

# South Sudan

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RISK & COMPLIANCE REPORT

DATE: March 2018

<b>Executive Summary - South Sudan</b>	
<b>Sanctions:</b>	EU, US and UN Arms embargo and asset freezes against targeted individuals
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	<p>Compliance with FATF 40 + 9 Recommendations</p> <p>Weakness in Government Legislation to combat Money Laundering</p> <p>Not on EU White list equivalent jurisdictions</p> <p>Corruption Index (Transparency International &amp; W.G.I.))</p> <p>World Governance Indicators (Average Score)</p> <p>Failed States Index (Political Issues)(Average Score)</p>
<p><b>Major Investment Areas:</b></p> <p><b>Agriculture - products:</b></p> <p>sorghum, maize, rice, millet, wheat, gum arabic, sugarcane, mangoes, papayas, bananas, sweet potatoes, sunflower, cotton, sesame, cassava (manioc), beans, peanuts; cattle, sheep</p>	
<p><b>Investment Restrictions:</b></p> <p>Foreign investors may own or control business organizations in any sector; however, South Sudan’s Investment Authority Board of Directors is authorized to publish periodically a list limiting the sectors in which non-South Sudanese nationals are permitted to invest.</p> <p>Foreign and domestic private entities have the right to establish and own business enterprises and engage in all forms of remunerative activity, as well as freely to establish, acquire and dispose of interests in business enterprises. South Sudanese businesses are given priority in several areas, including micro-enterprises, postal services, car hire and taxi operations, public relations, retail, security services, and the cooperative services. Under the investment law, the government of South Sudan leases land to foreign investors for limited periods of time, generally not to exceed 30-60 years, with the possibility of renewal.</p>	

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## Section 1 - Background

Egypt attempted to colonize the region of southern Sudan by establishing the province of Equatoria in the 1870s. Islamic Mahdist revolutionaries overran the region in 1885, but in 1898 a British force was able to overthrow the Mahdist regime. An Anglo-Egyptian Sudan was established the following year with Equatoria being the southernmost of its eight provinces. The isolated region was largely left to itself over the following decades, but Christian missionaries converted much of the population and facilitated the spread of English. When Sudan gained its independence in 1956, it was with the understanding that the southerners would be able to participate fully in the political system. When the Arab Khartoum government reneged on its promises, a mutiny began that led to two prolonged periods of conflict (1955-1972 and 1983-2005) in which perhaps 2.5 million people died - mostly civilians - due to starvation and drought. Ongoing peace talks finally resulted in a Comprehensive Peace Agreement, signed in January 2005. As part of this agreement the south was granted a six-year period of autonomy to be followed by a referendum on final status. The result of this referendum, held in January 2011, was a vote of 98% in favor of secession. Independence was attained on 9 July 2011. Since independence South Sudan has struggled with good governance and nation building and has attempted to control rebel militia groups operating in its territory. Economic conditions have deteriorated since January 2012 when the government decided to shut down oil production following bilateral disagreements with Sudan.



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

### FATF status

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

### Compliance with FATF Recommendations

South Sudan has not yet undertaken a Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards.

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

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

Key Findings from the report are as follows: -

#### Perceived Risks:

South Sudan borders a number of jurisdictions in various states of conflict or lacking strong authorities. South Sudan continues to deal with an intra-party conflict amongst political elites, which broke out in December 2013, and developed into an internal civil war. Although the government and diverse opposition forces concluded a peace agreement in August 2015, fighting has continued in various parts of the country. The effects of the conflict on the economy will be evident for some time.

While the Republic of South Sudan had begun to develop prior to the outbreak of civil conflict, much remains to be accomplished in this fledgling state. The country has a cash-based economy, with a small, poorly developed financial system. Corruption and the flow of illicit funds; the offshoring of assets by elites; large-scale abuse and mismanagement of the extractives industry, particularly oil; financial and trade-based fraud; the convergence of licit and illicit systems; disguised beneficial ownership; and regulatory evasion have all combined to create a kleptocratic governing system. Lacking an AML/CFT regime and possessing long, porous borders, South Sudan is vulnerable to exploitation by criminals of every type, including those seeking overland routes for bulk cash smuggling, those financing terrorist activities, and those wishing to perpetrate other forms of financial crime. Reports of money laundering by Somali nationals through foreign exchange bureaus in South Sudan are persistent, though unconfirmed.

The UN, EU, and United States have imposed travel restrictions and asset freezes against six members of the government and former opposition militaries for actions that were found to undermine the peace, stability, or security of South Sudan or threaten or impede the cessation of hostilities.

**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:** List approach

**Are legal persons covered: criminally:** YES **civilly:** NO

**KNOW-YOUR-CUSTOMER (KYC) RULES:**

**Enhanced due diligence procedures for PEPs: Foreign:** NO **Domestic:** NO

**KYC covered entities:** Banks; cash dealers; accountants; dealers in precious metals and stones; regulators; customs officers; attorneys, notaries, and other independent legal professionals; and real estate agents

**REPORTING REQUIREMENTS:**

**Number of STRs received and time frame:** Not available

**Number of CTRs received and time frame:** Not applicable

**STR covered entities:** Banks; cash dealers; accountants, real estate agents; dealers in precious metals and stones; regulators; customs officers; attorneys, notaries, and other independent legal professionals

**MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:**

**Prosecutions:** 0 in 2014

**Convictions:** 0 in 2014

**RECORDS EXCHANGE MECHANISM:**

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

**With other governments/jurisdictions:** NO

South Sudan is not a member of a FATF-style regional body (FSRB).

**ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:**

South Sudan does not yet have sufficient laws, regulations, or enforcement capacity in place to address financial crime. Although the Republic of South Sudan criminalized money laundering in March 2012, no enabling regulations or steps toward implementation have been put in place. The 2012 law contains suspicious transaction reporting (STR) and KYC provisions; however, no such programs have been implemented. South Sudan’s work to address capacity issues generally, including anti-corruption initiatives, has largely ceased due to donor pull-back related to the conflict. Money laundering and terrorism financing, which had only recently been part of the government’s agenda, have not moved forward. On January 23, 2015, the Government of South Sudan became a party to the United Nations Convention against Corruption.

Despite the criminalization of money laundering, no dedicated law enforcement mechanisms exist with sufficient capacity and the will to combat financial crime in general. A segment of the South Sudanese security forces has been tentatively identified to investigate financial crimes, but lacks staff and training in financial investigations and law enforcement procedures. The judiciary is significantly understaffed and continues to transition, adopting a common law system and harmonizing its legal system with customary law. There are no courts or prosecutors currently assigned to work specifically on financial crimes. The South Sudan Anti-Corruption Commission (SSACC), which is an autonomous and impartial body, has a mandate to investigate cases of corruption with a view to protecting public property and combating administrative malpractices in public institutions. However, the SSACC lacks capacity and the resources to conduct investigations and does not have authority to prosecute misconduct.

### Money Laundering and Financial Crimes

In December 2015, the Bank of South Sudan unpegged the South Sudanese pound from the dollar and allowed it to float. While this decision closed the gap between the official and parallel exchange rates, it did not eliminate it, and continuing foreign exchange shortages mean that access to foreign currency for the typical small business operator is primarily through the black market at the parallel market exchange rate, which in turn translates to the prices of imported goods being based on that rate. Similarly, the majority of the population requiring foreign currency must resort to the black market. The owners and management of banks and forex bureaus have benefitted from the parallel market. Reportedly, government officials are the biggest beneficiaries of this inefficient system. The majority of the available foreign currency has been allocated by the government to selected private sector importers to operate under Letters of Credit by which the companies are allowed to purchase foreign currency for their planned import of essential goods (mainly fuel, food, and medication). A not-yet-published report by the National Audit Chamber on the Letters of Credit system examined the period of time from 2012 – 2015 and revealed widespread fraud, corruption, and abuse. The audit concludes that nearly \$1 billion may have been scammed, the result of a system easy to manipulate, suffering from weak oversight, and lacking administrative coordination and discipline.

The Government of South Sudan should solicit AML/CFT-related technical assistance from international donors, subject itself to a mutual evaluation, and seek membership in an FSRB. The culture of corruption that permeates all levels of commerce and government should be addressed.

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

According to the US State Department, South Sudan does not conform with regard to any government legislation required to combat money laundering.

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

South Sudan 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**

South Sudan is not considered to be an Offshore Financial Centre

### US State Dept Trafficking in Persons Report 2014:

South Sudan is classified a Tier 3 country - a country whose government does not fully comply with the minimum standards and is not making significant efforts to do so.

South Sudan is a source and destination country for men, women, and children subjected to forced labor and sex trafficking. South Sudanese women and girls, particularly those from rural areas or who are internally displaced, are vulnerable to domestic servitude in Yei, Bor, Wau, Torit, Nimule, Juba, and elsewhere in the country. Some of these women and girls are sexually abused by male occupants of the household or forced to engage in commercial sex acts. South Sudanese girls, some as young as 10 years old, are subjected to sex trafficking in restaurants, hotels, and brothels in urban centers—at times with the involvement of corrupt law enforcement officials. Child sex trafficking remains a problem. Children working in construction, market vending, shoe shining, car washing, rock breaking, brick making, delivery cart pulling, and begging may be victims of forced labor. Girls as young as 9 years old in Eastern Equatoria are forced into marriages, at times as compensation for inter-clan killings; some may have been subsequently subjected to sexual slavery or domestic servitude. Women and girls from Uganda, Kenya, Ethiopia, Eritrea, and Democratic Republic of the Congo migrate willingly to South Sudan with the promise of legitimate work and are subjected to sex trafficking. South Sudanese and foreign business owners entice men and women from these countries, as well as South Sudanese women and children, with offers of employment in hotels, restaurants, and construction; many are forced to work for little or no pay or are subjected to sex trafficking. Kenyan and Ugandan children are subjected to domestic servitude and forced labor in construction and street vending in South Sudan. Local civil society organizations reported instances of trafficking continued to increase during the reporting period, which predominantly affected South Sudanese victims as general insecurity and the fast deterioration of the economy led more foreigners to flee the country. Some traffickers may operate in organized networks within the country and across borders. Authorities occasionally assisted traffickers in crossing international borders, and some officials subjected women and girls to domestic servitude; others purchased sex from child trafficking victims, facilitated child sex trafficking, or protected establishments that exploited victims in the sex trade.

Violent conflict continued throughout the year, increasing the number of internally displaced people to nearly 1.7 million and the number of refugees to nearly 830,000. These groups, including orphaned children, were at increased risk of trafficking. The UN Mission in South Sudan (UNMISS) estimated 20,000 unaccompanied minors in refugee camps or moving between camps, particularly while crossing the Kenya-South Sudan and Democratic Republic of the Congo-South Sudan border, were vulnerable to recruitment as child soldiers or abduction for sex or labor trafficking. Inter-ethnic abductions, as well as abductions by external criminal elements, continued between some communities in South Sudan, especially in Jonglei, Unity, and Upper Nile states. In Warrap, Northern Bahr el-Ghazal, and Lakes states abduction was also widespread. Some abductees were subsequently subjected to domestic servitude, forced labor in animal herding, or sex trafficking. South Sudanese girls were reportedly abducted from Northern Bahr el-Ghazal State and taken into Sudan, where they may have been forced into domestic servitude or other forms of slavery, as in previous years.

