

# Togo

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RISK & COMPLIANCE REPORT

DATE: March 2018

## Executive Summary - Togo

<b>Sanctions:</b>	None
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	<p>Compliance with FATF 40 + 9 Recommendations</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>coffee, cocoa, cotton, yams, cassava (manioc), corn, beans, rice, millet, sorghum; livestock; fish</p> <p><b>Industries:</b></p> <p>phosphate mining, agricultural processing, cement, handicrafts, textiles, beverages</p> <p><b>Exports - commodities:</b></p> <p>reexports, cotton, phosphates, coffee, cocoa</p> <p><b>Exports - partners:</b></p> <p>India 13.7%, Lebanon 10.5%, Burkina Faso 8%, Benin 7.9%, Niger 6%, China 5.8%, Netherlands 4.9%, Ghana 4.6% (2012)</p> <p><b>Imports - commodities:</b></p> <p>machinery and equipment, foodstuffs, petroleum products</p> <p><b>Imports - partners:</b></p> <p>China 41.2%, Netherlands 8%, France 5.5%, UK 5.4% (2012)</p>	
<p><b>Investment Restrictions:</b></p> <p>The government continues to seek high-profile fora in which to promote its investment opportunities, particularly in transportation, agriculture, mining, and Togo's free trade zone.</p>	

The Government of Togo maintains that it respects the right of private property ownership. However, only Togolese and French citizens may directly own real estate in Togo. Other foreigners must request permission from the Prime Minister to own real estate.

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## Section 1 - Background

French Togoland became Togo in 1960. Gen. Gnassingbe EYADEMA, installed as military ruler in 1967, ruled Togo with a heavy hand for almost four decades. Despite the facade of multi-party elections instituted in the early 1990s, the government was largely dominated by President EYADEMA, whose Rally of the Togolese People (RPT) party has maintained power almost continually since 1967 and maintains a majority of seats in today's legislature. Upon EYADEMA's death in February 2005, the military installed the president's son, Faure GNASSINGBE, and then engineered his formal election two months later. Democratic gains since then allowed Togo to hold its first relatively free and fair legislative elections in October 2007. After years of political unrest and condemnation from international organizations for human rights abuses, Togo is finally being re-welcomed into the international community. In January 2012, Togo assumed a nonpermanent seat on the UN Security Council for the 2012-13 term.



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

### FATF status

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

### Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Togo was undertaken by the Financial Action Task Force (FATF) in 2011. According to that Evaluation, Togo was deemed Compliant for 0 and Largely Compliant for 4 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for all 6 of the Core Recommendations.

### Second follow-up report of Togo

Togo's second follow-up report was discussed at the May 2013 Plenary in Accra, Ghana. It was noted that Togo had made some notable progress in addressing the deficiencies in its AML/CFT system. In particular, it had established a Scientific Commission in charge of modernizing the judicial system. The newly established Commission will review legislation relating to cyber crimes, migrant smuggling and insider trading. Togo also revised its Penal Code to criminalize these offences. The amendments were endorsed by the Cabinet in November 2012 and are awaiting enactment by Parliament. Other actions taken by Togo to improve its AML/CFT framework included the training of staff of the FIU; strengthening cooperation through signing of MoUs with other FIUs, and the admission of the Togo FIU into the Egmont Group.

The Plenary enjoined Togo to take steps to address the issues relating to seizure, freezing and confiscation of proceeds of crime and instrumentalities, supervision, ratified of conventions and international instruments, mutual legal assistance and international cooperation.

The Plenary maintained Togo on Expedited Regular Follow-up and directed the country to submit its third follow-up report in May 2014.

## Prevalence of Predicate Crimes

In a region that has gained increasing notoriety for drug trafficking and other forms of organized crime, the porous borders of Togo and the dominance of its informal economic sector have made the country highly vulnerable to ML/TF risks. According to the INCSR, drug trafficking, trafficking in persons, corruption, misappropriation of funds, tax evasion and smuggling are major crimes in Togo. Togo is among the countries that reported the emergence of new psychoactive substances as a dangerous drug of addiction in recent years. The country is also identified as one of the origins of methamphetamine trafficking to East and Southeast Asia in 2012. The weak enforcement of border management facilitates the smuggling of not only drugs but also other associated contrabands.

In early 2013, Ghanaian authorities expressed concern over the increasing rate of smuggling of petroleum products from Ghana to Togo. Ghana is a new entrant into the club of oil-producing countries, and high demand for refined petroleum products in non-oil-producing neighbouring countries is certain to drive smuggling across the country's borders. Togo reported the following predicate crimes as prevalent in 2013: drug trafficking, corruption, tax fraud, smuggling of precious stones and metals, other investments, and bank fraud.

## AML/CFT Situation

Togo has made noticeable progress in the implementation of AML/CFT measures, although its regime is still evolving. The country established a Scientific Commission responsible for modernizing the judicial system, including the review of legislation relating to cyber crimes, migrant smuggling and insider trading.

In addition, Togo reviewed its Penal Code to criminalize the full range of ML predicate offences. The FIU has been able to analyse STRs and send them on to the relevant authorities. In 2013, the country's FIU received 64 STRs, 60 of which are linked to ML. All 64 cases were investigated, but only one was prosecuted and no conviction has been recorded.

The AML/CFT regime of Togo still has deficiencies that need to be addressed. In particular, the country is deficient in international cooperation, terrorist financing and the operational autonomy of its FIU.

