

# SENEGAL

## MAME ADAMA GUEYE & PARTNERS



### FIRM INFORMATION

**Website address:** www.magp.sn

**Languages spoken:** French, English, local

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#### POLITICAL SYSTEM

Multiparty democracy.

#### FORMS OF BUSINESS

- Sole trader
- Limited liability company
- Public limited liability company
- Economic interest groups
- Branches of foreign companies
- Joint venture.
- Simplified joint stock company
- Representative office.

#### INVESTMENT CLIMATE

Senegal's stable political environment, favorable geographic position, strong and sustained growth, and generally open economy offer attractive opportunities for foreign investment. Laws have been passed to facilitate local and foreign investment in Senegal. The Investment Law gives tax relief and permits profits to be remitted abroad. The Statute of Free Tax Exportation provides certain advantages and incentives to investors.

#### TAXATION ON COMPANIES

The following taxes are levied in Senegal (the minimum tax rate varies depending on the turnover of the company):

- tax on companies and other body corporates is 30%
- Value Added Tax (VAT) is 18% for all products and services
- there is a fixed tax of 3% of the payroll
- trading tax.

#### TAXATION OF INDIVIDUALS

Individuals are subject to income tax on revenues which is determined from the taxpayer's overall net income. Aggregate net income consists of the total of the following:

- property income
- industrial and commercial profits
- non-commercial profits and similar income
- income from movable capital
- salaries, wages, indemnities, emoluments, benefits in kind, pensions and other benefits and life annuities;
- profits from farming operations.

#### DOUBLE TAX TREATIES

Senegal has signed double taxation agreements with France, Belgium, Canada, Norway, Cameroon, Spain, Portugal, Italy, Tunisia, Central African Republic, Cote d'Ivoire, Benin, Gabon, Burkina Faso, Madagascar, Niger, Rwanda, Togo, Mauritania, Mali, Chad, Congo the Democratic Republic of Congo and Luxembourg. The treaty with Mauritius was terminated in 2020.

#### EXCHANGE CONTROLS AND REGIONAL ORGANISATIONS

Senegal is a member of the West African Economic and Monetary Union (WAEMU/UEMOA) and belongs to the CFA Franc zone in which the transfer of funds is unrestricted. The CFA Franc is the currency of the Union and is linked to the Euro at a fixed rate of 655.957 CFA to 1 Euro. There are no exchange controls between Senegal and the other countries which belong to the CFA Franc zone, namely Benin, Burkina Faso, Ivory Coast, Equatorial Guinea, Mali, Niger, Togo, Cameroon, Central African Republic, Congo Brazzaville, Gabon and Chad.

In general, the transfer of funds for commercial operations is allowed but there may be exchange control restrictions with regard to funds transferred outside the CFA zone and the conversion of currency. If a bank account is opened in the name of a foreign entity and funds are received in foreign currency in that account, then transfers can also be made in that foreign currency without any restriction. This may generally be done by the relevant commercial bank. However, depending on the currency of the bank account and whether the account holder is a resident or non-resident, the ability to convert currency may vary.

Senegal is a signatory to the Organisation for Harmonisation of Business Law in Africa (OHADA) Treaty that came into effect on 1 January 1998. The treaty standardises business law in the seventeen signatory states and establishes a Common Court of Justice and Arbitration. The OHADA signatory states are Benin, Burkina Faso, Cameroon, Central African Republic, Comoros, Congo Brazzaville, RD Congo, Ivory Coast, Gabon, Equatorial Guinea, Mali, Niger, Senegal, Chad, Togo, Guinea Bissau and Guinea Conakry.



### INTELLECTUAL PROPERTY

Senegal is a member of the African Intellectual Property Organisation for promotion of Industrial Property (OAPI). The OAPI is the intergovernmental body of seventeen African States, responsible for uniformly protecting intellectual property rights in the territories of these States. The other members of this organisation are Benin, Burkina Faso, Cameroon, Central African Republic, Comoros, Congo, Ivory Coast, Gabon, Guinea Conakry, Niger, Mali, Mauritania, Senegal, Chad, Togo, Equatorial Guinea and Guinea Bissau.

