

Doing Business in MADAGASCAR

UK Madagascar Trade and Investment Forum

Lancaster House, London

November 2015



Legal framework

- ▶ **Law 2007-036 of January 14th 2008 on investments**
 - ▶ 100% shares for foreigners, except for telecommunications (limited to 66%)
 - ▶ Freedom to invest: no distinction of origin, no restriction in the sectors
 - ▶ Freedom to transfer profits, dividends, wages, savings
 - ▶ Freedom to recruit and dismiss foreign employees



Legal framework

- ▶ **Law 2007-037 of January 14th 2008 on free zone companies**
 - ▶ At least, 95% of production for export
 - ▶ Income tax exemption
 - ▶ First 15 years for free zones, then 10%
 - ▶ First 5 years for processing companies, then 10%
 - ▶ 2 years for service companies, then 10%
 - ▶ Customs duty and VAT exemptions for imports

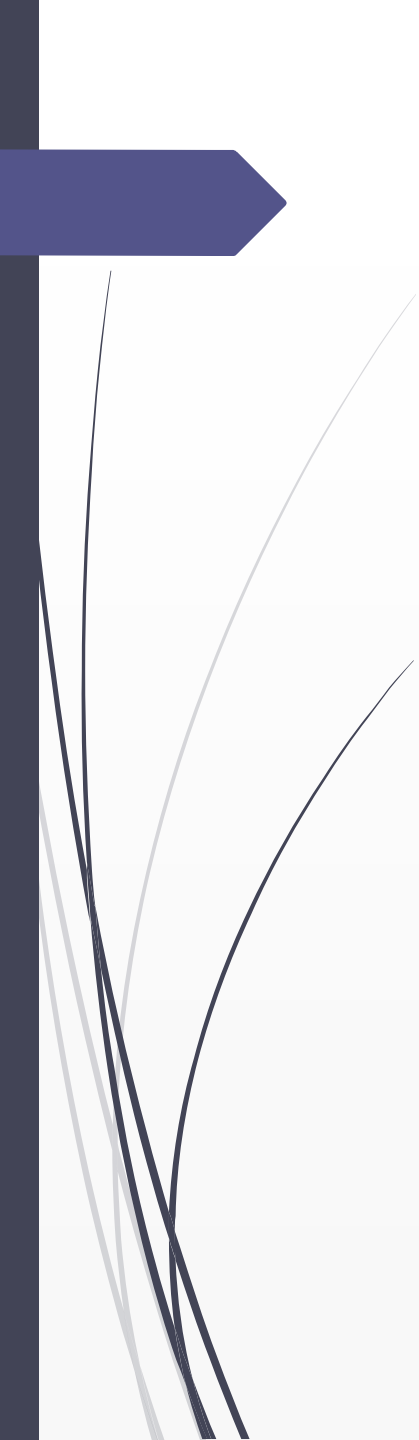


Legal framework

- ▶ **Law N° 2003-044 of July 28th 2004 on labor law**
 - ▶ 40 hrs of work in a week
 - ▶ 24 hrs consecutive weekly rest
 - ▶ 2.5 days of paid leave per month of actual work
 - ▶ No quota for foreign employees
 - ▶ Foreigners must have a work permit




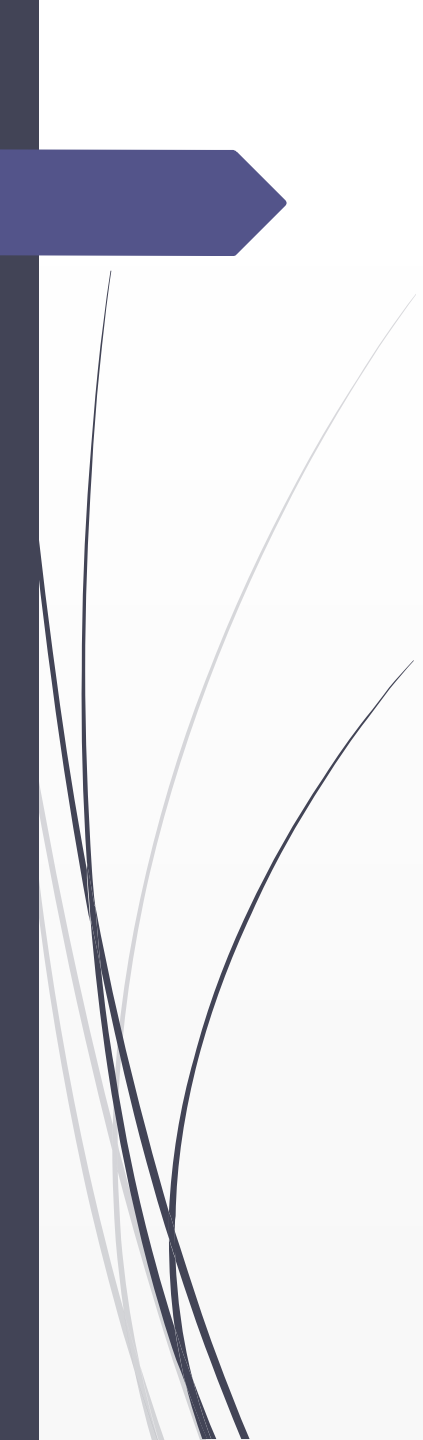
Recent reforms...

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- ▶ Passed the law on electronic transactions
 - ▶ Passed the law on e-signatures
 - ▶ Revised the law on business assets
 - ▶ Revised the business for more protections of minor investors
 - ▶ Revised law on industrial property



Ongoing reforms...

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- Reform of the commercial justice
 - Reform of tax administration
 - New law on PPP,
 - Revision of Social Welfare Code, Mining code, maritime code, petroleum code, new land policy
 - Implementation of Special Economic Zones

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- The Platform of PPD determines the reforms to be undertaken
 - The Committee of Coordination of the Business Climate Reforms must ensure that reforms are carried out, to the same direction
 - Support from the World Bank/IFC, ADB, SADC, European Union



Thank you!

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