## Conclusion

Togo's political terrain remains turbulent and if the agreed electoral reforms are not implemented is likely to see further eruptions as the 2015 date of the next presidential elections draws nearer. These developments are capable of overshadowing efforts to strengthen the country's AML/CFT regime.

While Togo has made progress in implementing acceptable international AML/CFT standards, the remaining deficiencies in its regime call for greater effort on the part of the country and its partners. In particular, the lack of operational autonomy of the FIU is cause for serious concern, as the FIU is the pivot of a country's AML/CFT regime.

If the growing threats of financial crime in the country are to be effectively countered the FIU should be adequately funded and staffed, and empowered to carry out its functions.

Finally, the low level of prosecution and the absence of conviction on ML/TF-related offences should be addressed. They expose the weaknesses in the country's criminal justice system with regard to adjudicating on financial crimes. This is an area that needs to be prioritized and where national authorities need to direct their energies.

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

Togo 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:

Togo's porous borders, susceptibility to corruption, and large informal sector make it vulnerable to illicit transshipments and small-scale money laundering. Most narcotics passing through Togo are destined for European markets. Drug and wildlife trafficking, trafficking in persons, corruption, misappropriation of funds, tax evasion, and smuggling are the major crimes in Togo. The country is used as a transit point for contraband ivory smuggling. The country's small financial infrastructure, dominated by regional banks, makes it a less attractive venue for money laundering through financial institutions.

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, lending and savings institutions, microfinance entities, insurance and securities brokers and companies, mutual funds, the regional stock exchange, attorneys, notaries, auditors, dealers of high-value goods, money exchangers and remitters, casinos and gaming establishments, nongovernmental organizations (NGOs), travel and real estate agents, and the post office

#### REPORTING REQUIREMENTS:

Number of STRs received and time frame: 34 in 2014

Number of CTRs received and time frame: Not applicable

STR covered entities: Banks, lending and savings institutions, microfinance entities, insurance and securities brokers and companies, mutual funds, the regional stock exchange, attorneys, notaries, auditors, dealers of high-value goods, money exchangers and remitters, casinos and gaming establishments, NGOs, travel and real estate agents, and the post office

**MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:**

Prosecutions: 5: January – November, 2014

Convictions: 0: January – November, 2014

**RECORDS EXCHANGE MECHANISM:**

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

With other governments/jurisdictions: YES

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

**ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:**

The Government of Togo is slowly implementing a national plan to fight drugs and money laundering, and has been receiving support from foreign donors. Togo's AML/CFT laws are primarily administered by the National Financial Information Processing Center (CENTIF), its financial intelligence unit. CENTIF lacks full operational autonomy and is inadequately resourced.

Investigating magistrates, police, and customs have little expertise in AML/CFT matters, and the government is investigating training for these entities. In addition to a lack of capacity on the investigative side, Togo has difficulty pursuing prosecutions due to an inefficient and overburdened court system. Information sharing among government agencies and departments is a problem. Corruption in government and all levels of society presents further obstacles.

Togo's terrorism financing law does not comport with international standards. Additionally, although Togo's AML/CFT laws include KYC provisions, most covered entities are not aware of the requirements and compliance is negligible. Also, some designated non-financial businesses and professions are not subject to supervisory oversight for AML/CFT purposes.

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

According to the US State Department, Togo 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.

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

Togo 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**

Togo is not considered to be an Offshore Financial Centre

### US State Dept Narcotics Report 2012:

Togo is not a significant producer of drugs; however it plays an increasingly large role in the regional traffic in narcotics. The drug trade (particularly in hard drugs) continued to increase, and Togo is used more and more as a transit point for the inter-continental movement of drugs. Togo's capacity to address the transnational flow of drugs is undercut, by its extreme poverty; a lack of resources and training; long, porous borders; and an inability to control corruption. Those challenges notwithstanding, Togo's counternarcotics efforts are increasing and resulted in record seizures of illicit drugs during 2011. The only drug cultivated in any significant quantity in Togo is cannabis, but even cannabis cultivation is limited. Cultivation is primarily for local demand, although some cross border distribution by small- scale dealers is suspected. Domestic use of cannabis is increasing. Heroin and cocaine, while not produced in Togo, are also available. Drug abuse by Togo's citizens is relatively rare, and there are few crimes resulting from drug use.

There are three agencies responsible for drug law enforcement— the police, the gendarmerie, and customs. The Central Office Against Drugs and Money Laundering (OCRTIDB), a nominal coordinating mechanism for these three enforcement agencies, is responsible for investigating and arresting all persons involved in drug-related crimes. The Director of the Central Office, in turn, reports to the Minister of Security. The reality, however, is that the police and gendarmerie conduct their own investigations and enforcement operations, lending to poor accountability for seized contraband and money. Togo is a party to the 1988 UN Drug Convention. Togo is a party to the UN Corruption Convention and is also a party to the UN Convention against Transnational Organized Crime.

The number of drug-related arrests increased dramatically this year. In just a four-month period, there were 20 seizures of some 45MT of drugs, overwhelmingly marijuana, but with significant amounts of cocaine. The amount of cocaine seized, in particular, increased significantly over amounts ever seized in the past in Togo.

The National Anti-Drug Committee sponsored anti-drug films and counter- narcotics discussion groups to advance drug abuse education. For National Anti-Drug day, June 26, the committee worked with civic organizations to hold a week of anti-drug activities. As a matter of government policy, Togo does not encourage or facilitate illegal activity associated with drug trafficking. There is no evidence linking senior government officials to such activity.