During the North-South civil war, members of the Missiriya and Rizeigat ethnic groups abducted and enslaved thousands of Dinka women and children and a smaller number of Nuban children. Some of those enslaved remained in Sudan with their captors. According to the Agreement on the Resolution of the Conflict in South Sudan, signed by the warring parties in August 2015, the Sudan People's Liberation Army (SPLA) and the SPLA in Opposition (SPLA-IO) committed to the immediate and unconditional release of child soldiers under their command or influence, to be carried out by UNICEF and International Committee of the Red Cross (ICRC). Also in December 2015, both SPLA and SPLA-IO signed or recommitted to action plans with the UN for demobilization of child soldiers and reintegration. However, throughout the reporting period both groups continued to retain and recruit child soldiers, at times by force. SPLA, as well as armed opposition groups in South Sudan, recruited an unknown number of child soldiers, often by force, during the reporting period. Since the start of the conflict in December 2013, the UN estimates warring parties have recruited between 15,000-16,000 child soldiers, most between 15 and 16 years old, but some as young as 9 years old. Multiple sources reported widespread use of children by SPLA and government-allied groups, including on the front-line. An NGO research report released in December 2015, which included interviews with 101 child soldiers, reported one-third of the boys were forcibly and violently recruited: SPLA and opposition groups recruited boys at gunpoint, arrested and detained them until they agreed to fight, or abducted them and gave them a gun, forcing them to fight on the front lines. Boys were seen in military uniforms manning checkpoints and acting as bodyguards for military commanders. In July in Western Bahr el-Ghazal State, observers reported a deployment to an undetermined location of approximately 400 children associated with SPLA; the children were observed being airlifted from Wau airport. In Unity State, SPLA abducted and forcibly recruited large numbers of children who were used as combatants and porters from the start of its offensive in April continuing for several months after. SPLA continued to force girls to marry soldiers; these girls experienced systematic rape tantamount to sexual slavery.

During the reporting period, the UN, in partnership with the National Disarmament, Demobilization, and Reintegration (DDR) Commission, continued the demobilization and reintegration of 1,755 child soldiers released by David Yau Yau, the former militia commander of the South Sudan Democratic Movement/Army's Cobra Faction (SSDM/A-CF), who had approximately 3,000 children under his command when SPLA began to integrate his forces in 2014; integration was ongoing during the reporting period. SPLA agreed on the full integration of Yau Yau and his soldiers on the condition that all child soldiers under his command be demobilized prior to integration; however, approximately 1,200 children remained within the forces previously associated to Yau Yau, now under SPLA during the reporting period. Furthermore, SPLA continued to recruit child soldiers despite the DDR program to release all children associated with the SSDM/A-CF as it integrated with SPLA. In Jonglei State, observers reported 14 boys in military uniform associated with Yau Yau and reported the re-recruitment of seven other boys, separated earlier in 2015, by these integrated forces within SPLA. SPLA-North (SPLM/A-N), a Sudan-based group formerly aligned with SPLA and reportedly continuing to receive support from the South Sudanese government, conducted periodic campaigns in which it forcibly recruited adults and children in refugee sites in South Sudanese territory, including in Yida, Unity State and Maban, Upper Nile State. SPLM/A-N reportedly used child soldiers in Southern Kordofan and Blue Nile states in Sudan to fight against the Sudan Armed Forces and aligned militias. The Lord's Resistance Army (LRA) continued to harbor enslaved South Sudanese children in neighboring countries and exploited them as cooks, porters, combatants, and for sexual slavery.

Child soldiers were also present in large numbers within the SPLA-IO, primarily in the White Army and within groups affiliated with the opposition. In Upper Nile state, recruitment campaigns by elements allied to SPLA-IO continued to take place; observers reported 152 boys were recruited between April and June 2015. During the reporting period, reports also indicated boys were abducted from their houses and schools to fight with the insurgent Arrow Boys—self-defense groups in Western Equatoria originally established to defend communities against the LRA but newly mobilized following mostly ethnic skirmishes between local agriculturalists and Dinka pastoralists supported by fellow Dinkas in SPLA; observers reported local children stopped attending school for fear of abduction. UNMISS received reports that Arrow Boys also recruited child soldiers in refugee camps across the border in the Democratic Republic of the Congo.

The Government of the Republic of South Sudan does not fully meet the minimum standards for the elimination of trafficking and is not making significant efforts to do so. Although the government committed to an action plan for the immediate and unconditional release of child soldiers under its command or influence, the government failed to uphold the agreement and implement this plan during the reporting period, as it continued to recruit, often by force, child soldiers. It failed to hold SPLA officers criminally accountable for these unlawful actions and did not investigate or prosecute other trafficking crimes or train law enforcement officials, who possessed little or no awareness of existing laws prohibiting human trafficking. The government did not provide adequate protective services for trafficking victims and continued to indiscriminately arrest and imprison individuals for prostitution, including child sex trafficking victims.

### **US State Dept Terrorism Report 2013**

Overview: At the end of 2013, fighting broke out between rival political factions in South Sudan, resulting in the death of thousands and displacement of hundreds of thousands of people. Prior to the crisis, South Sudan expressed a commitment to countering terrorism, but suffered from multiple institutional weaknesses that impeded any counterterrorism efforts. The Lord's Resistance Army (LRA) remained a threat for communities in Western Equatoria and Western Bahr-el-Ghazal states, and new LRA attacks were reported in late 2013. South Sudan contributed to the AU Regional Task Force (AU-RTF) against the LRA, but many of its forces were redeployed at the end of 2013 in response to the political crisis.

Legislation, Law Enforcement, and Border Security: While dealing with multiple crises, South Sudan continued to have limited capacity to provide effective law enforcement and border security with respect to counterterrorism. Additionally, the border with Sudan remained disputed in several locations.

Countering the Financing of Terrorism: South Sudan is not a member of a Financial Action Task Force-style regional body. In August, South Sudan passed anti-money laundering/combating the financing of terrorism legislation. The country's capabilities to implement or enforce the law remained limited.

