b>Exports - partners:</b>            US 10.1%, Netherlands 9%, Germany 8.7%, Nigeria 7.4%, France 5.8%, Canada 4.4% (2012)</p> <p><b>Imports - commodities:</b>            fuel, capital equipment, foodstuffs</p> <p><b>Imports - partners:</b>            Nigeria 18.9%, France 14.8%, China 9.9%, India 5.2% (2012)</p>	

**Investment Restrictions:**

The Ivoirian government actively encourages foreign investment through mergers, acquisitions, joint ventures, takeovers, or startups. As part of its post-crisis economic reconstruction plan, the government is committed to doubling foreign investment over the next several years. There are no significant limits on foreign investment nor are there differences in treatment of foreign and national investors, either in terms of the level of foreign ownership or sector of investment.

There are restrictions on foreign investment in the health sector, law and accounting firms, and travel agencies

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## Section 1 - Background

Close ties to France following independence in 1960, the development of cocoa production for export, and foreign investment all made Cote d'Ivoire one of the most prosperous of the West African states but did not protect it from political turmoil. In December 1999, a military coup - the first ever in Cote d'Ivoire's history - overthrew the government. Junta leader Robert GUEI blatantly rigged elections held in late 2000 and declared himself the winner. Popular protest forced him to step aside and brought Laurent GBAGBO into power. Ivorian dissidents and disaffected members of the military launched a failed coup attempt in September 2002 that developed into a rebellion and then a civil war. The war ended in 2003 with a cease fire that left the country divided with the rebels holding the north, the government the south, and peacekeeping forces a buffer zone between the two. In March 2007, President GBAGBO and former New Forces rebel leader Guillaume SORO signed an agreement in which SORO joined GBAGBO's government as prime minister and the two agreed to reunite the country by dismantling the buffer zone, integrating rebel forces into the national armed forces, and holding elections. Difficulties in preparing electoral registers delayed balloting until 2010. In November 2010, Alassane Dramane OUATTARA won the presidential election over GBAGBO, but GBAGBO refused to hand over power, resulting in a five-month stand-off. In April 2011, after widespread fighting, GBAGBO was formally forced from office by armed OUATTARA supporters with the help of UN and French forces. Several thousand UN peacekeepers and several hundred French troops remain in Cote d'Ivoire to support the transition process. OUATTARA is focused on rebuilding the country's infrastructure and military after the five months of post-electoral fighting and faces ongoing threats from GBAGBO supporters, many of whom have sought shelter in Ghana. GBAGBO is in The Hague awaiting trial for crimes against humanity.



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

### FATF status

Cote D'Ivoire 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 Cote D'Ivoire was undertaken in 2012. According to that Evaluation, Cote D'Ivoire was deemed Compliant for 0 and Largely Compliant for 7 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for 5 of the 6 of the Core Recommendations.

### First follow-up report of Côte d'Ivoire

The first follow-up report of Côte d'Ivoire revealed that the country had made considerable progress in addressing the identified deficiencies in its AML/CFT regime. In particular, it has prepared a draft law on the suppression of terrorist acts, which had been forwarded to the General Secretariat of the Government in June 2013. Côte d'Ivoire also made some efforts to address deficiencies relating to Recommendations 13 and Special Recommendation IV and demonstrated the result of these efforts by providing statistics on suspicious transaction reports received by the FIU. The country also issued AML/CFT guidelines to financial institutions to ensure the effective implementation of customer due diligence measures. However, the country is yet to address the following outstanding deficiencies in the country's AML/CFT system: non-criminalization of the full range of predicate offences of money laundering such as terrorism, financing of terrorist organizations and individual terrorists; migrant smuggling, insider trading and market manipulation; and speedy criminalization of self-laundering. Although Côte d'Ivoire had ratified 18 conventions on terrorism, the country has not adequately criminalized terrorist financing. It was observed that notwithstanding the confiscation of certain proceeds of crime, Côte d'Ivoire is yet to adopt a policy for the systematic and effective implementation of the legislation on freezing, seizure and confiscation of proceeds and instrumentalities of crime. Côte d'Ivoire was commended for the progress made considering its post- conflict situation, and was encouraged to urgently address the remaining deficiencies in its AML/CFT system to protect its economy from the vagaries of money launderers and fi of terrorism. Côte d'Ivoire was retained on Expedited Regular Follow-up, and was therefore directed to submit its second follow-up report to the Plenary in November 2014.

## Prevalence of Predicate Crimes

The devastations of nine years of armed conflict, the cash-based economy, the porosity of the borders, the discovery of petroleum, and the resurgence of the country's leadership in the cocoa export market put Côte d'Ivoire in a position that increases its vulnerability to financial crimes and money laundering. In particular, organized criminal networks operated by other nationalities in the country add to this vulnerability.

Côte d'Ivoire's Country Report to GIABA for 2013 shows that all the prominent AML/CFT predicate crimes identified in other GIABA member States are also prevalent in the country. They include drug trafficking, corruption, tax fraud, smuggling in precious stones and metals, bank fraud, forgery, capital market crimes and cyber crime. Trafficking in persons is also rife. According to the US Department of State, the country is a source, transit route and destination for persons subjected to forced labour and sexual exploitation. Trafficking within the country is, however, more prevalent than transnational trafficking.

The proceeds of these crimes are laundered through the real estate sector, cross-border cash movements, banks, insurance companies, DNFBPs, microfinance, and stock market investment. The prevalence of these crimes, combined with the fragility of the country, calls for concerted efforts by Côte d'Ivoire to counter these threats.

## AML/CFT Situation

The Government of Côte d'Ivoire has demonstrated commitment to its international AML/CFT obligations, and has expressed the will to strengthen its regime. This commitment led to the admission of the country's FIU into the Egmont Group in 2010.

Given the difficult political situation resulting from the protracted conflict in Côte d'Ivoire, the country's mutual evaluation could not be completed until May 2012. The MER revealed a number of deficiencies in the AML/CFT regime. The first follow-up report on the mutual evaluation (discussed in detail in Chapter 3) submitted to GIABA Plenary in November 2013 showed that Côte d'Ivoire has made significant progress in addressing the deficiencies in its AML/CFT system. This is in spite of the difficult post-conflict situation.

It is worthy of note that Côte d'Ivoire's Inter-Ministerial Committee has remained active in ensuring national cooperation and coordination in the implementation of AML/CFT measures. The country has also adopted the uniform community laws criminalizing ML/TF in the WAEMU zone.

However, Côte d'Ivoire's AML/CFT system still has some significant deficiencies. For instance, the relevant WAEMU community laws have not been completely domesticated. In particular, the aspect relating to specific obligations of financial institutions on customer due diligence (CDD) measures has not been formally adopted. The criminalization of ML predicate offences under its AML/CFT laws does not cover terrorism, insider trading or market manipulation. Also, the structures and mechanisms necessary for the implementation of UNSCRs 1267 and 1373 and their successor resolutions are not fully in place.

In addition, conviction for ML/TF is still very low. Of the 135 STRs received by the FIU, only 12 have been investigated and prosecuted, while only 1 has resulted in conviction.

## Conclusion

It is worth noting the significant progress that Côte d'Ivoire has made in strengthening the rule of law, enforcement and judicial capacities, and its AML/CFT legal framework. Yet the country needs to do more and work harder to address the remaining deficiencies in its AML/CFT regime. This includes amending the AML law to cover all predicate offences in line with the FATF Recommendations.

The country should also establish the relevant structures and mechanisms for the implementation of UNSCRs 1267 and 1373. The very poor rate of AML/CFT conviction, compared to the relatively high number of STRs, is a source of concern. Further reforms in the criminal justice system are required, particularly with regard to the prosecution and adjudication of money laundering cases, in order to raise the conviction rate.

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

Cote D'Ivoire was deemed a Jurisdiction of Concern by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

#### Perceived Risks:

Since the end of the post-electoral crisis in April 2011, the political situation in Cote d'Ivoire has stabilized. The country held a peaceful and credible presidential election on October 25, 2015, which turned a symbolic page on its conflict-ridden past. Despite a more stable political environment and increased prosecutions in 2015, Ivoirians continue to be involved in regional criminal activities, such as the smuggling of consumer goods and agricultural products, and in the subsequent laundering of the proceeds. Smuggling over Cote d'Ivoire's porous borders, motivated in part by a desire to avoid duties or taxes or to sell goods at a higher profit, generates illicit funds that are primarily laundered via informal value transfer systems, such as money service businesses or exchange houses, and via mobile telephone payments or transfers (M- Payments).

Many Ivoirians use informal cash couriers, money and value transfer services (MVTs), hawaladars, and goods transportation companies to transfer funds domestically and within the region. There is no regulation of domestic informal MVTs.

There are concerns about the increase in cyber theft through online commercial transactions. In addition, Ivoirian authorities believe criminal enterprises use the formal banking system, as well as the used car, real estate, and counterfeit pharmaceutical drug industries to launder funds. The use of Ivoirian territory as a transshipment point for drugs from South America to Europe has decreased with the creation of new routes by drug traffickers after the Arab spring and tightened airport security. Hezbollah is present in Cote d'Ivoire and conducts fundraising activities, mostly among the large Lebanese expatriate community in the country.



Cote d'Ivoire still remains under sanctions imposed by the UN Security Council (UNSC) stemming from the civil war and political/military crisis period. On April 29, 2014, the UNSC lifted the ban on exporting rough diamonds from Cote d'Ivoire and partially lifted the arms embargo, allowing the purchase of small-caliber weapons while still requiring Cote d'Ivoire to seek a UNSC exemption for purchases of certain other arms. Additionally, several officials of the former regime are subject to targeted financial sanctions by the United States, the UK, and the EU. The government continues to work toward the goal of having the international sanctions lifted for some of these officials. The country was found Kimberley Process compliant in November 2013, and legal exportation of diamonds under the Kimberley Process began in March 2015.