Although Togo's ability to confront the issue of illicit drugs is hampered by severe corruption problems, U.S. relations with Togolese officials in both the Ministry of Security and the OCRTIDB are excellent. U.S. cooperation with Togolese counternarcotics officials will continue through the Regional Security Officer and the regional Drug Enforcement Administration representatives based in Accra.

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

Togo is classified a Tier 2 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.

Togo is a source, transit and, to a lesser extent, destination country for men, women, and children subjected to forced labor and sex trafficking. The western border of the Plateau region, which provides easy access to major roads leading to Accra, Ghana, and Lome, was a primary source for trafficking victims during the reporting period. Most Togolese victims are children exploited within the country. Forced child labor occurs in the agricultural sector—particularly on coffee, cocoa, and cotton farms—as well as in stone and sand quarries. Traffickers bring children from rural areas to Lome, where they are subjected to forced labor as domestic servants, roadside vendors, and porters, or exploited in prostitution. Boys are subjected to forced labor in construction, in salvage yards, mines, and as mechanics, often working with hazardous machinery. Children from Benin and Ghana are recruited and transported to Togo for forced labor. Girls from Ghana are exploited in sex trafficking in Togo. Togolese boys and girls are transported to Benin, Cote d'Ivoire, Democratic Republic of the Congo, Gabon, Ghana, Nigeria and forced to work in the agricultural sector. From September to April, many Togolese adults and children migrate in search of economic opportunities to Benin, Burkina Faso, Niger, and Mali, where many are subjected to labor and sex trafficking. In Nigeria, Togolese men endure forced labor in agriculture and Togolese women are exploited in domestic servitude. Togolese women have been fraudulently recruited for employment in Saudi Arabia, Lebanon, the United States, and Europe, where they are subjected to domestic servitude or forced prostitution.

The Government of Togo does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. The government reported increased numbers of investigations, prosecutions, and convictions of traffickers for child trafficking crimes in 2015 compared to the previous reporting period; however, it did not provide the details of these cases. It amended the penal code to criminalize trafficking of adults; however, it did not demonstrate or report any tangible efforts to address trafficking of adults. The government assisted in the repatriation of transnational child trafficking victims but did not report any efforts to identify or assist other potential trafficking victims, including adults and victims within Togo. While the government increased the number of labor inspectors, it did not have adequate resources to address forced labor cases.

## International Sanctions

None applicable

## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	32
World Governance Indicator – Control of Corruption	28

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

Togo signed the UN Anticorruption Convention in 2003 and ratified it on July 6, 2005. Although Togo has government organizations that are supposed to investigate corruption, it is a common business practice and remains a problem for businesses. Often, “donations” or “gratuities” result in shorter delays for obtaining registrations, permits, and licenses, thus resulting in a competitive advantage for companies that are willing and able to engage in such practices.

In 2011, the government effectively implemented procurement reforms to increase transparency and reduce corruption. New government procurements are now announced in a weekly government publication. Once contracts are awarded, all bids and the winner are published in the weekly government procurement publication. Other measurable steps toward controlling corruption include joining the Extractive Industries Transparency Initiative (EITI) and establishing public finance control structures and a National Financial Information Processing Unit.

In the past two years, the Government of Togo has established three important institutions designed in part to reduce corruption by eliminating opportunities for bribery and fraud: the Togolese Revenue Authority, the One-Stop Shop to create new businesses, and the Single Window for import/export formalities. Although emblematic of Togo’s growing efforts to improve its business climate and attract greater investment, it remains to be seen whether these reforms will measurably reduce corruption.

The police, gendarmes, courts, and an anti-corruption committee are charged with combating corruption in Togo. A few minor Togolese officials have been prosecuted and convicted of corruption-related charges, but these cases are relatively rare and appear to involve mostly those who have in some way lost official favor. The body officially responsible for combating corruption is the National Commission for the Fight against Corruption and Economic Sabotage.

### Section 3 - Economy

This small, sub-Saharan economy depends heavily on both commercial and subsistence agriculture, which provides employment for a significant share of the labour force. Some basic foodstuffs must still be imported. Cocoa, coffee, and cotton generate about 40% of export earnings with cotton being the most important cash crop. Togo is among the world's largest producers of phosphate and seeks to develop its carbonate phosphate reserves.

The government's decade-long effort, supported by the World Bank and the IMF, to implement economic reform measures, encourage foreign investment, and bring revenues in line with expenditures has moved slowly. Togo completed its IMF Extended Credit Facility in 2011 and reached a Heavily Indebted Poor Country debt relief completion point in 2010 at which 95% of the country's debt was forgiven. Togo continues to work with the IMF on structural reforms. Progress depends on follow through on privatization, increased openness in government financial operations, progress toward legislative elections, and continued support from foreign donors.

Togo's 2015 economic growth remained steady at 5.4%, largely driven by infusions of foreign aid, infrastructure investment in the port and mineral sectors, and improvements in the business climate. Foreign direct investment inflows have slowed in recent years.

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

coffee, cocoa, cotton, yams, cassava (manioc, tapioca), corn, beans, rice, millet, sorghum; livestock; fish

#### **Industries:**

phosphate mining, agricultural processing, cement, handicrafts, textiles, beverages

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

reexports, cotton, phosphates, coffee, cocoa

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

India 14.6%, Burkina Faso 11.3%, China 11.3%, Benin 9.6%, Ghana 9%, Lebanon 8.3%, Nigeria 6.1%, Niger 5.9% (2015)

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

machinery and equipment, foodstuffs, petroleum products

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

China 22.9%, Belgium 20.3%, Netherlands 11.9%, France 6.6%, India 4.8%, Singapore 4.4% (2015)

### Banking

Togo's banking system was weakened by an ongoing economic crisis in the late 1990s and early 2000s. Currently, the larger banks, wholly or partially state-owned, have over-concentrations of loans to the government and parastatal sector. Most of Togolese civil servants have accounts in the state owned Togolese Development Bank (BTD) because it is faster and easier for them to receive salaries. Small-scale loans are easier to obtain at BTD

because the process is less complicated than at other banks. Larger enterprises acquire loans from BTCL, UTB, ECOBANK, and BIA. BTCL is the most popular loan-granting institution because it grants loans to enterprises after six months of initial account setup. The amount of the loan depends on the firm's capacity, activities, and available assets.

