

Democratic Republic of Congo

Ministry of Planning

National Investment Promotion Agency

ANAPI

REFORMS

**GOVERNMENT INITIATIVES
TO IMPROVE THE BUSINESS
ENVIRONMENT IN THE DRC**



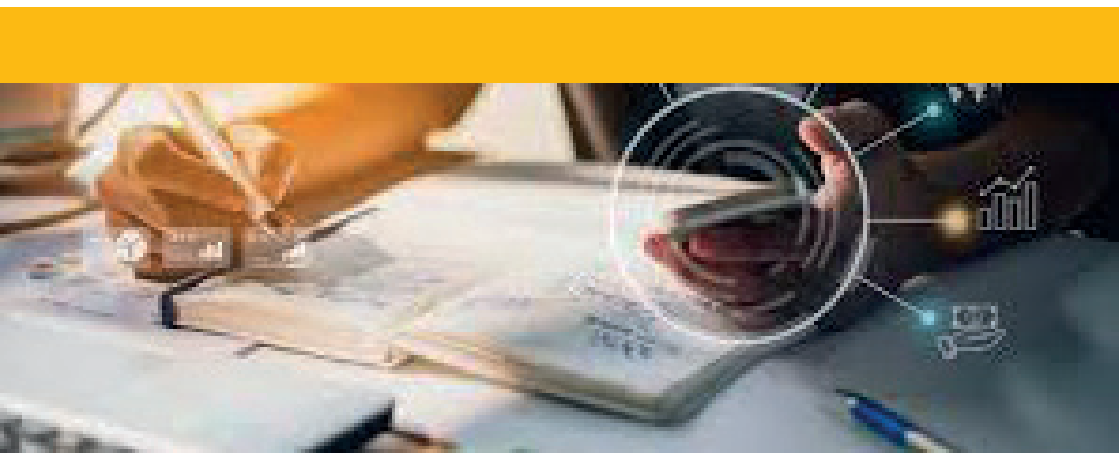
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REFORMING THE BUSINESS CLIMATE: THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO'S HOBBYHORSE

- Despite its high economic potential, the rate of investment in the Democratic Republic of Congo remains low.
- To transform its natural resources into real wealth, the Government of the Republic has been engaged for over a decade in a vast program to clean up its business environment by initiating several reforms in this area.
- The aim is to make our country one of the best investment destinations in the heart of Africa, and to provide it with a diversified productive base.

A number of reforms have been implemented, including

1. The creation of the National Agency for Investment Promotion (Law n° 004/2002 of February 21, 2002 on the Investment Code);
2. The DRC's accession to the OHADA Treaty and ratification of the HOA-DA Uniform Acts by the DRC, which made it possible to :
 - **Improving the efficiency** of commercial **court dispute resolution** ;
 - **Mapping out procedures** during the trial and execution of the judgment in order to identify and resolve bottlenecks in the resolution of commercial disputes;
 - **Monitor and evaluate the performance of judges on the** basis of the number of cases closed, the number of appeals, and the time taken to process cases, in order to encourage the rapid delivery of judgments.



In addition, with the help of development partners, numerous institutional, political and economic reforms have been undertaken. These include

1. Starting a business

- **The creation of the Guichet Unique de création d'entreprise (one-stop shop for business creation)**, which has led to a significant reduction in formalities, business creation time and related costs;
- **The integration of a single dematerialized form** to be used by all departments involved in the business creation process;
- Computerization of the RCCM and company name search;
- **Networking of all services** involved in the business start-up **process**;
- **Elimination of the** minimum capital requirement for limited liability companies (SARLs);
- **The abolition of the obligation to notarize articles of association for the creation of a limited liability company** and the acceptance of articles of association under private seal for this legal form of company;
- **Optional use of a notary** to authenticate the SARL's articles of association;
- **Electronic tracking of** business creation files.

2. Obtaining loans

- The adoption of amendments to the OHADA Uniform Act on the Organization of Securities has enabled investors who do not own real estate to mortgage professional equipment, vehicles and inventory, provided that these securities are registered in the Trade and Personal Property Credit Register (RCCM);
- **The introduction of leasing** (equipment leasing, real estate leasing and leasing of a business or craft establishment);
- **Improving information on credit applicants**, by modernizing the credit bureau;
- **Law no. 11/020 of September 15, 2011** laying down the rules governing microfinance activity in the D.R. Congo prescribes non-discrimination in terms of gender and authorizes married women to obtain capital, open an account, access credit and other financial services without first obtaining her husband's approval;
- **The ability of Microfinance Institutions (MFIs)** to take the equipment as collateral without requiring the MFI to take possession of the collateral for the duration of the loan, etc.

A close-up, blue-tinted image of a financial chart, likely a stock price or index chart, with a white pen pointing at it. The chart features a grid with data points connected by lines, showing fluctuations over time. The pen is positioned at the bottom left, pointing towards the chart. The overall image has a professional, analytical feel.