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: YES

KYC covered entities: Banks, post offices, deposit and consignment offices, microfinance institutions, chartered manual exchangers, insurance and reinsurance companies and brokers, regional stock exchanges, the Central Depository of Holder Instruments/Bank of International Settlements, management and brokerage firms, asset management companies, undertakings for collective investment in transferable securities, and fixed capital investment companies

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 93 in 2015

Number of CTRs received and time frame: Not available

STR covered entities: Banks, exchange houses, brokerage firms, post offices, deposit and consignment offices, microfinance institutions, insurance and reinsurance companies and brokers, regional stock exchanges, the Central Depository of Holder Instruments/Bank of International Settlements, management firms, asset management companies, undertakings for collective investment in transferable securities, fixed capital investment companies, the public treasury, the Central Bank of West African States, business contributors to financial institutions, auditors, dealers in high-value items, cash couriers, casinos, the national lottery, nongovernmental organizations, travel agencies, attorneys, and real estate agents

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 20 in 2015

Convictions: 4 in 2015

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: NO Other mechanism: YES

With other governments/jurisdictions: YES

Cote d'Ivoire 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 current Government of Cote d'Ivoire has demonstrated its commitment to continue building and implementing an AML/CFT regime. In 2015, the government endorsed several laws and regulations on AML/CFT. These decrees aim to put the regulatory board, ARTCI, at the heart of internet governance in Côte d'Ivoire and also to contain the risks related to the large scale development and use of information technology and telecommunications. Two additional decrees create the Directorate of External Services and the National Coordination of Intelligence and are intended to reinforce and improve coordination of intelligence services.

The government has adopted the West African Economic and Monetary Union (WAEMU) uniform community law criminalizing money laundering; however, the implementation of the WAEMU community laws remains incomplete. The Appendix to Cote d'Ivoire's AML law relating to specific obligations of financial institutions regarding customers' financial operations has yet to be formally adopted. Insider trading and the manipulation of financial markets are not included as predicate offenses to money laundering under Cote d'Ivoire's AML law. In 2014, the regional council of public savings and financial markets of the WAEMU initiated a draft law on the repression of stock exchange-related infractions. Further, in 2015, a draft bill on the repression of illicit traffic of migrants was transmitted to Ivoirian authorities for review.

The economic police are responsible for investigating financial and white collar crimes but have limited capacity as a result of inadequate resources and training. Judicial and security capabilities remain weak and allegations of corruption persist. Despite this, prosecutions of crimes related to money laundering increased 233 percent in 2015. The Aircop project aims to deter drug trafficking through the airport by building the capacity of law enforcement officers, providing drug detection equipment, and serving as a coordination mechanism with Interpol. In September 2015, GIABA opened an anti-money laundering information center in Abidjan for outreach and to train civil society.

The country does not yet have the legal or institutional structures necessary to implement its obligations under UNSCRs 1267 and 1373. Nevertheless, when the Ministry of Foreign Affairs receives the UN lists related to resolutions 1267 and 1373, the Finance Ministry orders financial institutions to freeze the assets of persons and entities listed. No cases of terrorism financing were reported for the past year. On July 7, 2015, bill 2015-493 on the repression of terrorist activities was approved by the Parliament. The main provisions include naming the court of Abidjan as the jurisdiction for legal proceedings and trials of terrorism cases and providing for sentences from 10 to 20 years imprisonment and penalties of \$8,620 to \$86 million for punishment of terrorist acts, with complementary sentences such as the confiscation of assets, a travel ban, and passport withdrawal. A new customs code developed by the Ministry of Finance is projected to include provisions related to money laundering and terrorism financing; however, it has not been approved yet.

The Government of Cote d'Ivoire should continue to strengthen its rule of law institutions, its AML/CFT legal framework, and its law enforcement and judicial capacities. Specifically, the

government should amend the AML law to cover all predicate offenses to money laundering included in the international standards, criminalize terrorist financing in line with international standards, finalize the necessary decree to implement Cote d'Ivoire's obligations under UNSCRs

1267 and 1373, and provide additional guidance and training to reporting entities and judges, such that financial crimes may be more easily and consistently detected, prosecuted, and punished.

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

According to the US State Department, Cote D'Ivoire does not conform with regard to the following government legislation: -

**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.

**Disclosure Protection - "Safe Harbour"** - By law, the jurisdiction provides a "safe harbour" defence to banks or other financial institutions and their employees who provide otherwise confidential banking data to authorities in pursuit of authorized investigations.

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

Cote D'Ivoire 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**

Cote D'Ivoire is not considered to be an Offshore Financial Centre

### US State Dept Narcotics Report

No report available

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

Cote D'Ivoire is classified a Tier 2 Watch List country - a country whose government does not fully comply with the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring themselves into compliance with those standards.

Cote d'Ivoire is a source, transit, and destination country for women and children subjected to forced labor and sex trafficking. Trafficking within the country is more prevalent than transnational trafficking, and the majority of identified victims are children. Due to a stronger emphasis on monitoring and combating child trafficking within the country, the prevalence of adult trafficking may be underreported. Ivoirian women and girls are primarily subjected to forced labor in domestic service and restaurants in Cote d'Ivoire but are also exploited in sex trafficking. Ivoirian boys subjected to forced labor within the country in the agricultural and service industries, especially cocoa production. Boys from other West African countries, including Benin, Burkina Faso, Ghana, Mali, and Togo, are found in Cote d'Ivoire in forced labor in agriculture (on cocoa, coffee, pineapple, and rubber plantations), and in the mining sector, carpentry, and construction. Some girls recruited from Benin, Ghana, and Togo for work as domestic servants and street vendors are subjected to forced labor. Some women and girls recruited from Ghana and Nigeria as waitresses are subjected to sex trafficking. During the reporting period local individuals, possibly working in concert with others abroad, recruited Ivoirian women and girls for work in Saudi Arabia but subjected them to domestic servitude upon arrival; other Ivoirian females were discovered in Burkina Faso, allegedly en route to such exploitation in Saudi Arabia. Authorities also identified Ivoirian trafficking victims in Cyprus. In previous years, Ivoirian women and girls have been subjected to domestic servitude in France and sex trafficking in Morocco. Officials note illegal Ivoirian migrants in Algeria are vulnerable to trafficking due to their irregular and illegal status. International organizations report primarily Ivoirian traffickers fraudulently recruit Ivoirian nationals for work abroad. A lack of comprehensive data on trafficking in Cote d'Ivoire renders the full scope of the problem unknown.

The Government of Cote d'Ivoire does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. With NGO support, the government conducted a raid of agricultural facilities and market vendors resulting in the rescue of 48 children from child labor—some of whom were victims of forced child labor—and 22 arrests, including 11 individuals on human trafficking charges. It prosecuted, convicted, and sentenced one trafficker with a sufficiently stringent prison sentence and finalized but did not adopt an anti-trafficking national action plan. Despite these measures, the government did not demonstrate overall increasing anti-trafficking efforts compared to the previous reporting period; therefore, Cote d'Ivoire is placed on Tier 2 Watch List. The government reported significantly fewer prosecutions and convictions for trafficking offenses than the previous reporting period and did not provide anti-trafficking training for law

enforcement. It continued to rely almost entirely on NGOs to provide shelter and services for victims and did not have a formal mechanism to identify or refer victims to NGO care. Draft legislation to define and criminalize trafficking of adults and children remained pending ratification for the second year.

### **US State Dept Terrorism Report 2009**

On August 6, Ivoirian authorities detained Imam Abd al Menhem Qubaysi, a Hizballah spiritual leader and U.S. designated terrorist financier, at the airport upon his arrival on a commercial flight from Lebanon. Qubaysi, who lived in Cote d'Ivoire for a number of years, was denied entry at immigration and returned to Lebanon on the same flight.

The Ivoirian Ministry of Interior, in cooperation with the United States, uses the Personal Identification Secure Comparison and Evaluation System (PISCES) to enhance border security at its major airport and seaport. The Financial Intelligence Unit (FIU), which was formed in 2008, received additional legal authority when Ordinance 637 on terrorism financing became law on November 12, 2009. The law extends FIU activities to the receipt, analysis, and dissemination of information on transactions suspected of being terrorism-related.

## International Sanctions

There are no longer any international sanctions in place.



## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	36
World Governance Indicator – Control of Corruption	34

## Corruption and Government Transparency - Report by US State Department

Many companies cite corruption as the major obstacle to investment in Côte d'Ivoire. It has the greatest impact on judicial proceedings, contract awards, customs, and tax issues. Businesses have reported corruption at every level of the civil service and that some judges have based their decisions on bribes. Obtaining an official stamp or copy of a birth or death certificate, or an automobile title, often requires payment of a supplemental "commission." If the commission is refused, the application is not processed. The size of the commission varies with the cost of the service or investment.

There are domestic laws and regulations to combat corruption, but they are not effectively enforced. Penalties can range from incarceration to payment of civil fines. State employees can be convicted of either passive or active corruption or bribery in the performance of their duties. The law also provides for punishment of state employees who benefit directly or indirectly from private or state-owned companies related to contracts, markets or financial payment under their purview. Company managers who are complicit in acts of corruption are treated as accomplices. A local company may not deduct a bribe to a foreign official from taxes. Under the Ivorian Penal Code, a bribe by a local company to a foreign official is a criminal act. Côte d'Ivoire ratified the UN Anti-Corruption Convention in November 2011; however, the country is not a signatory to the OECD Convention on Combating Bribery.