## Stock Exchange

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

## Section 4 - Investment Climate

### Executive Summary

After years of relative economic underperformance, Togo recently has implemented various reforms to make the country more attractive to foreign investment. Foreign investment has increased over the last few years, signaling rising investor confidence and highlighting Togo's emergence from years of political and economic isolation. To complement its business reforms, Togo continued its ambitious plan of infrastructure modernization to develop and leverage Lomé's position as a regional trading center and transport hub. Togo has also completed hundreds of kilometers of refurbished roadways, expanded and modernized of the Port of Lomé, and made significant progress on a new international airport terminal that should open for business in 2016.

Challenges remain, however, for improving the business climate for the private sector. This is particularly true in such important areas as administrative and judicial transparency and efficacy, property rights, and banking services. Corruption also remains a common problem in Togo, especially for businesses. Often, "donations" or "gratuities" result in shorter delays for obtaining registrations, permits, and licenses, thus resulting in a competitive advantage for companies that are willing and able to engage in such practices. Although Togo has government bodies charged with combatting corruption, corruption-related charges are rarely brought or prosecuted.

With an improving investment climate and prospects on the infrastructure front, Togo's steadily improving economic outlook has caused some investors to take a second look, and Togo offers opportunities for U.S. firms interested in doing business locally and in the sub-region.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions Index	2014	126 of 175	<a href="http://transparency.org/cpi2014/results">transparency.org/cpi2014/results</a>
World Bank's Doing Business Report "Ease of Doing Business"	2015	150 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
Global Innovation Index	2015	142 of 143	<a href="http://globalinnovationindex.org/content/page/data-analysis">globalinnovationindex.org/content/page/data-analysis</a>
U.S. FDI in partner country (\$M USD, stock positions)	2014	\$0	<a href="http://bea.gov/international/factsheet/factsheet.cfm">bea.gov/international/factsheet/factsheet.cfm</a>
World Bank GNI per capita	2014	\$570	<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

Attracting foreign direct investment is a priority for Togo, which continues to seek high-profile fora in which it can promote investment opportunities, particularly in transportation, logistics, agribusiness, and energy and mining. Togo's President Faure Gnassingbe is particularly keen on attracting foreign investment. In a January 12, 2016 speech to Togo's diplomatic corps, Gnassingbe stated that that Togo "intend[s] to promote an economy that offers facilities to those who choose to establish themselves or invest in our country."

### Other Investment Policy Reviews

Togo conducted an investment policy review through the World Trade Organization (WTO) in July 2012. A link to the report 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).

### Laws/Regulations on Foreign Direct Investment

In January 2012, the National Assembly adopted a new investment code, which prescribes equal treatment for Togolese and foreign businesses and investors; free management and circulation of capital for foreign investors; respect of private property; protection of private investment against expropriation; and investment dispute resolution regulation. The new code meets West African Economic and Monetary Union (WAEMU) standards.

### *Business Registration*

Togo has significantly reduced the costs and procedures required to establish a business in recent years. In 2013, Togo established a one-stop center for starting new businesses. In 2014, Togo made starting a business even easier by enabling the one-stop shop to publish notices of incorporation, as well as eliminating the requirement to obtain an economic operator card. *Doing Business 2016* places Togo at 133 of 189 for the "Starting a Business" indicator.

Togo has enacted similar reforms vis-à-vis the process for obtaining construction permits. First, Togo removed a cumbersome and costly bureaucratic hurdle by eliminating the requirement of providing a certificate of registration from the National Association of Architects as a condition precedent to receiving a construction permit. Second, Togo has streamlined the entire procedure by establishing one-stop windows where applicants may drop off their applications and retrieve their permits, thus eliminating the need to visit multiple administrative offices in order to process paperwork. Despite these efforts, *Doing Business*

2016 places Togo at 179 of 189 for the “Dealing with Construction Permits” indicator, well below the Sub-Saharan Africa regional average.

#### Industrial Promotion

Attracting foreign direct investment in industry is a priority for the Government of Togo, which promotes investment opportunities in transportation, agribusiness, and energy and mining. Togo is focused on economic integration with neighboring countries and on exploiting its role as a transit corridor. The country also enjoys favorable agro-climatic conditions, and has launched a large program of agro-industrial modernization.

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

Both foreign and domestic private entities may establish and own business enterprises and engage in most forms of remunerative activity.

#### Privatization Program

Historic political uncertainty and the traditionally slow pace of reform have both contributed to the erratic nature of privatization of government-owned enterprises. The privatization process for Togo Telecom was suspended because of the government’s reluctance to privatize this profitable sector. In May 2007, the government created a state company, the Société Nouvelle des Phosphates du Togo (SNPT), to replace the old phosphate company that was privatized in 2002. The privatized phosphate company went bankrupt, so the government is currently operating the mine and updating the equipment without plans to privatize, other than selling rights in to deposits on adjacent land. The government’s search for buyers for its remaining state-owned hotels has stalled. The Ministry of Tourism reportedly plans to update the hotels and sell them, but progress has been slow. The government continues to support agricultural markets, particularly cotton, by subsidizing fertilizer for farmers. That said, over the past decade, the government privatized approximately one-third of more than 70 para-statal planned for sale. In 2012 and 2013, the Togolese government sold two of the four government-owned banks, though Togolese authorities have indicated that the plan to privatize the two remaining state-owned banks has been suspended indefinitely.