### UN Sanctions

#### Arms

The UN has imposed an arms embargo against South Sudan and there are asset freezes in place against certain individuals.

### UN Sanctions

### EU Sanctions

On 19 July 2011, the European Council imposed [Council Decision 2011/423/CFSP](#) which imposed sanctions on the new state of South Sudan (as well as concerning sanctions on Sudan. This Decision is published in the Official Journal of the European Union (L188 , 19.7.2011, p20).

The EU have subsequently issued implementing legislation in the form of [Council Regulation \(EU\) No 1215/2011](#) which came into force on 25 November 2011.

### US Sanctions

For further information - [Fact Sheet Regarding Activities in the Republic of South Sudan](#)

## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	12
World Governance Indicator – Control of Corruption	2

Corruption is widespread in South Sudan and businesses operating or planning to invest in the country should beware of these risks. Bribery is widespread in all sectors of the economy and close relations between the government and businesses are mentioned as a crucial factor in succeeding in business. The country's judicial system is inefficient and is plagued by corruption and a culture of impunity. Accordingly, South Sudan's primary corruption legislation, the Southern Sudan Anti-Corruption Commission Act 2009 and the South Sudan Penal Code Act 2008, despite covering a range of corruption offences, are not adequately enforced. Gifts are prohibited under South Sudan's laws, but minimal enforcement results in gifts and facilitation payments being widespread. **Information provided by GAN Integrity.**

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

South Sudan has laws, regulations and penalties to combat corruption, but there is almost a complete lack of enforcement, while considerable gaps exist in legislation. The government has yet to pass the Public Procurement and Petroleum Revenue Management Bills, both of which are critical legislative pieces to curb corruption. The RSS established the Anti-Corruption Commission, but the body lacks prosecutorial powers and sufficient resources to adequately pursue investigations. The Ministry of Justice is charged with prosecuting acts of corruption, but has consistently failed to do so. The government's auditor general has published condemning audits on public financial management (the last report was for fiscal year 2008), but no reported action was taken by the government to pursue investigations. The government is cooperating with the World Bank in the investigation of corruption in a large-scale procurement case, but progress has been slow. RSS President Salva Kiir Mayardit has publicly condemned corruption and committed his government to combating it, but few concrete results have been realized.

The country has not signed the UN Anticorruption Convention, is not party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and is not reported to be a participant in regional anti-corruption initiatives.

U.S. firms are keenly aware of corruption and many report they are careful to avoid engaging in corruption or the perception of doing so. However, they note that navigating the legal and bureaucratic process appears considerably longer and more complex than it is for less stringent firms. At least one U.S. firm is known to have explored opportunities in South Sudan but withdrew after suspecting it was entwined in a corruption scheme.

Corruption appears to be pervasive at all levels of government and society. Government officials of all ranks are reportedly engaged in corrupt acts. The regulatory system is poor or non-existent, and dispute settlement is weak and subject to influence.

### Section 3 - Economy

Following several decades of civil war with Sudan, industry and infrastructure in landlocked South Sudan are severely underdeveloped and poverty is widespread. Subsistence agriculture provides a living for the vast majority of the population. Property rights are insecure and price signals are weak, because markets are not well organized. After independence, South Sudan's central bank issued a new currency, the South Sudanese Pound, allowing a short grace period for turning in the old currency.

South Sudan has little infrastructure - approximately 200 kilometres of paved roads. Electricity is produced mostly by costly diesel generators, and indoor plumbing and potable water are scarce. South Sudan depends largely on imports of goods, services, and capital - mainly from Uganda, Kenya and Sudan.

Nevertheless, South Sudan does have abundant natural resources. At independence in 2011, South Sudan produced nearly three-fourths of former Sudan's total oil output of nearly a half million barrels per day. The government of South Sudan derives the vast majority of its budget revenues from oil. Oil is exported through two pipelines that run to refineries and shipping facilities at Port Sudan on the Red Sea. The economy of South Sudan will remain linked to Sudan for some time, given the long lead time and great expense required to build another pipeline, should the government decide to do so. In January 2012, South Sudan suspended production of oil because of its dispute with Sudan over transshipment fees. This suspension lasted 15 months and had a devastating impact on GDP, which declined by 48% in 2012. With the resumption of oil flows the economy rebounded strongly during the second half of calendar year 2013. This occurred in spite of the fact that oil production, at an average level of 222,000 barrels per day, was 40% lower compared with 2011, prior to the shutdown. GDP grew by nearly 30% in 2013. However, the outbreak of conflict on 15 December 2013 combined with a further reduction of oil production and exports, meant that GDP growth fell significantly in 2014 and poverty and food insecurity rose. South Sudan holds one of the richest agricultural areas in Africa with fertile soils and abundant water supplies. Currently the region supports 10-20 million head of cattle.

South Sudan is currently burdened by considerable debt because of increased military spending and revenue shortfalls due to low oil prices and decreased production. South Sudan has received more than \$4 billion in foreign aid since 2005, largely from the UK, the US, Norway, and the Netherlands. Annual inflation peaked at 79.5% in May 2012 but declined rapidly thereafter, to 1.7% in 2014, before jumping back to 52.8% in 2015, following the December 2013 outbreak of violence. The decision in December 2015 by the central bank to abandon a fixed exchange rate and allow the South Sudanese Pound to float has not reduced inflation in the short term. Long-term challenges include diversifying the formal economy, alleviating poverty, maintaining macroeconomic stability, improving tax collection and financial management and improving the business environment.

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

sorghum, maize, rice, millet, wheat, gum arabic, sugarcane, mangoes, papayas, bananas, sweet potatoes, sunflower seeds, cotton, sesame seeds, cassava (manioc, tapioca), beans, peanuts; cattle, sheep

## Section 4 - Investment Climate

### Executive Summary

Trade and investment conditions in South Sudan are not favorable to U.S. firms.