Although the Ouattara Administration has spoken out publicly against corruption, the government has only taken moderate steps to fight the problem. Racketeering by security and defense forces is often denounced in the media, but continues unabated. Transport companies are particularly hard hit, and trucks moving cargo from the western agricultural belt to Abidjan and between Abidjan and other regions of Côte d'Ivoire pay an average total of \$100 to \$400 per trip as they pass various checkpoints, depending on the cargo. The government has been working to reduce illegal checkpoints, and in 2011 authorized only 33 legal checkpoints in the entire country as part of an anti-racketeering campaign. The gendarmerie has established a new anti-corruption force. This campaign has led to a substantial reduction in police check points on major roadways, although bribery at checkpoints, official and unofficial, remains a significant problem that slows transport and greatly increases the costs of goods and services.



In 2012, the Interior Ministry, with World Bank funding, established the Anti-Racketeering Unit (ULCR). However, the unit was never adequately funded in the budget and has not made much progress in addressing racketeering by security forces. Another government action against corruption was the launching of the anti-racketeering hotline. There are several governmental entities in charge of fighting corruption, including the High Authority on Good Governance, the General Secretariat in Charge of Good Governance and Capacity Building, the Board of State General Inspectors, the Finance Ministry's Inspector General's Office, and the High Authority for Good Governance, but these entities are too underfunded to effectively tackle the extent of the corruption problem. Transparency International's "Corruption Perception Index" ranks Côte d'Ivoire 136 of 177 countries, which demonstrates that some progress has been made since the Ouattara administration took office. During the Gbagbo presidency Côte d'Ivoire generally ranked about 150. In June 2013, the government's National Committee for the Millennium Challenge Corporation initiated a billboard and television campaign to sensitize the Ivoirian people on the dangers of corruption. At the same time, it held various workshops to discuss the causes of and solutions to the corruption problem. The government has been working to develop a new anti-corruption law, but it is not clear when that will be finished. Representatives of some civil society organizations have charged that the draft form of the legislation that currently exists is too weak to be truly effective in combatting corruption.

The country's financial intelligence unit, Cellule Nationale de Traitement des Informations Financières (CENTIF), established in December 2007, is responsible for investigating money laundering and terrorist financing. CENTIF has broad authority to investigate suspicious financial transactions, including those of government officials.

### Section 3 - Economy

Cote d'Ivoire is heavily dependent on agriculture and related activities, which engage roughly two-thirds of the population. Cote d'Ivoire is the world's largest producer and exporter of cocoa beans and a significant producer and exporter of coffee and palm oil. Consequently, the economy is highly sensitive to fluctuations in international prices for these products and in climatic conditions. Cocoa, oil, and coffee are the country's top export revenue earners, but the country is also mining gold.

Following the end of more than a decade of civil conflict in 2011, Cote d'Ivoire has experienced a boom in foreign investment and economic growth. In June 2012, the IMF and the World Bank announced \$4.4 billion in debt relief for Cote d'Ivoire under the Highly Indebted Poor Countries Initiative.

#### **Agriculture - products:**

coffee, cocoa beans, bananas, palm kernels, corn, rice, cassava (manioc, tapioca), sweet potatoes, sugar, cotton, rubber; timber

#### **Industries:**

foodstuffs, beverages; wood products, oil refining, gold mining, truck and bus assembly, textiles, fertilizer, building materials, electricity

#### **Exports - commodities:**

cocoa, coffee, timber, petroleum, cotton, bananas, pineapples, palm oil, fish

#### **Exports - partners:**

US 8.5%, Netherlands 6.2%, France 5.6%, Germany 5.6%, Nigeria 5.5%, Burkina Faso 5.5%, Belgium 5.3%, India 4.6%, Ghana 4.4%, Switzerland 4.1% (2015)

#### **Imports - commodities:**

fuel, capital equipment, foodstuffs

#### **Imports - partners:**

Nigeria 21.9%, China 14.4%, France 11.4%, Bahamas, The 5% (2015)

### Stock Exchange

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

The (BRVM), headquartered in Abidjan, Cote D'Ivoire, with local offices in each of the WAEMU member countries offers additional opportunities to attract increased foreign capital and to give private investors access to more diversified sources of financing.

### Executive Summary

Cote d'Ivoire offers fertile soil for U.S. investment and the Ivorian Government is keen to deepen economic cooperation with the United States. Following a credible and peaceful election in October 2015 – in which President Ouattara was overwhelmingly reelected to a second term -- the country has preserved its post-2011 political stability and is focusing intently on economic growth in order to become an “emerging” economy by 2020. Cote d'Ivoire continues its efforts to consolidate its place as an economic engine for West Africa by making its economy attractive to both domestic and foreign investors through a \$49 billion 2016-2020 National Development Program. It is ranked as the sixth fastest growing economy in the world based on World Bank forecasts. The changed environment led the African Development Bank (AfDB) to return its headquarters to Abidjan in 2014, a move that subsequently prompted a number of major international businesses to follow suit.

The main drivers of this impressive sustained growth are public and private investments in infrastructure, including an extension of Abidjan's port, construction, and natural resource extraction. The GOCI and private industry have also made investments in agriculture and agricultural product value-added processing. Cote d'Ivoire is ranked 142 of the 189 economies in the 2016 World Bank's Doing Business Report, but was among the top 10 reformers in both 2014 and 2015. These impressive figures highlight the GOCI's notable progress in improving the business environment. Improvements include the implementation of a single user identification number for business creation, online submission of complaints to the Commercial Court of Abidjan, publication of rulings from the Commercial Court, and electronic land registration.

The GOCI's impressive track record also includes the implementation of new codes on investment, electricity, and mining. The new mining code was a key factor for the country to accede to both the Kimberley Process and the Extractive Industries Transparency Initiative (EITI). In 2014, the UN lifted its diamond embargo, and in March, 2015, Cote d'Ivoire began to export Kimberley Process Certified diamonds. After passing the minimum number of Millennium Challenge Corporation (MCC) Indicators, Cote d'Ivoire became eligible for an MCC Threshold program in December 2014 and was found eligible for an MCC Compact in December 2015. The GOCI's efforts to ensure good governance and transparency and to fight against corruption contributed to its MCC eligibility and increased foreign direct investments. Much of this work is spearheaded by the High Authority for Good Governance, an anti-corruption watchdog the Ouattara Administration created in 2013.

The number of business startups and private investments continue to increase. In 2015, a total of 9,534 businesses were created, up 47 percent from 2014. The government realizes that while registering a business is easy, significant hurdles remain before a company can open its doors, and it is working diligently to address them. For example, the government has improved access to industrial land with the development of the new PK24 industrial zone.

Additionally, e-commerce is now beginning. As a regional economic hub, Cote d'Ivoire hosted the 2016 Africa CEO Forum to emphasize its focus on the private sector in fostering growth. In 2015, Cote d'Ivoire re-launched its International Agriculture and Livestock Exhibition to promote sustainable agriculture and attract foreign investors in this important

sector. U.S. businesses were well represented at the 2014 Invest in Cote d'Ivoire (ICI) Forum – some of whom have since returned to pursue business opportunities. For the region, Cote d'Ivoire offers a relatively well-developed road infrastructure, the second largest port in West Africa, and a modern airport with a reliable national airline, Air Cote d'Ivoire, which services all of the major capital cities in the region.

The most fruitful areas of investment for U.S. businesses are in oil and gas exploration and production, housing construction, power generation, and the mining industry. Opportunities also exist in agribusiness projects such as corn and rice production, as well as manufacturing ventures to add value to commodities such as cocoa, cashews, and coffee. The GOCI announced in March 2015 an ambitious plan to dramatically increase the amount of processed cocoa it exports. Textile manufacturing, especially the production of traditional Ivoirian cotton cloth and products made from that cloth, are also potential areas of investment.

Despite the country's impressive economic track record over the past few years, challenges continue to exist for investors. Improvements in the national security situation over the past four years are evident, however progress on national reconciliation and impartial justice has gone slowly and much hard work remains. Islamist militant groups active in the Sahel also pose a threat in the region. Cote d'Ivoire suffered its first terrorist attack on March 13, 2016 on the beaches of Grand Bassam, for which Al Qaeda in the Islamic Maghreb subsequently claimed responsibility. The Ivoirian forces responded very quickly, however, showing that its capacity has improved over the past few years.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2015	107 of 168	<a href="http://transparency.org/cpi2014/results">transparency.org/cpi2014/results</a>
World Bank's Doing Business Report "Ease of Doing Business"	2016	142 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
Global Innovation Index	2015	116 of 141	<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	\$134 million	BEA/Host government
World Bank GNI per capita	2014	\$3,130	<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**

The Ivoirian government understands that an annual growth rate of over 8 percent cannot be sustained without foreign investment. As part of its post-crisis economic reconstruction plan, the government actively encourages FDI and is committed to doubling foreign investment over the next several years. Although the government encourages all foreign investment, French firms have traditionally dominated key sectors of the Ivoirian economy. Among other large investments, French companies currently own the national electric and public water utility companies as well as a share in the national airline. They also manage a portion of the Port of Abidjan, the airport, and the country's only railroad. A French company maintains a controlling interest in the country's national telecommunications provider and is a major force in wireless telecommunications.

Foreign companies are free to invest and list on the regional stock exchange (BRVM), which is based in Abidjan and dominated by Ivoirian and Senegalese firms. With the inception of the regional exchange, the West African Economic and Monetary Union (WAEMU) members established the Regional Council for Savings and Investment, a regional securities regulatory body.