#### Screening of FDI

N/A

#### Competition Law

N/A

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

#### Foreign Exchange

Togo uses the CFA franc (FCFA), which is the common currency of most of the Francophone countries of West Africa. The currency is fixed to the Euro at a rate of 656 FCFA to 1 Euro, and the exchange system is free of restrictions for payments and transfers for international transactions.

Togo's porous borders, susceptibility to corruption, and large informal sector make it vulnerable to drug/wildlife trafficking transshipments and small-scale money laundering. Most narcotics passing through Togo are destined for European markets, whereas Asia is the primary wildlife trafficking destination. The country's small financial infrastructure, dominated by regional and pan-African banks, makes it a relatively unattractive venue for money laundering through financial institutions

Togo is a member of the Inter-Governmental Action Group against Money Laundering in West Africa, a Financial Action Task Force-style regional body. Its most recent mutual evaluation can be found here: <http://www.giaba.org/reports/mutual-evaluation/Togo.html>. Togo is implementing a national plan to fight drug trafficking, wildlife trafficking, and money laundering, and has been receiving increasing support for its efforts from foreign donors. Togo's financial intelligence unit, the National Financial Information Processing Center (CENTIF), acts as the chief administrator of the country's anti-money laundering/counter-terrorism financing laws. CENTIF analyzes suspicious transaction reports and reports of attempts to transport money across borders in excess of the amounts allowed by law.

#### *Remittance Policies*

The 2012 Investment Code provides for the free transfer of revenues derived from investments, including the liquidation of investments, by non-residents. There are no restrictions on the transfer of funds to other FCFA-zone countries or to France. The transfer of more than FCFA 500,000 (about \$1,000) outside the FCFA-zone requires Finance Ministry approval, which is routinely granted for foreign companies and individuals. Delays in the approval process are common, however, despite the law's stipulation that the process should be completed in two days.

Togolese companies and citizens who reside in Togo are not generally allowed to hold bank accounts outside of the FCFA zone. Togo continues to examine the possibility of removing remaining restrictions on capital transfers so that it will be in compliance with WAEMU and ECOWAS harmonization requirements. Financial transactions within the FCFA zone can be more complicated than might be expected, due to country-specific administrative obstacles to inter-country banking activities.

Some American investors in Togo have reported long delays (30 - 40 days) in transferring funds from U.S. banks to banks located in Togo. This is reportedly because banks in Togo have limited contacts with U.S. banks to facilitate the transfer of funds.

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

There have been only two major expropriations of property in Togo's recent history. The first was the February 1974 nationalization of the then French-owned phosphate mines. The second was the November 2014 nationalization of the Hôtel du 2 Février which, ironically, was named for the date former President Eyadema nationalized the phosphate mines. Shortly after the nationalization of the hotel, Togo announced that it was establishing a commission to determine the amount owed as compensation to the hotel's (Libyan) owners/investors. Setting aside the case of the Hôtel du 2 Février (currently managed as a Radisson Blu) as an isolated example, there is little evidence to suggest a trend towards

expropriation or “creeping expropriation.” The 2012 Investment Code is designed to protect against government expropriations.

#### 4. Dispute Settlement

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

Togo has a code-based (*i.e.*, French legacy) legal system. Togo has implemented certain reforms to accelerate the resolution of business disputes and enhance confidence in the enforceability of contracts. In November 2011, Togo created the Court of Arbitration and Mediation, which offers companies a forum to more rapidly resolve their disputes through agreed mechanisms for alternative dispute resolution. Additionally, in March 2013, Togo adopted legislation creating a new forum for enforcing contracts and resolving business disputes and designating three dedicated commercial chambers whose specialized magistrates have exclusive trial court level jurisdiction over contract enforcement and business disputes. *Doing Business 2016* places Togo at 125 of 189 for the “Enforcing Contracts” indicator, above the Sub-Saharan Africa regional average. There are no current bilateral trade policy disputes between Togo and the United States

Bankruptcy

According to data collected by the World Bank, insolvency proceedings take three years on average and cost approximately 15 percent of the debtor's estate, with the most likely outcome being that the company will be sold off in pieces. The average recovery rate is 27.9 cents on the dollar. *Doing Business 2016* places Togo at 93 of 189 for the “Resolving Insolvency” indicator, well above the Sub-Saharan Africa regional average.

Investment Disputes

The 2012 Investment Code allows the resolution of investment disputes involving foreigners through: (a) bilateral agreements between Togo and the investor's government; (b) arbitration procedures agreed to between the interested parties; or (c) through the offices of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. Togo is also a member of the Organization for the Harmonization of Commercial Law in Africa (OHADA), which provides a forum and legal process for resolving legal disputes in 16 African countries. There are currently no investment disputes involving Togo and U.S. companies or citizens.

International Arbitration

Togo accepts international arbitration of investment disputes.

*ICSID Convention and New York Convention*

Togo is not a party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Togo is, however, a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention - also known as the Washington Convention), which it ratified in 1967.