- Replacing the sales tax with a Value Added Tax;
- **Reducing the corporate tax rate** on profits **from 35% to 30%**, and setting the profit tax for small businesses at 1% for sales activities, 2% for service activities, and an annual flat rate of 50,000 CFA francs for micro-enterprises;

- #### 4. Cross-border trade

- The creation of an Integral Single Window for foreign trade;
- The creation of a SEGUCE electronic platform for pre-clearance formalities;
- Interfacing customs' Sydonia World software with SEGUCE's electronic platform;

- Rationalization of import and export collections;
- The introduction of the new Customs Code and the harmonized procedures manual for freight forwarders;
- Using the SYDONIA WORD system ;
- The implementation of the Decree of June 11, 2011 on the suppression of illegal border collections ;
- Limiting the number of public services authorized to operate at border crossings;
- Reducing costs and consolidating collections other than duties and taxes due to the Treasury;
- Dematerialization of pre-clearance and post-clearance procedures;
- Electronic cargo tracking ;
- The introduction of a single payment slip (customs clearance).

5. Transfer of ownership

- Reduced registration costs:
 - i. **reduction of the registration fee** from 15% to 5% of the property value;
 - ii. **reducing the cost of transferring** ownership from 6% to 3% of the sale price;
 - iii. **a reduction in the cost of transferring** contracts over 10 years old from 3 to 1.5%;
 - iv. **reduction in** surveyors' **fees in the** event of a site visit;
- The creation of a special unit responsible for processing commercial transfers;
- Liberalization of the real estate appraiser function; etc.

6. Building permits

- Reducing the time required to issue a building permit from 90 to 30 days;
- Setting up a one-stop shop for building permits;
- The dematerialization of the building permit process;
- Organizing inspections before, during and after construction;
- The creation of the National Order of Architects in DR. Congo;
- The creation of a National Order of Civil Engineers in DR. Congo ;

- The adoption of a new, more transparent and less costly method of calculating building tax; etc.

7. Contract performance

- Setting up commercial courts;
- Ratification of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards ;
- Promoting alternative methods of settling commercial disputes, i.e. arbitration and mediation.

8. Investor protection



The current constitution of the DRC enshrines the following:

- ▣ **Equal treatment** for all domestic and foreign investors (no discrimination);
 - ▣ **Prohibition of nationalization** and expropriation, except for reasons of public utility and in return for fair and equitable compensation;
 - ▣ **Respect for investors' acquired rights.**
- a) Law on the creation of a National Order of Chartered Accountants;
 - b) The Public-Private Partnership Act;
 - c) The law on subcontracting in the private sector.

9. Connecting to electricity (MT)



- The creation of a regulatory authority for the electricity sector;
- Simplifying procedures and reducing costs
- electrical connection of MV private cabins ;
- Setting up a one-stop shop for processing MV power connection applications.
- The promulgation of Law n°14/011 of June 17, 2014, on the liberation of the electricity sector;

- Improving line demand for medium-voltage connections;
- Installation of remote meter reading (RM).

10. Other significant reforms

- a. The promulgation of law n°11/022 of December 24, 2011 on the fundamental principles of agriculture;
- b. The promulgation of Decree no. 13/049 of December 06, 2013 on the regime applicable to companies eligible for the strategic partnership on value chains;
- c. The promulgation of law no. 14/022 of July 07, 2014 establishing the regime of special economic zones in the DRC (put the coordinates of the current ordinance) ;



- d. Promulgation of the new Public Procurement Code;
- e. The promulgation of Law n°15/005 of March 17, 2015 on the Insurance Code;
- f. Promulgation of the Customs Code ;
- g. The promulgation of Law n°14/005 of February 11, 2014 on the tax, customs, parafiscal, non-tax revenue and foreign exchange regime applicable to Collaboration Agreements and Cooperation Projects;
- h. The promulgation of Law no. 14/023 of July 07, 2014 laying down the rules relating to the terms and conditions for rescuing a struggling industrial enterprise;
- i. Law no. 16/010 of July 15, 2016 amending and supplementing Law no. 015-2002 on the Labor Code;
- j. Law n° 16/012 of July 15, 2016 on the creation, organization and functioning of the Notary profession;
- k. The promulgation of Law n°15/012 of August 01, 2015 on the general regime for hydrocarbons;
- l. The promulgation of Law No. 15/026 of December 31, 2015 on water;
- m. Finance Act 2018 on import VAT exemption;
- n. Decree n°15/009 of April 28, 2015 on tax and customs relief measures applicable to the production, import and export of electrical energy ;
- o. Creation of a road fund to ensure road upkeep and maintenance, financed by parafiscal levies, donations and legacies;
- p. Implementation of the National Road Maintenance Fund (FONER);
- q. Ratification by the DRC of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards;
- r. Ratification of the SADC Finance and Investment Protocol;
- s. Acceleration of the Kimberley certification process, to avoid delays in the shipment of parcels;
- t. Establish a permanent dialogue between the DGI and the taxpayer by creating a partnership at the level of the operational departments of the General Tax Directorate;
- u. Setting up ARCA for insurance companies ;
- v. Ordinance-Law on entrepreneurship and start-ups;
- w. Ordinance-Law on the promotion of crafts.

**Avec l'ANAPI,
bien investir pour une RD Congo prospère**

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Invest in DRC