There are no laws that limit foreign investment in most sectors of the Ivoirian economy. However, there are restrictions on foreign investment in the health sector, law and accounting firms, and travel agencies, particularly in terms of required local licenses. Generally speaking, foreigners are not allowed to own rural land, so most foreign investors opt for long term leases in rural areas, especially for forestry or agribusiness ventures. Despite regulations designed to control land speculation, in urban areas, foreigners own significant amounts of land. Free-hold tenure outside of urban areas is difficult to negotiate and prohibits investment. Land tenure disputes exist all over the country. Most businesses, including agribusinesses and forestry companies, circumvent this by acquiring long-term leases. Those companies that wish to purchase land must have the property surveyed before obtaining a title. Surveying, which is a tightly controlled monopoly, can cost more than the value of the parcel of land.

### **Other Investment Policy Reviews**

Cote d'Ivoire has not conducted an investment policy review (IPR) through the OECD.

A Trade Policy Review was last done by the WTO in July 2012 and can be found at [https://www.wto.org/english/tratop\\_e/tpr\\_e/tp366\\_e.htm](https://www.wto.org/english/tratop_e/tpr_e/tp366_e.htm).

UNCTAD does not provide an IPR for Cote d'Ivoire; however, there are statistics on FDI (inward and outward) at <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx> and a country profile at <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx> and

a country profile at

<http://unctadstat.unctad.org/CountryProfile/384/en384GeneralProfile.html>.

The government of Cote d'Ivoire provides sector policies and business opportunities in priority sectors in various reports. More information can be found at: [www.cepici.gouv.ci/en/](http://www.cepici.gouv.ci/en/) or at: [www.gcpnd.gouv.ci/](http://www.gcpnd.gouv.ci/)

### **Laws/Regulations on Foreign Direct Investment**

The major law affecting foreign investment is the 2012 Investment Code (replacing the 1995 Investment Code). This code offers incentives, including tax reductions and in some cases exemptions from value added taxes (VAT), on equipment for private investors. This code also includes planned industrial zones, which offer benefits to investors such as special tax treatment for periods ranging from 8 to 15 years, depending on the location of the investment. There are also incentives to promote sectors (low-cost housing construction, factories, and infrastructure development) that are key to the country's economic development. In return, investors commit to technology transfer, compliance with environmental regulations, job training, and job promotion.

Cote d'Ivoire adopted a new Mining Code in 2014 in the hope of attracting foreign investors and increasing transparency. Some in the mining industry have hailed the code as the best in the region, but certain parts of the code are not clearly defined. The main changes over previous legislation include the extension of the period for holding permits from seven to ten years, with a possibility of exceptional extension for two more years; the reduction of the permit area from 1,000 to 400 square kilometers; and a new tax and fee structure. Politicians and government employees with strategic knowledge of the mining sector are prohibited from holding shares in the mining industry for five years after leaving office.

As part of its 2016 fiscal support measures to businesses, the government grants 100 percent export duty exoneration to cocoa and coffee processing industries that export finished products. For housing construction, 50 percent reduction on income tax is granted as incentives for investments, and for building 10,000 homes during a period of 7 years, the GOCl grants an 80 percent reduction on income. Also, for businesses that make construction materials, the GOCl grants a total exemption. Part of the 2015 fiscal measures include a VAT exoneration on all acquisitions of assets through leasing, and land tax exoneration is also granted to agri-businesses that provide free housing to their employees at plantation sites. In 2012, a four-percent tax on tourism development was instituted that affects hotels, restaurants, casinos, and travel agencies.

The government does not use tax, labor, environment, or health and safety laws to impede or distort investment. Well-entrenched foreign companies historically have formed relationships with officials—who frequently influence the awarding of tenders. Larger firms, which in many cases are foreign companies, face specific government requests (e.g. requests for sponsorship of social projects) and barriers (e.g. caps on market share or pressure with regard to pre-payment of taxes). Smaller firms, which in many cases are Ivorian companies, are less likely to face these. There is no sector, however, where American investors have been formally refused the same treatment as other foreign investors.

More information on Cote d'Ivoire laws and regulations can be found at:

<https://guce.gouv.ci/cepici>; [www.apex-ci.org/](http://www.apex-ci.org/); [www.cepici.gouv.ci/](http://www.cepici.gouv.ci/)

### *Business Registration*

Online registration is not yet operational; however the Government's Center for the Promotion of Investment in Cote d'Ivoire (CEPICI) plans in the pipeline. For the moment, all of the necessary documentation for registration is available online. There is a one-stop-shop for business registration that takes a maximum of 24 hours. This "single window" business registration center has all agencies under a single roof, allowing for a more simplified approach to business creation.

CEPICI's role is to facilitate foreign investment and its services are available to all investors regardless of the amount of the investment or the number of employees. Online registration documents can be found at:

<http://www.cepici.gouv.ci/?tmp=doc&cat=1> (registration forms)

<http://www.cepici.gouv.ci/?tmp=doc&cat=4> (codes, decrees and annexes)

The law in Cote d'Ivoire subdivides and defines micro, small, and medium-sized enterprises as follows:

- A micro enterprise is an enterprise that continuously employs less than 10 people or which has an annual turnover of less than or equal to \$50,000 excluding tax.
- A small business is defined as an enterprise that continuously employs between 10 and 50 employees, or has an annual turnover excluding tax exceeding \$50,000.
- A medium-sized enterprise is defined as an enterprise that continuously employs between 51 and 200 employees, or has an annual turnover exceeding \$250,000 but less than \$1.7 million, excluding tax.

### **Industrial Promotion**

The Government of Cote d'Ivoire has continued its efforts to improve the economy's competitiveness and to mobilize resources. Its \$49 billion 2016-2020 National Development Plan includes plans for infrastructure development and poverty reduction. The Government hopes that two-thirds of the \$49 billion will be financed by the private sector through public-private partnership projects, while the remaining one-third will come from the government. Further support is expected from the African Development Bank, the West Africa Monetary Union (WAEMU) along with individual donor nations and multilateral bodies. The Government's industrial policy fits its vision to make Cote d'Ivoire an emerging economy by 2020; it plans to increase the share of the industrial sector in the economy from 25 percent today to 40 percent by 2020.

Targeted sectors are energy, agribusiness, rural development, transportation with trans-shipment and port expansion, telecommunications, water, and sanitation. The National Steering Committee in the Office of the Presidency is responsible for the coordination of projects concerning public private partnerships. (<http://www.ppp.gouv.ci/contact.html>). Investors may also consult the website of the investment authority, the Center for the

Promotion of Investment in Cote d'Ivoire (CEPICI), at [www.cepici.gouv.ci/](http://www.cepici.gouv.ci/) for more information on investment priorities.

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

Foreign investors generally have access to all forms of remunerative activity on terms equal to those enjoyed by Ivoirians. The government encourages foreign investment, including in the privatization of state-owned and public firms, although in most cases the state reserves an equity stake in the new company. Fifteen state-owned firms in the banking, agribusiness, and mining sectors were scheduled to be privatized by the end of 2015, but the process has been slow to take hold, except in the banking sector (see below).

There are no significant limits on foreign investment, nor are there differences in the treatment of foreign and national investors, either in terms of the level of foreign ownership or sector of investment. There are no laws specifically authorizing private firms to adopt articles of incorporation or association that limit or prohibit foreign investment, participation, or control, and no such practices have been reported.

Banks and insurance companies are subject to licensing requirements, but there are no restrictions designed to limit foreign ownership or to establish subsidiaries of foreign companies in this sector. There are no restrictions on foreign investment in computer services, or education and training services. There are restrictions on foreign investment in the health sector, law and accounting firms, and travel agencies, especially as it pertains to local licensing requirements. Investments in these sectors are subject to prior approval and require appropriate licenses and association with an Ivoirian partner; however, foreign companies operate successfully in all of these service sectors.

### **Privatization Program**

In 2014, the Government proposed a program to privatize a quarter of public enterprises including approximately 15 public or semi-public enterprises, banks, the sugar company Sucrivoire (SIFCA), and \$232 million of investments the government holds in Industrial Promotion Services (IPS)-Aga Khan Foundation projects. On May 5, 2014, the Ivoirian Council of Ministers agreed to privatize some public banks, either totally or partially and in September 2014, the government liquidated the Agriculture Finance Bank (*Banque pour le Financement de l'Agriculture*- BFA). On March 11, 2015, Morocco's Attijariwafa bank acquired an additional 24 percent of SIB (*Societe Ivoirienne de Banque*), now owning a total of 75 percent of the bank. In 2015, the GOCI began the sale of banks such as Versus Bank, NSIA Bank (formerly *Banque Internationale pour l'Afrique occidentale* -- BIAO), and the housing finance bank (*Banque de l'Habitat de Cote d'Ivoire* - BHCI). Finally, some public banks, which fill a social investment niche, will remain in government hands. These include the national investment bank (*Banque Nationale d'Investissement* - BNI) and the national savings bank (*Caisse Nationale des Caisses d'Epargne* - CNI), both of which are currently undergoing restructuring.

Firms privatized in recent years were purchased in part by foreign entities through a bidding process. The GOCI's first major privatization phase began approximately 20 years ago. In past privatizations, such as for management of the Port of Abidjan and for management of the electric and water companies, well-entrenched companies with extensive histories in



Cote d'Ivoire purchased the companies, which led to allegations of corruption by losing investors.