Duration of Dispute Resolution – Local Courts

Enforcement of contracts can be slow and expensive because of Togo's overburdened and inefficient legal system. According to the World Bank, contract enforcement takes approximately 488 days and costs 47.5 percent of the value of the underlying claim. With assistance from the European Union, Togo continues to implement a justice modernization project to improve transparency and efficiency. Lack of transparency and predictability of the judiciary is an obstacle to enforcing property and judgment rights, and similar difficulties apply to administrative procedures.

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

### WTO/TRIMS

Togo is a member of the World Trade Organization (WTO). Togo has never notified the WTO of measures inconsistent with the WTO's Trade Related Investment Measures (TRIMs) obligations.

### Investment Incentives

The 2011 law creating the Export Processing Zone (EPZ) provides an advantageous taxation scheme providing companies based in the EPZ with a reduced tax bill on their profits for their first 20 years of operation, including a five percent tax on profits for the first five years. The law also exempts companies from customs duties and VAT on imported equipment and inputs, as well as an exemption from VAT on goods and services purchased locally. It also provides EPZ companies the freedom to repatriate capital, including dividends and other income. The law also exempts companies within the EPZ from providing workers with many legal protections, including protection against antiunion discrimination with regard to hiring and firing. See also Section 15 – Labor.

### *Research and Development*

N/A

### Performance Requirements

In order to participate in Togo's export-processing zone (EPZ) or free-trade zone, locally known as La Société d'Administration des Zones Franches (SAZOF), firms are required by law to employ Togolese nationals on a priority basis, and after five years foreign workers cannot account for more than 20 percent of the total workforce or of any professional category. Post has also heard reports that the government strongly encourages large foreign employers outside of the EPZ to hire as many Togolese nationals as practical, though this encouragement does not typically apply to senior management level employees.

Foreigners seeking to legalize their status for long-term work and residence purposes have encountered significant administrative obstacles and delays, although the steps for receiving residence permits are well defined. Issuance of such permits is the responsibility of the National Police.

### Data Storage

N/A

## 6. Protection of Property Rights

### Real Property

In Togo, only Togolese citizens, French citizens, foreign governments, and those granted citizenship by the judiciary are allowed to possess real property in Togo without first requesting the permission of the Prime Minister. Enforcement of real property rights is frequently contentious in Togo. Inheritance laws are a poorly-defined mixture of civil code and traditional laws, resulting in inheritances that are frequently challenged. Problems with real property rights enforcement are further exacerbated by practices such as fraudulent land sales, poor performance of rural leases, abusive expropriations, and the non-recognition of women's right to land, especially in Togo's rural communities. Property disputes are further complicated by judicial opacity, which may favor national over foreign entities.

In 2015, Togo lowered the tax rate for registering real property, an attempt to make transferring property easier. Despite this reform, Togo ranks as one of the worst countries in the world in *Doing Business 2016* related to ease of registering property (182 of 189).

### Intellectual Property Rights

Togo is a member of the World Intellectual Property Organization and the Cameroon-based African Intellectual Property Organization. The sale of pirated intellectual property is illegal in Togo; however, as is common throughout the developing world, Togo has a large informal market in pirated intellectual property such as DVDs, CDs, computer software, video cassette recordings, and medical supplies. Although prosecutions of alleged offenders are quite rare, Togo has frequently demonstrated both the will and ability to crack down on counterfeit medical products and other goods, successfully intercepting a shipment of counterfeit footwear from China in October 2013. Togo is not listed in the U.S. Trade Representative's Special 301 report. 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*

Economic and Commercial Officer

U.S. Embassy - Lomé

4332 Blvd Eyadéma

B.P. 852, Lomé, Togo

Telephone: +228 2261 5470, x4466

Email: [TogoCommercial@State.gov](mailto:TogoCommercial@State.gov)

The Embassy compiles a list of local lawyers, available at [www.togo.usembassy.gov/legal\\_assistance2.html](http://www.togo.usembassy.gov/legal_assistance2.html).

## 7. Transparency of the Regulatory System

As a member of WAEMU, Togo participates in zone-wide plans to harmonize and rationalize regulations governing economic activity within OHADA, which includes sixteen African countries, including Togo. A common charter on investment is one of the principal goals. Togo directly implements WAEMU and OHADA regulations without requiring an internal ratification process by the National Assembly. While membership in OHADA has reduced

judicial uncertainty in Togo, lack of judicial and bureaucratic capacity and the corresponding dearth of regulatory transparency can be a significant obstacle to business development. Togo, with assistance from its development partners, has been working to overhaul its legal and regulatory framework in order to address these shortcomings.

Ministries and regulatory agencies in Togo generally give notice of and distribute the text of proposed regulations to relevant stakeholders. Ministries and regulatory agencies also generally request and receive comments on proposed regulations through targeted outreach to business associations and other stakeholders. The length of the consultation period is not prescribed by law, and the government bodies generally do not report on the results of these consultations on proposed regulations. Ministries and regulatory agencies generally conduct impact assessments on proposed regulations, and these typically contain the impact of the proposed regulation on administrative costs for the government, the impact on competitiveness and market openness, and the impact on the private sector. The results of this assessment are usually distributed after the adoption of the regulation through public meetings as well as through targeted outreach to relevant stakeholder groups.

Togo is a member of UNCTAD's international network of transparent investment procedures <http://togo.eregulations.org>. Foreign and national investors can 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. The site is generally up-to-date and is useful.