Armed conflict broke out in December, 2013 between government and anti-government forces and since then has continued at varying levels of intensity. The sides reached a peace agreement in August 2015 and pledged to stop fighting and create a transitional government, but implementation of the agreement has been drawn out. Active fighting has continued in various parts of the country. The turmoil has halted most economic and development efforts and led to large-scale displacement, worsening food security, severe human-rights abuses, restricted humanitarian access, and disrupted trade, markets, and cultivation activities. The war has claimed thousands of lives and spurred one of the world's most serious humanitarian crises, with an estimated 1.69 million Internally Displaced People (IDPs), almost 800,000 refugees, and 188,000 South Sudanese sheltering at six UN Mission in South Sudan (UNMISS) Protection of Civilian (POC) sites throughout the country. Out of a population of approximately 12 million, some 4 million people are considered "food insecure" and only half of school-age children, roughly 1.3 million, attend classes. The conflict has been marked by grave human rights abuses, especially pervasive gender-based violence.

In response, the USG has provided nearly USD 1.5 billion in humanitarian assistance since December 2013 for populations affected by the crisis in South Sudan. During 2015, the bulk of U.S. and the international community's support efforts were directed at the immediate needs of the ongoing humanitarian crisis brought on by the civil conflict, and other development assistance has been significantly reduced. South Sudan was terminated as an African Growth and Opportunity Act (AGOA) beneficiary effective January 1, 2015 due to its failure to address human rights violations and other concerns related to eligibility. With no access to external financing, the government has used domestic borrowing from the central bank to cover a growing financial shortfall and pay monthly operating expenses. The U.S. Department of State maintains a Travel Advisory warning United States citizens not to travel to South Sudan.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2015	163 of 167	<a href="http://www.transparency.org/cpi/2015/#results-table">http://www.transparency.org/cpi/2015/#results-table</a>
World Bank's Doing Business Report "Ease of Doing Business"	2016	187 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
Global Innovation Index	2015	N/A	<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	No data	<a href="http://www.bea.gov/international/factsheet/factsheet.cfm?Area=458">http://www.bea.gov/international/factsheet/factsheet.cfm?Area=458</a>
World Bank GNI per capita	2014	970	<a href="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 government of South Sudan is open to and welcomes foreign investment; however, civil conflict, poor financial management, lack of transparency, widespread corruption, and meager infrastructure make South Sudan a very difficult place to invest.

South Sudan is one of the most oil-dependent countries in the world, with oil accounting for almost all of its exports and revenue. The ongoing conflict reduced daily oil production, currently about 160,000 barrels per day (bpd), and the collapse of international oil prices has cut state revenues. The IMF estimates the budget deficit for this fiscal year and the next to be at least \$670 million if not higher. The South Sudanese Pound (SSP) continues to depreciate and there are increasing fears this will accelerate unless the government enacts financial reforms.

Foreign currency reserves are extremely low and the government routinely fails to pay for services. Numerous private companies claim the government has reneged on or delayed payment for work under contract. The distribution of hard currency is tightly controlled by the government and is mostly limited to financing the importation of food, medicine, fuel, and building materials. Many companies cite access to hard currency and convertibility of profits as major problems. One of the only international ventures outside the oil industry in South Sudan, the brewery and bottling plant operated by South Sudan Beverages Limited (SSBL), part of SABMiller, ended production in April 2016. The company cited the lack of hard currency to pay for imported raw materials and fuel as the reason. Long-term challenges for the country include diversifying the formal economy, alleviating poverty, maintaining macroeconomic stability, improving tax collection and public financial management, and improving the business environment.

Although the government has made commitments to judicial reform, the legal system is ineffective, underfunded, overburdened, and subject to executive interference. High-level government and military officials are immune from prosecution and parties in contract

disputes are sometimes arrested and imprisoned until the party agrees to pay a sum of money, often without going to court and sometimes without formal charges.

The World Bank's 2016 Doing Business report ranked the economy of Juba, South Sudan's capital, 187 out of 189 economies on overall ease of doing business. The legal framework governing investment and private enterprises remained underdeveloped as of early 2016.

Other factors inhibiting investment in South Sudan include limited physical infrastructure and a lack of both skilled and unskilled labor. Despite a 119-mile paved road to the Ugandan border, funded by the United States in late 2012, South Sudan (which is slightly smaller than the state of Texas) has fewer than 313 miles of paved roads, and large parts of the country are inaccessible during the rainy season (April through October). None of South Sudan's three power plants is working, and the country is almost completely reliant on diesel-run generators for electricity. According to the World Bank, 48 percent of the active labor force is unemployed. Unemployment in rural areas is almost 60 percent for both men and women aged 15-24. The majority of South Sudanese work in non-wage jobs, often in the agricultural sector. The country's literacy rate is 40 percent, according to the Millennium Development Goals Progress Report, with male literacy at 55 percent, compared to 28 percent for women. USAID estimates the literacy rate is even lower, with an overall literacy rate of 27 percent and a literacy rate for women of only 15 percent.

#### Other Investment Policy Reviews

South Sudan is not currently a World Trade Organization (WTO) member; therefore it does not conduct Trade Policy Reviews. Likewise, it has not conducted OECD or UNCTAD Investment Policy Reviews since its independence in 2011.

#### Laws/Regulations on Foreign Direct Investment

The Investment Act of 2009 outlines the promotion and facilitation of investment in South Sudan and creates the administrative and operational framework for the South Sudan Investment Authority. Any foreign investor who intends to invest in South Sudan must apply to the Investment Authority for an investment certificate.

#### *Business Registration*

The World Bank's Doing Business survey ranks South Sudan 181 out of 189 countries in registering or starting a business. The South Sudan Investment Authority (SSIA) has been established and has instituted a One Stop Shop Investment Center. However, both organizations are not well resourced and do not have an active web site. The Ministry of Justice has a business registry web site at <http://www.registry.mojss.org/index.html>. Many of the links, however, are not active.