### **Screening of FDI**

The government does not screen investments and has no overall economic and industrial strategy that discriminates against foreign-owned firms. Cote d'Ivoire's Investment Promotion Center (CEPICI) provides investment information and assistance for entrepreneurs interested in starting a business or foreign enterprises interested in investing in Cote d'Ivoire. CEPICI provides a "one-stop-shop" for investors, an outreach program to match opportunities with potential investors, and a public-private liaison program. American companies that have worked with CEPICI have reported to the Embassy that its services are straightforward and effective. CEPICI also maintains a file of projects seeking foreign investment.

### **Competition Law**

There is no official competition law; however, the National Authority for the Regulation of Public Tenders is responsible for reviewing the awards of contracts. While the government has expressed its commitment to a free and fair bidding process, bids are not always made public. Instead, the GOCI will sometimes simply choose from among companies that have proactively contacted it about an investment opportunity rather than proceeding through a public bid process. The GOCI reported that in 2015, 30.5 percent of its funds were spent on no-bid contracts, which is an increase from 22 percent in 2014. Cote d'Ivoire is compliant with WAEMU's public procurement directive requiring the separation of auditing and regulatory functions. Nonetheless, some issues remain concerning transparency in public bids (see more on bidding in the "Transparency of the Regulatory System" section below.)

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

### **Foreign Exchange**

Cote d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU), which uses the Franc CFA, a convertible currency. The French Treasury continues to hold the international reserves of WAEMU member states and supports the fixed exchange rate of 655.956 CFA to the Euro.

The WAEMU has unified foreign exchange regulations. Under these regulations, there are no restrictions for transfers within the community, and designated commercial banks are able to approve routine foreign exchange transactions inside the community. The transfer abroad of the proceeds of liquidation of foreign direct investments no longer requires prior government approval.

Despite the ability to transfer funds freely within the WAEMU zone, when Ivoirians and expatriate residents are traveling from Cote d'Ivoire to another WAEMU country, they must declare the amount of currency being carried out of the country. When traveling from Cote d'Ivoire to a destination other than another WAEMU country, Ivoirians and expatriate residents are prohibited from carrying an amount of currency greater than the equivalent of two million CFA (approximately \$3,400). Larger amounts require the approval of the Ministry of Economy and Finance, and must be in travelers or bank checks.

The government must grant prior permission for investments coming from outside the WAEMU zone, and routinely does so. Once an investment is established and documented, the government regularly approves remittances of dividends and/or repatriation of capital. The same holds true for requests for other sorts of transactions (e.g. imports, licenses, and royalty fees).

Multi-national firms in Cote d'Ivoire have complained that temporary liquidity shortfalls occur in the banking system, but this is primarily an issue during the main cocoa harvest when companies are transferring large sums of money for the purchase and export of cocoa. Companies continue to complain that the government is slow in approving currency conversions.

#### *Remittance Policies*

There are no restrictions on the transfer of capital, dividends, and income, or on investments funded with convertible foreign currency. There are no time limitations on remittances. Remittances for Ivoirians were about \$300 million in 2015 or 1.1 percent of GDP. Cote d'Ivoire is a member of the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), which is an associate member of the Financial Action Task Force (FATF). Its most recent mutual evaluation can be found at: [http://web.giaba.org/member-states/Cote\\_divoire.html](http://web.giaba.org/member-states/Cote_divoire.html). Cote d'Ivoire is not engaged in currency manipulation tactics.

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

Cote d'Ivoire's public expropriation law includes compensation provisions similar to those in the United States. Historically, expropriation has not been an issue in Cote d'Ivoire, and the Embassy is not aware of any cases of government expropriation of private property.

Private expropriation to force settlement of contractual or investment disputes continues to be a problem, however. Local individuals or local companies, using what appear to be spurious court decisions, have challenged the ownership of some foreign companies in recent years. On occasion, the GOCI has blocked the bank accounts of U.S. and other foreign companies because of ownership and tax disputes. Corruption and lack of capacity in the judicial system and security services have resulted in poor enforcement of private property rights, particularly when the entity in question is foreign held and the plaintiff is Ivoirian or a long-term French or Lebanese resident or dual national of Cote d'Ivoire.

### **4. Dispute Settlement**

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

Cote d'Ivoire's legal system is based on a French civil law model. The law guarantees the right to own and transfer private property. The court system enforces contracts.

Cote d'Ivoire is signatory to the Organization for the Harmonization of Corporate Law in Africa (OHADA) that provides for the 16 member states, common corporate law and arbitration procedures.

In January 2012, the Council of Ministers established a Commercial Court specifically to handle business cases. In April 2013, the government endorsed a draft law to consolidate the autonomy and extend the attributions of the Commercial Court to create the Commercial

Chamber of the Court of Appeals. In April 2014, the government endorsed a draft law on judiciary and conventional mediation, which established mediation throughout the Ivorian legal framework in addition to the Commercial Court and the Arbitration Tribunal. The IMF encouraged the government to extend the Commercial Court in the other cities of the country, but this expansion has not yet happened.

A major impediment to investment in Cote d'Ivoire is the judicial system, which is generally seen as dysfunctional. While the government is working to restore its credibility and improve efficacy, Cote d'Ivoire's enforcement of contract rights is often time-consuming and expensive as court cases move slowly. Judges sometimes fail to base their decisions on the legal or contractual merits of the case and tend to rule against foreign investors in favor of entrenched interests. Judges also have taken cases that arguably fall out of their appropriate jurisdiction. In addition, cases are often postponed and appealed, moving from court to court, in some cases for decades. Magistrates are sometimes subject to political or financial influence.

Judgments of foreign courts are recognized but difficult to enforce in local courts. Regarding foreign investments, to avoid working through the Ivorian legal system, some investors stipulate in contracts that disputes must be settled through international commercial arbitration. However, even if stipulated in the contract, decisions reached through international arbitration, and even through the African regional arbitration body, are sometimes not honored by local courts.

Further reform plans call for deciding more cases by three-judge panels, instead of by a single judge; publishing decisions more quickly; enhancing computerization in the court system; training judges in commercial law; and increasing the number of appeals courts to reduce the backlog of commercial cases.

### **Bankruptcy**

As a member of the Organization for the Harmonization of African Business Law (OHADA), Cote d'Ivoire has both commercial and bankruptcy laws that address liquidation of business liabilities. OHADA is a regional system of uniform laws on bankruptcy, debt collection, and rules governing business transactions. OHADA permits three different types of bankruptcy liquidation: an ordered suspension of payment to permit a negotiated settlement; an ordered suspension of payment to permit restructuring of the company, similar to Chapter 11; and the complete liquidation of assets, similar to Chapter 7. Creditors' rights, irrespective of nationality, are protected equally by the Act. Bankruptcy fraud is criminalized. Monetary judgments resulting from a bankruptcy are usually paid out in local currency. Cote d'Ivoire is ranked 76 of the 189 countries for ease of resolving insolvency according to the World Bank Doing Business Report.

### **Investment Disputes**

In the past 10 years, foreign investors have had investment disputes, including one U.S. firm involved in tax and customs disputes. These disputes have often been resolved through arbitration or an amicable settlement.

### **International Arbitration**

Cote d'Ivoire is a signatory to investment agreements subject to binding international arbitration of investment disputes. Cote d'Ivoire recognizes and has been known to enforce foreign arbitral awards, but is inconsistent in this practice. Cote d'Ivoire does not have a Bilateral Investment Treaty with the United States.

The Abidjan-based regional Joint Court of Justice and Arbitration (CCJA) provides a means of solving contractual disputes. The arbitration tribunal formed in 1999 also has the ability to enforce awards more quickly, but the use of the tribunal in lieu of the court system has been limited.

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

Cote d'Ivoire is a signatory to the International Center for Settlement of Investment Disputes (ICSID) and signatory to the 1958 New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral awards.

Cote d'Ivoire's 2012 Investment Code (Article 20) requires that arbitration procedures be submitted to international arbitration under the rules outlined by the 1958 New York Convention and for the enforcement of awards under the ICSID Convention.

In cases where the firm of a national does not meet nationality conditions stipulated by Article 25 of the Convention, the code stipulates that the dispute be resolved with the provisions of the supplementary mechanisms approved by the ICSID.

#### **Duration of Dispute Resolution – Local Courts**

The timeframe for dispute resolution has recently improved under the newly established Commercial Court and commercial litigation decisions are rendered in an average of 60 days. Some dispute resolution does remain unpredictable, however, and there is no set time limit. The Commercial Court's decisions are published on the Internet in a timely manner. Some firms reported challenges to enforce court decisions to protect contractual rights.

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

#### **WTO/TRIMS**

Cote d'Ivoire has not submitted any WTO notifications of inconsistencies with its Trade-Related Investment Measures (TRIMS) commitments.

#### **Investment Incentives**

Cote d'Ivoire's 2012 Investment Code offers incentives, including tax reductions and, in some cases, exemption from VAT on equipment for private investors. Under this code, new industrial zones are planned, and investors will benefit from special tax treatment for periods ranging from 8 to 15 years, depending on the location of the investment. The code provides incentives to promote sectors that are key to the country's economic development, such as low-cost housing construction, the creation of factories, and infrastructure development. The Investment Code, the Petroleum Code, and the Mining Code delineate incentives available to new investors in Cote d'Ivoire.

#### *Research and Development*

U.S. and other foreign firms are able to participate in government-financed research and development programs.

### **Performance Requirements**

The Government generally encourages investors and firms to hire Ivoirian employees, but this not a requirement.

The 2012 Investment Code (Article 14) guarantees the freedom to designate senior management and board members.