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

Togo relies on the West African Economic and Monetary Union (WAEMU) Regional Stock Exchange in Abidjan, Ivory Coast to trade equities for Togolese public companies. Togo and the other WAEMU member countries are working toward greater regional integration with unified external tariffs. WAEMU has established a common accounting system, periodic reviews of member countries' macroeconomic policies based on convergence criteria, a regional stock exchange, and the legal and regulatory framework for a regional banking system.

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

The government and the banking sector have worked to restore Togo's reputation as a regional banking center, which was weakened by political upheavals from 1991 to 2005, and several regional and sub-regional banks now operate in Togo, including Orabank, Banque Atlantique, Bank of Africa, and Coris Bank. Additionally, Togo is home to the headquarters of the ECOWAS Development Bank, the West African Development Bank (BOAD), Oragroup, and Ecobank Transnational Inc. (ETI), the largest independent regional banking group in West Africa and Central Africa, with operations in 36 countries in Sub-Saharan Africa. Togo's monetary policy is managed by the Central Bank of West African States (BCEAO).

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

State-owned enterprises (SOEs) control or compete in the cotton, telecommunications, banking, utilities, phosphate, and grain-purchasing markets. Togo has recently privatized the cement and clinker sectors and intends to move in the same direction with the carbonated

phosphate sector in the near future. Togo is working to modernize the mining code, and has made initial steps towards awarding a massive carbonated phosphate contract to a private consortium, thus potentially divesting itself of a significant interest in a sector it presently monopolizes via the state-owned New Phosphate Company of Togo (SNPT).

Domestically produced cotton is bought and sold by the state-controlled (60% government-owned) New Cotton Company of Togo (SNCT), which was organized in 2009 following the bankruptcy and dissolution of the 100% state-owned Togolese Cotton Company (SOTOCO). Togo's cotton production fell dramatically—from 325,000 bales in 2003 to 60,000 in 2009—following the failure of SOTOCO. Cotton production has rebounded under the NSCT, reaching 200,000 bales in 2012, 150,000 bales in 2013, and 175,000 bales in 2014.

In September 2012, Togo sold the formerly state-owned Togolese Development Bank to Orabank Group. Likewise, in March 2013, Togo sold the formerly state-owned Banque Internationale pour l'Afrique au Togo to the Attijariwafa Bank Group of Morocco. Following these sales, Union Togolaise de Banque (UTB) and Banque Togolaise pour le Commerce et l'Industrie (BTCI) are now the only two state-owned banks, and Togo is working in consultation with the IMF to privatize them as part of the HIPC program. Togo's first call for tenders for these two banks, completed in 2011, was unsuccessful, and Togolese authorities have indicated that the plan to privatize these banks has been suspended indefinitely. These two remaining state-owned banks continue to hold weak loan portfolios characterized by high exposure (about one-third of total bank credit) to the government, as well as the cotton and phosphate industries.

In the telecommunications sector, the state-owned entities Togo Telecom and TogoCel compete with a private cell phone company, Moov Togo, which is owned and controlled by Atlantique Telecom, a subsidiary of Emirates Telecommunications Corporation (Etisalat). Private company CAFÉ Informatique also offers satellite-based internet access and other services, mainly to the business sector.

Public utilities such as the Post Office, Lomé Port Authority, Togo Water, and the Togolese Electric Energy Company (CEET) hold monopolies in their sectors.

The National Agency for Food Security (ANSAT) is a government agency that purchases cereals on the market during the harvest for storage. When cereal prices increase during the dry season, it is ANSAT's task to release cereals into the markets to maintain affordable cereal prices. When supplies permit, ANSAT also sells cereals on international markets, including Ghana, Niger, and Gabon

#### OECD Guidelines on Corporate Governance of SOEs

While the Togolese government has not to our knowledge specified how it exercises ownership in SOEs in the form of a specific ownership policy or governance code, all significant state-owned enterprises have a Board of Directors and Supervisory Board. They also have auditors who certify their accounts. Once certified by these auditors, the accounts of these companies are sent to the Court of Auditors, Togo's supreme audit institution, which verifies and passes judgment on these financial statements and reports to the National Assembly. The Court publishes the results of its audits annually, including at <http://courdescomptestogo.org>.

## Sovereign Wealth Funds

Togo does not maintain a Sovereign Wealth Fund (SWF) or other similar entity.

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

Responsible Business Conduct (RBC) is not generally addressed in Togo, other than as it relates to corruption and criminal activity. The awareness of RBC is starting to improve with Togo's administrative reforms. In accordance with a law passed in March 2011, new construction projects must now address environmental and social impacts. Some American-owned companies follow generally-accepted RBC principles, and participate in outreach programs to local villages where it supplies, among other things, water, electricity, and flood abatement resources.

Togo joined the Extractive Industries Transparency Initiative (EITI) in 2009, and has been officially recognized as EITI-compliant since 2013. Togo's EITI Secretariat carries out a yearly verification of financial statements relating to the extractive industry.

### **11. Political Violence**

Togo is a republic headed by President Faure Gnassingbé, son of the late General Gnassingbé Eyadéma. Eyadéma became president in 1967 after assuming power in a military coup, until his death in early 2005. Whereas Eyadéma and his political party, with strong military backing, had dominated politics and maintained control over all levels of the country's highly centralized government, Faure has premised his leadership on ending Togo's long political crisis and isolation from the donor community. Under Faure, the Togolese government has exhibited both a willingness to engage Togo's active, albeit divided, opposition in a political reform process and a growing tendency to depoliticize the military. The last major political violence occurred in 2005.

Like many African countries, in Togo there are periodic protests by political parties, students, and unions that are usually peaceful, but can sometimes result in damage to government buildings and cars. Americans are not specific targets of violence.