#### Industrial Strategy

Due to resource constraints the government has minimal programs for attracting investments.

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

Subject to the Private Security Companies Rules and Regulations, 2013, registering and setting up a protection services security company in South Sudan requires a South Sudanese

citizen to hold at least 51 percent of the company. There are no other legal constraints or prohibitions on the right of foreign entities to establish and own business.

#### Privatization Program

South Sudan does not have a privatization program.

#### Screening of FDI

South Sudan has no known active process for screening, reviewing, or approving FDI.

#### Competition Law

South Sudan currently does not review transactions for competition-related concerns.

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

#### Foreign Exchange

The 2009 Investment Promotion Act guarantees unconditional transferability in and out of South Sudan “in freely convertible currency of capital for investment; payments in respect of loan servicing where foreign loans have been obtained; and the remittance of proceeds, net of all taxes and other statutory obligations, in the event of sale or liquidation of the enterprise.”

In reality the ability to exchange local currency for foreign currency is severely restricted. South Sudan relies on oil exports for the inflow of hard currency. Those exports and the accompanying revenues were reduced after the outbreak of an internal conflict in 2013. Revenues have decreased further with the fall in the price of oil.

The Bank of South Sudan, the country’s central bank, adopted a floating exchange rate in December 2015 and currently allocates U.S. dollars to commercial banks through periodic auctions. Previously, traders were allocated U.S. dollars through an opaque process. Foreign investors found it difficult to repatriate their locally-generated income. Multiple international companies suspended operations in South Sudan in 2015, claiming that, despite promises at the highest levels to rectify the situation, they were unable to convert their profits in the local currency into USD.

#### *Remittance Policies*

Foreign investors cannot remit through the parallel market. By law they should remit through banks or foreign exchange bureaus.

South Sudan is not a member of the Financial Action Task Force (FATF).

## **3. Expropriation and Compensation**

The Investment Promotion Act of 2009 prohibits nationalization of private enterprises unless the expropriation is in the national interest for a public purpose. However, the current law does not define the terms “national interest” or “public purpose.” Expropriation must be in accordance with due process and provide for fair and adequate compensation, which is ultimately determined by the local domestic courts. In 2015, there was no known

government expropriation of foreign-owned property in the private sector. Government officials frequently pressure development partners to hand over assets at the end of programs. While some donor agreements call for the government to receive goods at the close of a project, assets have been seized by local government officials even in instances where they were not included in a formal agreement. Although officially denied, credible reports from humanitarian aid agencies indicate that money is routinely extorted at checkpoints manned by both government and opposition forces to allow the delivery of humanitarian aid throughout the country

#### **4. Dispute Settlement**

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

South Sudan acceded to the International Centre for the Settlement of Investment Disputes (ICSID Convention) in April 2012. However, the country lacks a dedicated legal framework for enforcing court judgments on commercial matters, and has emphasized criminal cases in the development of its judicial system.

The Judiciary of Southern Sudan, or JOSS, is a constitutionally mandated government branch that oversees the court systems of South Sudan. The Chief Justice of the Supreme Court of South Sudan is the head of the judiciary, and is held accountable by the President of South Sudan. South Sudan's judicial system faces myriad challenges, including transitioning to a common law system and using English instead of Arabic in the courtroom. Other challenges include developing criminal courts, training judges, and improving attorneys. There are no dedicated commercial courts and no effective arbitration act for handling business disputes. The lack of official channels for businesses to resolve land or other contractual disagreements leads businesses to seek informal mediation, through private lawyers, tribal elders, law enforcement officials, or business organizations.

The lack of a unified, formal system encourages 'forum shopping' by businesses that are motivated to find the venue in which they can achieve an outcome most favorable to their interests. Many disputes are resolved informally. U.S. companies seeking to invest in South Sudan face a complex commercial environment with relatively weak enforcement of the law. While major U.S. and multinational companies may have enough leverage to extricate themselves from business disputes, medium-sized enterprises that are more natural counterparts to South Sudan's fledgling business community will find themselves held to local rules.

Bankruptcy

Bankruptcy is covered by the Insolvency Act of 2011. As in many areas, enforcement and implementation of the law remains problematic. The country ranks 189 out of 189 in resolving insolvency according to the World Bank's Doing Business rankings.

Investment Disputes

Post is not aware of investment disputes involving U.S. persons or other foreign investors.

International Arbitration

*ICSID Convention and New York Convention*

In April 2012, South Sudan became a member state to the International Centre for the Settlement of Investment Disputes (ICSID Convention). Currently South Sudan is not a signatory to the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention). There is no specific domestic legislation that enforces awards under the ICSID convention.

#### Duration of Dispute Resolution – Local Courts

There are no dedicated commercial courts and no effective arbitration act for handling business disputes. Enforcement of court decisions is weak or nonexistent.

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

#### WTO/TRIMS

South Sudan is not a member of the WTO.

#### Investment Incentives

Applications for investment incentives are made to the Ministry of Finance and Economic Planning through the One Stop Shop Investment Centre (OSSIC). Tax exemptions and concessions on machinery, equipment, capital and net profits are approved for stated periods by the Ministry of Finance, at its discretion. Financial incentives also include capital allowances, deductible annual allowances, and annual depreciation allowances.

South Sudan currently maintains political and trade agreements with the African Union, the European Union, and recently joined the East African Community (EAC). The Overseas Private Investment Corporation (OPIC) is open to doing business in South Sudan. The country has observer status in the Common Market for East and Southern Africa (COMESA).