Citizens of ECOWAS countries can legally work in Cote d'Ivoire. However, for other nationalities, visa/work and residence permits are required and the Center for the Promotion of Investment in Cote d'Ivoire (CEPICI) facilitates their acquisition. The process is not onerous and does not inhibit the mobility of foreign investors and their employees.

There are no government-imposed conditions on permission to invest including tariff and non-tariff barriers.

The government does not follow "forced localization" of domestic content in goods or technology.

There are no general performance requirements applied to investments, nor does the government or the investment authority generally place conditions on location, local content, equity ownership, import substitution, export requirements, host country employment, technology transfer, or local financing. Cellular telephone companies must meet technology and performance requirements to maintain their licenses.

### **Data Storage**

Cote d'Ivoire does not have any known requirements for foreign IT to turn over source code or provide access to surveillance.

The Telecom regulatory board (*Autorité de Regulation des Telecommunications de Cote d'Ivoire* - ARTCI) is responsible for oversight of the privacy of personal data.

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

### **Real Property**

Ivoirian civil code provides for enforcement of private property rights. In the World Bank's Doing Business report, Cote d'Ivoire is ranked 109 of 189 for registering property, which reflects the GOCI's efforts to secure rights to property. Secured interests in property are enforced by the Land Registry Office of the Ministry of Finance. The concept of mortgages and liens exist, although liens are not used. The mortgage recording system is reliable, but mortgage lending is not well developed. There is no secondary market for mortgages, although President Ouattara has publically called for the creation of a mortgage system in Cote d'Ivoire. Property and title registration systems exist in Cote d'Ivoire, but in practice are only used in urban areas. The legal system protects and facilitates the acquisition and disposition of all property rights, including land, buildings, and mortgages.

In rural areas, private individuals or entities usually cannot obtain freehold tenure because traditional property rights of villages and ethnic groups prevent the land from being sold. Land is held as a "tenancy in common" by a tribal or village head. In urban areas, land is owned individually, but it can still be difficult to obtain a free-hold deed to property even years after a closing. For that reason, most individuals and businesses tend to sign long-term leases.

Although the legal system recognizes the right to a contract for leaseholds in both urban and rural areas, in most cases traditional tribal land-owners do not have a clear understanding of property rights. Additionally, different groups often have competing claims for the same land, further complicating the issue of land ownership. Competing and unclear traditional land claims are a potential source of conflict affecting political stability and have led to violence on occasion.

Because free-hold tenure by individuals is not generally permitted in rural areas, potential borrowers often have difficulty using real estate as collateral for loans.

In August 2013, the National Assembly approved a 10-year extension of a grace period to implement a 1998 law in order to codify land transactions on rural land ownership to make it easier to obtain land title, to improve the security of ownership and resolve recurrent land conflicts in rural areas. At the same time it passed a law allowing foreign-born residents (and their descendants) living in Cote d'Ivoire since before independence to become citizens. Also, foreign nationals born in Cote d'Ivoire between 1961 and 1973 now qualify for citizenship. This law, in effect, makes thousands of immigrants (or their descendants) citizens of Cote d'Ivoire and therefore entitled to own land. Considerable questions remain surrounding implementation of the 2013 land and nationality laws and the status of the land from which thousands of Ivoirian refugees were forced during the 2011 post-election conflict. Much of that land is now occupied by squatters, many of whom are immigrants or descendants of immigrants from neighboring countries to the north of Cote d'Ivoire, especially Burkina Faso.

In Cote d'Ivoire only 4 percent of land has a clear title and the government is committed to securing the remaining portion within 10 years. The GOCI has made efforts to raise awareness on land titling throughout the country and to streamline procedures for obtaining land titles. Still, all land that is to be titled must be professionally surveyed. The surveying, which must be performed by one of the few companies allowed to execute surveys in Cote d'Ivoire, can cost more than the value of the land.

Foreign and/or nonresident investors who wish to lease land must obtain a permit for the development of the site as well as a bylaw from the prefecture or sub-prefecture for the occupation of the site.

### **Intellectual Property Rights**

The Ivoirian Civil Code protects Intellectual Property (IP) rights; however, protection of intellectual property rights in Cote d'Ivoire is weak and the GOCI has limited resources for IPR protection. While Ivoirian IP law is in conformity with standards established by the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), uneven law enforcement and the lack of custom checks at the country's porous borders limit law's impact and result in

trade of counterfeit goods. Parliament approved a law in 2013 to protect intellectual property on exported and imported goods. Customs has the power to seize products imported and equipment installed, detained, marketed or illegally supplied. Such seizures, generally of counterfeit consumer goods, are routinely publicized on GOCI websites and media outlets, although statistics on seizures are unavailable. The government is responsible for paying for the storage and destruction of the counterfeit goods.

The government's Office of Industrial Property (OIP) is charged with ensuring the protection of patents, trademarks, industrial designs, and commercial names. Patents are valid for ten years, with the possibility of two five-year extensions. Trademarks are valid for ten years and are renewable indefinitely. Copyrights are valid for 50 years. The OIP faces many challenges, including insufficient resources and a lack of support from the government for effective enforcement. Counterfeit goods, mainly from Nigeria and East and South Asia, flood the Ivorian market. Cote d'Ivoire has a law on mandatory registration of commercial names.

The Ivorian Copyright Office (BURIDA) has a labeling system in place to prevent counterfeiting and protect audio, video, literary and artistic property rights in music and computer programs. BURIDA has worked with the Ivorian music industry to undercut piracy, including holding regular programs promoting enforcement. In order to better enforce anti-piracy and counterfeit laws, BURIDA's police unit has sometimes held raids against retail outlets and street vendors to confiscate pirated CDs and DVDs and has also instituted legal proceedings against counterfeiters.

Cote d'Ivoire is not currently listed on USTR's Special 301 or Notorious Markets Reports. Cote d'Ivoire is a member of the World Intellectual Property Organization (WIPO) and is party to the Paris Convention, its 1958 revision, and the 1977 Bangui Agreement covering 16 Francophone African countries in the African Intellectual Property Organization (OAPI), which has been TRIPS compliant since 2002. Under OAPI, rights registered in one member country are valid in other member states.

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*

##### Commercial Section

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A local attorneys list is also available at: <http://abidjan.usembassy.gov/legalassistlawyer.html>

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

The government has taken steps toward encouraging a more transparent and competitive economic environment, and the IMF, World Bank, European Union, and other large donors continue to push the government to make reforms. The government aims for transparency in law and policy to foster competition and provide clear rules of the game and a level playing field for foreigners.

Proposed laws and regulations are not published in draft form and made available for public comment. However, the National Assembly debates most legislation, and the government often holds public seminars and workshops to discuss proposed plans with trade and industry associations.

Cote d'Ivoire's legal, regulatory, and accounting systems are generally transparent and consistent with international norms. It 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.

Cote d'Ivoire became EITI compliant in 2013, which demonstrates that the country has some effective processes in place for the annual disclosure and reconciliation of revenues from the oil and extractives sectors. Citizens may access information about the revenue that the country generates from oil and mining companies.

Public bids and procurements continue to raise some concern. A centralized office of public bids in the Finance Ministry was created to ensure compliance with international bidding practices by providing a neutral body to make bidding decisions in a transparent and objective fashion based on clear criteria. In addition to the Office of Public Bids, there is an Inspector General's Office and regulatory bodies for increasing transparency in the electricity and telecommunications sectors. Despite these steps, bidders continue to complain of a lack of transparency in public bids and suspicions of bid-rigging. The government sometimes chooses from among companies that have proactively contacted it about an investment opportunity rather than proceeding through a public bid process. The GOCI reported that in 2015, 30.5 percent of public funds were spent without public bidding, which is a marked increase over 22 percent in 2014.

The government came under criticism in March 2013 after a high-profile bid to build a second container terminal at the Port of Abidjan was awarded to a consortium led by the French firm Bolloré, which operates the container terminal already in existence at the Port of Abidjan.

On August 6, 2009, the government adopted a community framework for public procurement by incorporating WAEMU directives 4 and 5 into bidding processes and auditing, as well as into the regulation of public procurement within the union. This new public procurement code aimed to harmonize public procurement policy and comply with WAEMU integration objectives. Changes include the separation of auditing and regulating functions, the transformation from a national to a regional system of procurement for intellectual services, and an increase from 25 to 30 percent of advance payment for the startup of procurement of goods and services. The National Regulatory Authority for Public Procurement regulates public procurement with a view to improve governance and



transparency. It may sanction entities which do not comply with public procurement regulations.

Substantial regulatory reforms have been made in the cocoa, coffee, cotton, and cashew sectors. From 1999–2008, several private and public institutions with producer, industry, and government representation were tasked with controlling and regulating these sectors. These groups were neither efficient nor transparent and were accused of mismanagement. In November 2011, the government approved a cocoa reform plan with a new regulatory and legal framework and a new marketing mechanism. Under the new plan, a single regulatory and stabilization body, the Cocoa and Coffee Council, was created to oversee the industry. Similarly, the GOCl set up a Cotton and Cashew Council, a regulatory board seeking to better develop these two commodities and to provide increased revenues for the farmers, in October 2013. Despite the creation of the Cocoa and Coffee Council, cocoa companies regularly report to the Embassy that the cocoa industry lacks transparency. Regulations and taxes appear to be arbitrarily imposed and the issuance of export licenses is opaque.

Ivoirian tax policy is sometimes muddled, confusing, and arbitrary. The Ministry of Economy and Finance has at times changed tax regimes via ministerial decree, rather than working through the Council of Ministers and the National Assembly. The government sometimes levies large tax bills, which companies allege have little basis in law or standard accounting practices, and then the tax authority proceeds to negotiate a lower bill with the company.