### **12. Corruption**

Although Togo has government organizations that are supposed to investigate corruption, it is a common business practice and remains a problem for businesses. Often, "donations" or "gratuities" result in shorter delays for obtaining registrations, permits, and licenses, thus resulting in a competitive advantage for companies that are willing and able to engage in such practices.

In 2011, the government effectively implemented procurement reforms to increase transparency and reduce corruption. New government procurements are now announced in a weekly government publication. Once contracts are awarded, all bids and the winner are published in the weekly government procurement publication. Other measurable steps toward controlling corruption include joining the Extractive Industries Transparency Initiative (EITI) and establishing public finance control structures and a National Financial Information Processing Unit.

In the past two years, the Togolese government has established several important institutions designed in part to reduce corruption by eliminating opportunities for bribery and fraud: the Togolese Revenue Authority, the One-Stop Shop to create new businesses, and the Single Window for import/export formalities. In 2015, the Togolese government also created the High Authority for the Prevention and Fight against Corruption and Related Offenses (HALCIA), which is designed to be an independent institution dedicated to fighting corruption, though the members of the HALCIA have yet to be named and the body has yet to begin work. Although emblematic of Togo's growing efforts to improve its business climate and attract greater investment, it remains to be seen whether these reforms will measurably reduce corruption.

The police, gendarmes, courts, and an anti-corruption committee are charged with combating corruption in Togo. A few minor Togolese officials have been prosecuted and convicted of corruption-related charges, but these cases are relatively rare and appear to involve mostly those who have in some way lost official favor. The body officially responsible for combating corruption is the National Commission for the Fight against Corruption and Economic Sabotage.

*UN Anticorruption Convention, OECD Convention on Combatting Bribery*

Togo signed the UN Anticorruption Convention in 2003 and ratified it on July 6, 2005.

*Resources to Report Corruption*

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For more information, please see the Department of State's *Human Rights Report*, available at [www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm](http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm).

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

The United States and Togo signed the U.S. – Togo Treaty of Amity and Economic Relations in 1966, which entered into force a year later in 1967. This Treaty provides for protections of U.S. and Togolese investors. Togo has signed many economic, commercial, cooperation, and

cultural agreements with its foreign aid donor countries, including France, Germany, Canada, the Netherlands, Belgium, Switzerland, Japan, and more recently with China, India, Iran, and Saudi Arabia. Togo does not have a bilateral investment or taxation treaty with the United States.

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

Togo’s deep-water port serves as a customs-free transshipment facility for goods passing through the Port of Lomé to other ECOWAS countries. The Port is an instrument of regional integration and trade development for Togo and neighboring countries, especially Sahelian nations such as Burkina Faso, Mali, and Niger.

In 1989, the Togolese government approved an export-processing zone (EPZ) or free-trade zone, locally known as SAZOF. Advantages of the free-trade zone include a less restrictive labor code and the authorization to hold foreign currency-denominated accounts. The law requires free-trade zone firms to employ Togolese on a priority basis, and after five years foreign workers cannot account for more than 20 percent of the total workforce or of any professional category. Free-trade zone firms may, with government permission, sell up to 20 percent of their production in Togo. While there are only two free-trade zone sites, investors may locate outside of these areas and still enjoy free-trade zone status.

As of March 2016, 64 firms were operating in the EPZ in the services and manufacturing sectors, with more than 13,000 employees and more than FCFA 250 billion (\$500 million) of commercial activity. The authorities forecast sustained growth over the next three years, expanding to approximately 90 firms and 15,000 direct-hire employees. Not all enterprises are located in the zone itself; some have the authorization to operate outside the physical zone, but under the same legal regime.

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

Companies from more than a dozen countries (including China, India, Lebanon, France, Germany, Italy and the United States) invest in Togo. According to the World Bank, Togo received a little more than \$292 million in net Foreign Direct Investment (FDI) in-flows in 2014, up nearly 50 percent from \$195.8 million in 2013.

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

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2014	\$4,673	2014	\$4,518	<a href="http://www.worldbank.org/en/country">http://www.worldbank.org/en/country</a> (World Bank)

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)	2014	N/A	2014	\$0	( <a href="#">BEA</a> ) (U.S. Dept. of Commerce Bureau of Economic Analysis)
Host country's FDI in the United States (\$M USD, stock positions)	2014	N/A	2014	not shown	( <a href="#">BEA</a> ) (U.S. Dept. of Commerce Bureau of Economic Analysis)
Total inbound stock of FDI as % host GDP	2014	N/A	2014	0	N/A

\*Source: Ministry of the Economy, Finance, and Development Planning

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	\$1,910	100%	Total Outward	\$370	100%
South Africa	\$781	41%	Nigeria	\$86	23%
Qatar	\$394	21%	Ghana	\$85	23%
Nigeria	\$210	11%	Cote d'Ivoire	\$22	6%
Ghana	\$84	4%	Senegal	\$15	4%
Gibraltar	\$74	4%	Burkina Faso	\$14	4%

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

Source: IMF's Coordinated Direct Investment Survey (CDIS), available at <http://data.imf.org/CDIS>.

## 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](#)

**Legal system:**

Customary law system

**International organization participation:**

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

## Section 6 - Tax

### Exchange control

Togo has exchange control regulations modeled on those of France. Transfers within the CFA zone are not restricted. Dividends paid out of revenue and capital on disinvestment may be remitted.

### Treaty and non-treaty withholding tax rates

For further information - <http://www.republicoftogo.com/>

## 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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