The Investment Promotion Act provides for various tax incentives, including capital allowances ranging from 20 to 100 percent of eligible expenditures, deductible annual allowances ranging from 20 to 40 percent, and depreciation allowances ranging from 8 to 10 percent. Tax incentives and duty exemptions are requested through an application to the Ministry of Finance and Economic Planning. A foreign tax credit is granted to any resident company paying foreign taxes on income from business activities outside South Sudan.

#### *Research and Development*

There is no government funding available for subsidized research and development programs.

#### Performance Requirements

Government enforcement of existing labor laws was non-existent in 2015. Most small South Sudanese businesses operate in the informal economy, where labor laws and regulations are widely ignored. The Ministry of Labor is supposed to review all work permit applications in an attempt to determine whether a position could be filled by a South Sudanese national. Some foreign-owned companies reported long delays in receiving work permits for expatriate staff, and many expatriates are issued work permits for just one to three months, rather than the standard one year.

The Sudan Labor Act, 1997, was in force in South Sudan prior to the country's independence in 2011, and is still being used. A new bill is being debated in the parliament. The draft law requires authorized labor officials/offices to approve or disapprove employment decisions. The legal and bureaucratic procedures stipulated in the draft law could constrain the flexibility of the labor market and efficient labor use, imposing extra costs and delays for employers, biasing them towards greater capital intensity and limiting productivity growth

In 2016 the government passed a law mandating employment procedures for non-governmental organizations (NGOs). The law dictates that 80 percent of NGO staff at all levels (managerial, mid-level, and junior staff) must be South Sudanese nationals.

#### Data Storage

There are no known requirements for foreign IT providers to turn over source code or provide access to surveillance. There are no known rules on maintaining a certain amount of data storage within the country.

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

#### Real Property

There was no progress in 2015 from the National Legislative Assembly (NLA) to approve a land policy to allow comprehensive land reform. Laws on mortgages, valuation, and the registration of titles have not been drafted.

While the 2009 Land Act and the 2009 Investment Promotion Act both state that non-citizens can access land for investment purposes, clear regulations governing how a business acquires land were not available in 2015. Currently, some businesses lease land from the government, while others lease land directly from local communities and or individuals. Under the Land Act, investment in land acquired from local communities must contribute economically and socially to the development of the local community. Businesses will often sign a memorandum of understanding with the local communities in which they agree to employ locals or invest in social services in exchange for use of the land. Land negotiations with communities often require several months or longer to complete. Ownership of land is often unclear, with communities and government both claiming the same property. In some cases, multiple individuals hold registration certificates demonstrating sole ownership of the same piece of land. South Sudan ranks 180 out of 187 countries in registering property in the World Bank's Doing Business Report (<http://www.doingbusiness.org/rankings>).

#### Intellectual Property Rights

While the investment law includes an article on the protection of intellectual property rights, implementing legislation on trademarks, copyrights, and patents has not yet been passed. To date the only intellectual property law which has been put forward to the legislature is the Trade Marks Bill of 2013. South Sudan is neither a member of, nor an observer to, the WTO, nor is it a member of WIPO. While the legal structure is weak and enforcement lax, instances of intellectual property theft are rare. 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/>.

For a list of local lawyers, see: <http://photos.state.gov/libraries/juba/895/pdf/Lawyers.pdf>  
Embassy POC: Thomas Griffith – griffithte@state.gov

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

The private sector is governed by a mix of laws from Sudan, the pre-independence semi-autonomous Government of Southern Sudan, and since 2011, the Government of South Sudan. The National Legislative Assembly (NLA) passed laws to improve the transparency of the regulatory system, including the 2012 Companies Act and the 2012 Banking Act, however enforcement regulations are still lacking and there is little transparency. The government does not consult with the public about proposed regulations and the information is not widely published. Several key pieces of legislation governing customs, imports and exports, leasing and mortgaging, procurement, and labor have not been approved by the government and are needed to improve the business environment in South Sudan.

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

South Sudan's financial system offers few financial products. It is difficult for foreign investors to get credit on the local market due to the shortage of hard currency, the lack of accurate means of obtaining reliable figures or audited accounts, the absence of a credit reference bureau, and South Sudan's failure to document land ownership properly. According to the World Bank, 50 percent of all South Sudanese firms cite access to finance as a constraint.

Banks are unwilling to lend due to the lack of adequate laws to protect lenders and difficulties related to personal identification. After the Bank of South Sudan confiscated commercial banks' reserves on deposit at the central bank in autumn 2015, diverting them to the use of the government, companies and individuals had difficulty accessing their funds. This has made depositors reluctant to trust their funds to the banking system.

Money and Banking System, Hostile Takeovers

The IMF has categorized South Sudan's financial sector as small and undeveloped. There is limited information to assess the health of this sector. The Bank of South Sudan is the country's central bank.

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

The national oil company – Nilepet - remains the only State-owned enterprise (SOE) in South Sudan. It is the technical and operational branch of the Ministry of Mining and Petroleum. Nilepet took over Sudan's national oil company's shares in six exploration and petroleum sharing agreements in South Sudan at the time of the country's independence in 2011. Nilepet also distributes petroleum products in South Sudan.

The Petroleum Revenue Management Bill, which governs how Nilepet's profits are invested, was enacted into law in 2013, however, the company has yet to release any information on its activities, even though the law states that comprehensive, audited reports on the company's finances must be made publicly available.

Domestic private businesses are often partially-owned by government or military officials, many of whom have partnered with foreigners incorporating a company. The only foreign businesses that must be part-owned by South Sudanese are in security-related areas. Foreign companies benefit from much lower fees than do domestic companies for certain services related to starting up a business. Companies owned in part or in full by government or military officials are reportedly more likely to win government contracts, regardless of the quality or price associated with a bid.

#### OECD Guidelines on Corporate Governance of SOEs

The government is not transparent about how it exercises ownership or control of Nilepet. Its director reports to the Minister of Petroleum and Mining. Nilepet's revenues and expenditures are not disclosed in the central government budget. No audited accounts of Nilepet are publicly available.