There are no informal regulatory processes managed by non-governmental organizations.

Cote d'Ivoire 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.

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

Government policies generally encourage the free flow of capital and financial resources. There is the Regional Stock Exchange (BRVM) for trading equity securities. An effective regulatory system exists to facilitate portfolio investment through the West African Central Bank (*Banque Central des Etats de l'Afrique de l'Ouest* – BCEAO) and the Regional Council for Savings Investments (*Conseil Regional de l'Epargne Publique et des Marchés Financiers* – CREPMF).

Capital market and portfolio investments are gradually evolving with the growing economic activity. Liquidity in the market has been reinforced with increased deposits. The BCEAO respects IMF Article VIII on payment and transfers for current international transactions. The government plans to strengthen the public banking sector to deepen financial intermediation and facilitate private sector access to credit.

Cote d'Ivoire's commercial banking sector is generally sound, but publicly-owned banks pose potential systemic risks to the financial system, as loan quality, solvency and profitability have deteriorated in recent years due to mismanagement and lack of oversight. To address these issues, restructuring and privatization of public banks by the GOCl is ongoing (See more

on the state-owned banks under the “Competition from State-Owned Enterprises” section below).

Banks are expanding their networks especially in the secondary cities outside Abidjan as domestic investment has increased upcountry. The total number of bank branches has increased from 281 in 2008 to 598 branches in 2015. Credit allocation has increased to support the private sector and economic growth, specifically for large businesses. Banks have restarted lending to small businesses, offering short-term and long-term loans, and overdraft facilities. Foreign investors can acquire credit on the local market. Banks generally make lending and investment decisions based on the availability of collateral, making it difficult for some businesses, especially small ones, to access credit for expansion.

### **Money and Banking System, Hostile Takeovers**

Cote d’Ivoire has taken measures to improve the soundness of the banking system by implementing a plan to restructure or privatize the public banks and restructure microfinance institutions by reinforcing oversight and withdrawing licenses for businesses that ceased operations. Cote d’Ivoire is over-banked and the GOCI recognizes that consolidation will be the way forward.

According to the central bank, BCEAO, as of December 31, 2014, the most recent information available, the following Ivoirian banks had \$20 million or more in total assets (figures have been converted from CFA to USD at an exchange rate of 601 CFA to USD 1):

- *Banque Nationale d’Investissement* (BNI): \$41.0 million
- *Banque Internationale pour le Commerce et l’Industrie de la Cote d’Ivoire*: \$33.3 million
- *Société Générale de Banques en Cote d’Ivoire*: \$31.1 million
- Standard Chartered Bank – Cote d’Ivoire: \$20.6 million
- *Banque Internationale pour l’Afrique Occidentale*: \$20.0 million

At the end of 2014, total assets of the 25 banks and one credit institution doing business in Cote d’Ivoire were CFA 6.6 trillion (about \$11 billion), representing an increase of 21 percent from 2013 figures.

Government and private bonds are available for purchase by individuals or companies. During the 2010-2011 post-electoral crisis, regular auctions of Ivoirian treasury securities were no longer possible. To limit the impact on the regional banking system, the BCEAO agreed to roll over maturing Ivoirian T-bills. The government recently reached an agreement with banks concerning its stock of short-term securities, and Cote d’Ivoire has been able to return to the regional market with longer-term securities. In July 2014, the government issued a \$500 million Eurobond on the international capital market to test the government’s credit worthiness, and to help fund the 2014 budget and the country’s \$49 billion National Development Plan. The government issued another \$1 billion Eurobond in 2015. The government has also recently raised funds in the WAEMU market, mainly to repay some of its domestic debt. An important part of the IMF’s Extended Credit Facility (ECF) with Cote d’Ivoire was related to financial sector reforms, including decreasing domestic debt. Cote d’Ivoire “graduated” from the ECF in December, but is pursuing a follow-on program in the form of a Standby Credit Facility

(SCF) or a Policy Support Instrument (PSI). The country's new IMF program will likely continue to promote financial sector reforms.

The Regional Stock Market (BVRM) returned to Abidjan in 2011, after temporarily relocating as a result of the post-electoral crisis. Dominated by Ivoirian and Senegalese firms, the BVRM has a market capitalization of approximately \$15 billion with 39 companies listed. The Regional Council for Savings Investments regulates the WAEMU securities exchange market.

Ivoirian accounting systems are well-developed and approach international norms. A WAEMU-wide accounting system-SYSCOA, under which all member countries follow the same accounting rules, is accepted and used in all member states.

The CFA exchange rate is pegged to the euro at 655.957 CFA to one euro and guaranteed by the French Treasury. Consequently, the CFA/USD rate fluctuates in tandem with the euro/USD rate.

There is no evidence of "cross shareholding" and "stable shareholders" to restrict foreign investment through mergers and acquisitions in Cote d'Ivoire.

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

Companies owned or controlled by the state are subject to the laws and tax code. The Ivoirian government still holds substantial interests in many firms, including the refinery SIR (49 percent), the public transport firm (60 percent), the national television, RTI (98 percent), the national lottery (80 percent), and the land management agency, AGEF (35 percent). The list of all SOEs is not available on the government's website. The government has begun the process of divestiture for some state-owned enterprises (SOEs) and had targeted 15 for sale during 2015, but the program was not been completed. Cote d'Ivoire was the first country in sub-Saharan Africa to privatize the energy sector in the 1980s and it continues to push toward privatization in other sectors. Although it controls no outright monopolies, the Ivoirian Government is still an active participant in some economic sectors, such as banking, agribusiness, mining, and the telecom industry. Since 2014, the Government has planned to restructure and privatize five public banks. The privatization of the *Societe Ivoirienne de Banque* (SIB) and the *Banque Internationale pour l'Afrique Occidentale* (BIAO) renamed as NSIA bank are completed. The agriculture bank, BFA was liquidated and the privatizations of the *Banque de l'Habitat de Cote d'Ivoire - BHCI* and *Versus Bank* are ongoing. The national investment bank (*Banque Nationale d'Investissement--BNI*) is 100 percent state-owned and competes with private banks.

There are no current plans to privatize BNI because it is a leading development bank in Cote d'Ivoire. The government decided to restructure the national savings bank (*Caisse Nationale des Caisses d'Epargne -- CNCE*) that has the largest Ivoirian banking network with about 2 million clients and branches in remote rural areas where other banks have declined to provide banking services.

In the mining sector, the government still holds a 25-percent stake in *Societe des Mines d'Ity* (SMI), while the Canadian-based firm *La Mancha* owns a 45.9 percent interest in the *Ity* mine—a gold mine located in western Cote d'Ivoire that has produced more than 1 million ounces of gold since its commissioning in 1991.

Cote d'Ivoire plans to sell 28 percent of its 48.47 percent stake in Cote d'Ivoire Telecom, which is owned by Orange, a French telecommunications company.

There are no laws or rules that offer preferential treatment to SOEs. They are subject to the tax burdens and policies as the private sector, and subject to budget constraints.

Cote d'Ivoire is not party to the Government Procurement Agreement (GPA) within the framework of the World Trade Organization (WTO).

### **OECD Guidelines on Corporate Governance of SOEs**

The Corporate Governance of the SOEs in Cote d'Ivoire is not up to the standards of the OECD, but the government has made some efforts to improve it. For example, private and public enterprises compete under the same terms and conditions, and there is no state monopoly in any of these sectors. Senior management of SOEs may report to a ministry or board of directors, whose seats are allocated to senior government officials, political leaders, representatives of civil society and other public entities. SOEs are required by law to publish annual reports, hold regular meetings of the board of directors and have financial statements reviewed by certified accountants and private auditors. The courts independently process disputes between SOEs and private firms or organizations.

### **Sovereign Wealth Funds**

At the time of writing, Cote d'Ivoire does not have a sovereign wealth fund.

## **10. Responsible Business Conduct**

The private sector, the government, NGOs, and local communities are becoming progressively aware of the importance of Responsible Business Conduct (RBC) regarding environmental, social and governance issues in Cote d'Ivoire. Companies report that they are pressured to finance pet projects of various ministers and other GOCl officials under the guise of RBC.

Investment projects in energy, infrastructure, agriculture, forestry, waste management and extractive industries are required by decree to provide an environmental impact study prior to approval. Foreign businesses, particularly in mining, petroleum, and the cocoa industries do often provide social infrastructure, including schools and health care clinics to communities close to their sites of operation, sometimes at the request of the Government of Cote d'Ivoire.

Cocoa companies have actively supported programs to improve sustainability in the sector and are working to combat the worst forms of child labor. This activity has increased since 2011 with the government's focus on eliminating child labor and supporting cocoa producers and their families. Mars, Cargill, Hershey's, and other U.S. firms have been at the forefront of these efforts, often in coordination with the Ivoirian Government (particularly the First Lady's Office) and the World Cocoa Foundation (WCF).

Again, as part the public procurement reform, the Ministry of Budget plans to include social needs in public procurement contracts to support job creation, fair trade, decent working conditions, social inclusion and compliance with social standards. On the environmental side, the main reforms include the selection of goods and services, such as ecofriendly

computers, low energy buildings, and recycled paper that have a lower footprint on the environment.

Companies are not required under Ivoirian law to disclose information relating to RBC, although many companies, especially in the cocoa sector, do publicize work they have done in these areas on their websites.

While international firms are aware of OECD guidelines and international best practices in RBC, most local firms have limited familiarity with international standards.

Cote d'Ivoire is EITI compliant and discloses revenues and payments in the oil, gas and mineral sector. More information can be found at: [www.cnitie.ci/](http://www.cnitie.ci/)

## **11. Political Violence**

The GOCI peacefully conducted the 2015 presidential election and legislative elections are scheduled for late 2016. At the time of writing, there are no signs that potential political violence will occur during the upcoming legislative elections.

Cote d'Ivoire's security situation has significantly improved since the 2010-2011 post-electoral crisis, although some security incidents, linked to supporters of the former Gbagbo regime, have occurred, mostly in western Cote d'Ivoire. These incidents have not threatened the stability of the Ouattara administration. International organizations have alleged that government crackdowns following incidents of violence have sometimes resulted in violations of human rights. Gbagbo was captured in 2011 and faces trial in The Hague, before the International Criminal Court (ICC).

There is a perception that the Government is unable or unwilling to prosecute Ouattara supporters for crimes committed during the 2011 post-electoral violence, while numerous Gbagbo supporters remained imprisoned or were recently tried for their crimes. In an effort to jumpstart reconciliation and political dialogue, the Government has released several Gbagbo supporters from prison at various times, including some senior leaders of the opposition. In March 2015, former First Lady Simone Gbagbo was sentenced to 20 years in prison for "undermining state security" during the 2011 post-electoral crisis.

The political dialogue between the pro-Gbagbo opposition and the government continues sporadically, however reconciliation has proven to be difficult. Major challenges the Government must still address to maintain political stability include security sector reform, national reconciliation, and equitable non-partisan justice for all those accused of crimes during the 2011 post-election violence. Additionally, an update of the electoral code and voters' list are both necessary to protect the country from political violence during the election period. Politically motivated demonstrations and strikes by workers' unions in the education and transport sectors have occurred. In late 2014, thousands of soldiers went on strike protesting back-pay by blocking roads to major cities. The government took quick measures to appease their demands and prevented a further occurrence during 2015.

## **12. Corruption**

President Ouattara has urged his government to fight against corruption and improve transparency and good governance. In 2013, the High Authority of Good Governance

instituted a requirement that all public officials submit asset declarations. This operation is ongoing and as of April 17, 2016, 89.36 percent of 4,684 members of government and government-funded institutions had submitted asset declarations. It is not yet clear how those declarations will be reviewed or monitored or if penalties for non-compliance will be imposed.

Corruption in many forms is deeply engrained in public and private sector practices and remains a serious impediment to investment and economic growth in Cote d'Ivoire. Many companies cite corruption as the major obstacle to investment in Cote d'Ivoire. It has the greatest impact on judicial proceedings, contract awards, customs, and tax issues. Businesses have reported encountering corruption at every level of the civil service and with some judges who have based their decisions on bribes. Obtaining an official stamp or copy of a birth or death certificate, or an automobile title, often requires payment of a supplemental "commission." If the commission is refused, the application is not processed. Clearance of goods at the ports can often require substantial "commissions" and the Embassy has heard anecdotal accounts of customs agents rescinding valuations that were declared by other customs colleagues in an effort to extract bribes from customers. Containers can stay at the Port of Abidjan for months, incurring substantial demurrage charges because of corruption within Customs.

There are domestic laws and regulations to combat corruption, but they are not effectively enforced. Penalties can range from incarceration to payment of civil fines. Government employees can be convicted of either passive or active corruption or bribery in the performance of their duties. The law also provides for punishment of government employees who benefit directly or indirectly from private or state-owned companies related to contracts, markets or financial payment under their purview. Company managers who are complicit in acts of corruption are treated as accomplices. A local company may not deduct a bribe to a foreign official from taxes. Under the Ivorian Penal Code, a bribe by a local company to a foreign official is a criminal act. Cote d'Ivoire ratified the UN Anti-Corruption Convention in November 2011; however, the country is not a signatory to the OECD Convention on Combating Bribery.

Despite the government's effort, corruption still remains a problem. Racketeering by some elements of the security forces continues. Transport companies are particularly hard hit, and trucks moving cargo from the western agricultural belt to Abidjan and between Abidjan and other regions of Cote d'Ivoire pay between \$100 and \$400 per trip as they pass various checkpoints, depending on the cargo. The government has been working to reduce illegal checkpoints, and in 2011 authorized only 33 legal checkpoints in the entire country as part of an anti-racketeering campaign. Still, some checkpoints remain visible in the interior of the country. The gendarmerie has established a new anti-corruption force which has led to a substantial reduction in police check points on major roadways, although bribery at checkpoints, official and unofficial, remains a significant problem that slows transport and greatly increases the costs of goods and services.

In 2012, the Interior Ministry, with World Bank funding, established the Anti-Racketeering Unit (ULCR) within the National Police. However, the unit was never adequately funded in the budget and has not made much progress in addressing racketeering. The government

launched an anti-racketeering hotline, but resources to investigate claims of racketeering are insufficient.

There are several governmental entities in charge of fighting corruption, including the General Secretariat in Charge of Good Governance and Capacity Building, the Board of State General Inspectors, the Finance Ministry's Inspector General's Office, and the High Authority for Good Governance, but these entities are underfunded have yet to reduce effectively the extent of the corruption problem. Transparency International's "Corruption Perception Index" ranks Cote d'Ivoire 107 of 168 countries.

In June 2013, the government's National Committee for the Millennium Challenge Corporation initiated a billboard and television awareness campaign to educate Ivoirians on the dangers of corruption. At the same time, it held various workshops to discuss the causes of and solutions to the corruption problem. Effective on September 2013, an ordinance was adopted on the prevention and the fight against corruption.

The country's financial intelligence unit (*Cellule Nationale de Traitement des Informations Financières* – CENTIF) was established in December 2007, and is responsible for investigating money laundering and terrorist financing. CENTIF has broad authority to investigate suspicious financial transactions, including those of government officials.

#### **UN Anticorruption Convention, OECD Convention on Combatting Bribery**

Cote d'Ivoire ratified the UN Anti-Corruption Convention in November 2011; however, the country is not a signatory to the OECD Convention on Combating Bribery.

#### *Resources to Report Corruption*

Inspector General of Finance  
(*Brigade de Lutte Contre la Corruption*)  
NAME: Lassina Sylla  
TITLE: Inspector General  
TELEPHONE: +225 2252 9797  
FAX: +225 2252 9798  
HOTLINE: +225 8000 0380  
WEBSITE: <http://www.igf.finances.gouv.ci/blc/>

High Authority for Good Governance  
(*Haute Autorité pour la Bonne Gouvernance*)  
NAME: Seydou Diarra  
TITLE: President  
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FAX: +225 2247 8261

Police anti-Racketeering Unit  
(*Unité de Lutte Contre le Racket --ULCR*)  
NAME: Alain Oura  
TITLE: Unit Commander  
TELEPHONE: +225 2244 9256  
EMAIL: [info@ulcr.ci](mailto:info@ulcr.ci)

### 13. Bilateral Investment Agreements

#### Bilateral Taxation Treaties

There is no bilateral investment treaty between Cote d'Ivoire and the United States currently in force.

Cote d'Ivoire has signed Bilateral Investment Treaties (BITs) with the following 12 countries: Belgium, Luxembourg, EU, Canada, China, Germany, Ghana, Italy, Netherlands, Singapore, Sweden, Switzerland, Tunisia, and United Kingdom. Cote d'Ivoire has concluded tax treaties with France, Belgium, Canada, Germany, Switzerland, Norway, and Italy.

Cote d'Ivoire does not have a bilateral taxation treaty with the United States.

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

Created in 2008, the free trade zone for information technology and biotechnology (VITIB) is located in the city of Grand Bassam. During the crisis, VITIB was mostly closed, and is now just beginning to restart operations. In January 2014, VITIB inaugurated the Mahatma Gandhi technology park at Grand Bassam with a loan of \$20 million from India's EXIM bank. Current plans are to develop a technology corridor on VITIB land in Grand Bassam. There are no other free trade zones in Cote d'Ivoire.

Bonded warehouses do exist, and bonded zones within factories are allowed. High port costs and maritime freight rates have inhibited the development of in-bond manufacturing or processing, and there are consequently no general foreign trade zones.

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

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

	Host Country Statistical source		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	\$34,253	2015	\$34,253	<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	2014	\$134	<a href="http://bea.gov/international/direct_investment">http://bea.gov/international/direct_investment</a>



					<a href="#">multinational_companies_comprehensive_data.htm</a>
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	2014	\$-3	<a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
Total inbound stock of FDI as % host GDP	N/A	N/A	2014	-0.39	N/A

Table 3: Sources and Destination of FDI

Information not available.

Table 4: Sources of Portfolio Investment

Information not available.

## 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 system based on the French civil code; judicial review in the Constitutional Chamber of the Supreme Court

### International organization participation:

ACP, AfDB, AU, ECOWAS, EITI (candidate country), Entente, FAO, FZ, G-24, G-77, IAEA, IBRD, ICAO, ICC, ICRM, IDA, IDB, IFAD, IFC, IFRC, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, NAM, OIC, OIF, OPCW, UN, UNCTAD, UNESCO, UNHCR, UNIDO, Union Latina, UNWTO, UPU, WADB (regional), WAEMU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

## Section 6 - Tax

### Exchange control

Information not available

### Treaty and non-treaty withholding tax rates

Côte d'Ivoire has double taxation treaties (based on the OECD model treaty) in force with France, Belgium, Germany, Great Britain, Norway, Canada, Italy, and in Africa with Benin, Burkina Faso, Congo, the Central African Republic, Gabon, Mauritius, Mali, Mauritania, Niger, Rwanda, Senegal and Togo. These treaties relate to both personal and corporate income taxes.

## 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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