#### Sovereign Wealth Funds

The Petroleum Revenue Management Law 2013 created a sovereign wealth fund (SWF) to set aside surplus profits from oil sales. The law established the Oil Revenue Stabilization Account to act as a buffer against volatility in oil prices and the Future Generations Fund to set aside some funds for future generations. The law is in line with the Transitional Constitution of South Sudan which states that the ownership of petroleum and gas shall be vested in the people of South Sudan and shall be developed and managed by the national government on behalf of, and for the benefit of, the people. The SWF is supposed to distribute 15 percent of oil profits into the Oil Revenue Stabilization Account and 10 percent to the Future Generations Fund. To date, however, neither has received any financing.

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

The idea of responsible business conduct is new in South Sudan, and there is little awareness of standards in this area. The few large international firms operating in South Sudan sometimes offer some basic benefits to local communities, but on an irregular basis. The 2009 Land Act requires investment activities carried out on land acquired from local communities to "reflect an important interest for the community or people living in the locality," and to contribute economically and socially. There are complaints in the media about the number of foreign-owned companies and the lack of hiring of South Sudanese employees. International observers have argued that many of the oil producing companies do not practice responsible behavior in regard to environmental damage in the oil fields.

The government does not participate in the Extractive Industries Transparency Initiative (EITI) and while the law requires the disclosure of payments made to the government in regard to oil sales, in reality disclosure is weak or nonexistent.

### **11. Political Violence**

Although the government and diverse opposition forces concluded a peace agreement in August 2015 to stop the conflict that broke out in December 2013, fighting continues in parts of the country. The effects of the war on the economy and investment will be evident for some time.

South Sudan has over 1.6 million Internally Displaced Persons (IDPs) and the government has not yet developed the conditions that would allow the IDPs to safely return home. Political opposition leaders faced illegal detention and travel restrictions in 2015. The government has temporarily shut down several newspapers and detained journalists it accused of printing articles opposing policies or actions undertaken by the government.

Violence has resulted in damage to installations in one of the major oil producing areas in the country, shutting down production in that region.

## **12. Corruption**

Corruption in South Sudan is entrenched, widespread and undermines the development and stability of the state. South Sudan has laws, regulations, and penalties to combat corruption, but there is a lack of enforcement and considerable gaps exist in legislation. There are, for example, no laws that prevent conflict of interest in government procurement.

The South Sudan Anti-Corruption Committee (SSACC) was established in accordance with the 2005 Constitution and the 2009 SSACC Act. The five commission members and chairperson are appointed by the President with approval by a simple majority in the parliament. The commission is tasked with protecting public property, investigating corruption, and submitting evidence to the Ministry of Justice for necessary action. In addition, the commission combats administrative malpractices in public institutions, such as nepotism, favoritism, tribalism, sectionalism, gender discrimination, bribery, embezzlement, and sexual harassment.

In reality, the SSACC has no capacity to address state corruption as it can only relay its findings to the Ministry of Justice for prosecution. Post is not aware of any significant anti-corruption case being investigated or prosecuted in 2015.

South Sudan is a member of the United Nations Conference on Trade and Development (UNCTAD), and the International Centre for Settlement of Investment Dispute (ICSID) convention entered into force for South Sudan on May 18, 2012. The country is not reported to be a participant in regional anti-corruption initiatives.

*UN Anticorruption Convention, OECD Convention on Combatting Bribery*

South Sudan acceded to the United Nations Convention against Corruption in January 2015, but has not yet ratified it. The country is not a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

*Resources to Report Corruption*

Honorable Christina Henry Jade  
Commissioner  
South Sudan Anti-Corruption Commission  
P.O Box 312  
Juba, South Sudan  
ckejus@yahoo.com

## **13. Bilateral Investment Agreements**

## Bilateral Taxation Treaties

South Sudan does not have a bilateral investment or taxation treaty with the United States.

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

There are currently no duty-free import zones in South Sudan.

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

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

Economic Data	Host Country Statistical source		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	NA	NA	2014	\$13.28B	<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)	NA	NA	NA	NA	<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>
Host country's FDI in the United States (\$M USD, stock positions)	NA	NA	NA	NA	<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	NA	NA	NA	NA	NA

Table 3: Sources and Destination of FDI

There are no current statistics available on Foreign Direct Investment into South Sudan. The bulk of foreign investment is in the petroleum sector. Major shareholders in the joint operating companies operating in active oil fields include the Chinese National Petroleum Company (CNPC), the Malaysian parastatal PETRONAS, and the India-owned Oil and Natural Gas Corporation (ONGC).

SABMiller from South Africa was a mainstay of the non-oil economy through its brewery, South Sudan Brewery Limited. An inability to get the hard currency necessary to purchase raw materials, however, has caused the brewery to halt production. The company is in the

process of mothballing the facility. Much of South Sudan's small-scale commerce and hotel industry is foreign-owned.

*Table 4: Sources of Portfolio Investment*

Portfolio investment statistics are not available for South Sudan

## **Section 5 - Government**

### **Chiefs of State and Cabinet Members:**

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

### **International organization participation:**

AU, IBRD, ICAO, IDA, IFAD, IFC, IFRC, ILO, IMF, Interpol, IOM, ITU, MIGA, UN, UNCTAD, UNESCO, UPU

## Section 6 - Tax

### Exchange control

For further information - <http://www.goss.org/>

### Treaty and non-treaty withholding tax rates

For further information - <http://www.goss.org/>

## 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
International Sanctions <a href="#">UN Sanctions</a> / <a href="#">US Sanctions</a> / <a href="#">EU Sanctions</a>	None	Arab League / Other	UN , EU or US
<a href="#">Corruption Index (Transparency International)</a> <a href="#">Control of corruption (WGI)</a> <a href="#">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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