

doing business in Chad



country profile											
government structure	<ul style="list-style-type: none"> • Executive: The president is chief of state and the prime minister is the head of government. The president is elected by absolute majority popular vote for a period of five years, with no term limits. The cabinet is appointed by the president on the recommendation of the prime minister. • Legislative: Chad has a unicameral national assembly. • Judicial: The highest court is the Supreme Court. The subordinate courts are the High Court of Justice, courts of appeals, tribunals and justices of peace. • Next presidential elections: 2021 										
economic data	<table border="0"> <tr> <td>• Nominal GDP (US Billions):</td> <td>10.12</td> </tr> <tr> <td>• GDP per capita (USD):</td> <td>810.59</td> </tr> <tr> <td>• Inflation rate (% change):</td> <td>1.88</td> </tr> <tr> <td>• Government revenue (% of GDP):</td> <td>15.84</td> </tr> <tr> <td>• Government gross debt (% of GDP):</td> <td>43.29</td> </tr> </table> <p>*Source: IMF</p> <ul style="list-style-type: none"> • Chad's economy is mainly driven by oil and agriculture with the main crop being cotton. Natural resources present in Chad include petroleum, uranium, natron, kaolin, gold, limestone, sand and gravel, and salt. • Foreign investment is mainly attracted through the telecommunications and banking sectors. • Chad's main export partners are the United States, China, the Netherlands, the United Arab Emirates and India. The main export commodities include oil, livestock, cotton, sesame, gum arabic, and shea butter. • Chad's main import partners are China, Cameroon, France, the United States, India and Senegal. The main import commodities include machinery and transportation equipment, industrial goods, foodstuffs, and textiles. 	• Nominal GDP (US Billions):	10.12	• GDP per capita (USD):	810.59	• Inflation rate (% change):	1.88	• Government revenue (% of GDP):	15.84	• Government gross debt (% of GDP):	43.29
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risk ratings	<ul style="list-style-type: none"> • World Economic Forum Global competitive index (2017-2018): 135/137 • World Bank ease of doing business (2018): 180/190 • Corruption perception index (2017): 165/180 										

international treaties and memberships	
international and regional organisations and customs unions	<ul style="list-style-type: none"> • African Development Bank • African Union • African, Caribbean, and Pacific Group of States • Community of Sahel-Saharan States • Development Bank of the Central African States • Economic and Monetary Community of Central Africa ("CEMAC") • Economic Community of Central African States • European Union • International Bank for Reconstruction and Development • International Development Association • International Finance Corporation • International Fund for Agricultural Development • International Monetary Fund • Lake Chad Basin Commission • <i>Organisation internationale de la Francophonie</i> • United Nations • World Bank <p>Chad receives preferential treatment under the following agreements: http://ptadb.wto.org/Country.aspx?code=148</p>
bilateral investment treaties	<ul style="list-style-type: none"> • Chad has bilateral investment treaties in force with Germany, Italy and Switzerland. • Treaties have been signed with Benin, Burkina Faso, China, Egypt, Guinea, Lebanon, Mali, Mauritius, Morocco and Qatar, but these have not yet entered into force.
investment-related agreements / institutions	<ul style="list-style-type: none"> • African Growth Opportunity Act • Cotonou Agreement • Multilateral Investment Guarantee Agency • World Trade Organization
dispute resolution	<ul style="list-style-type: none"> • International Centre for the Settlement of Investment Disputes ("ICSID") (Washington Convention) • Organisation for the Harmonisation of Business Law in Africa ("OHADA")
intellectual property ("IP") treaties	<ul style="list-style-type: none"> • A comprehensive list of IP-related treaties signed by Chad is available at: http://www.wipo.int/wipolex/en/profile.jsp?code=TD • See the trade marks section below for further detail.



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legal regime	
applicable legal regime	<ul style="list-style-type: none"> Chad's legal system is based on French civil law and customary law.
dispute resolution	<ul style="list-style-type: none"> The OHADA treaty provides an arbitration procedure. Disputes relating to the general Uniform Acts, or indeed any other business dispute, can be submitted to the OHADA arbitration procedure. All national legislation has been superseded by the Uniform Act on Arbitration. Chad is also a signatory of the ICSID Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention).
land acquisition, planning and use	<ul style="list-style-type: none"> Foreigners may acquire an interest in land through a long lease agreement. The Land Law prohibits deprivation of ownership without due process.
competition	
<i>merger control</i>	<ul style="list-style-type: none"> The Law No.043/PR/2014 of 24 December 2014 (the "Act") regulates merger control in Chad. The Act defines a merger as any act that may result in the transfer of ownership or the right to use, all or part of the assets, rights or obligations of a firm, or any act that may confer the possibility, for one or more firms, to exercise decisive influence over one or more firms. A merger is subject to review in Chad where the parties to the transaction have a combined market share of at least 30% in the national market or a substantial part of it. There are no provisions governing filing fees in the Act. In terms of the Act, parties who fail to notify a merger to the competition authority may be subject to a maximum fine of 5% of the turnover achieved in Chad during the last financial year by the undertakings concerned. Chad is a member of two regional competition bodies, CEMAC and OHADA. OHADA does not yet have an operational merger control regime in place, but CEMAC does. Merger activities in Chad should therefore be conducted with CEMAC in mind.
<i>prohibited practices</i>	<ul style="list-style-type: none"> The Act prohibits horizontal and vertical anti-competitive practices and agreements, concerted actions or express or tacit coalitions which as their object or effect are likely to distort or impede competition. The Act prohibits abuses of dominance. Where the National Competition Commission ("NCC") concludes that a company has entered into an agreement resulting in anti-competitive effects or an abuse of dominance, such agreement shall be null and void. Fines for anti-competitive agreements or cartels may be applied by the NCC, however, the Act does not provide an indication as to the maximum amount likely to be applied. In this regard, the Act provides that non-compliance with the decisions of the NCC shall be subject to a maximum

	<p>fine of 5% of the turnover achieved during the previous financial year. Furthermore, the Act states that any individual who has taken a fraudulent and crucial part in an anti-competitive agreement or cartel is subject to a 14 day to one year imprisonment and / or to a fine ranging from FCFA100 000 to FCFA10-million. Firms specifically found guilty of resale price maintenance are subject to a fine ranging from FCFA100 000 to FCFA1-million.</p> <ul style="list-style-type: none"> The CEMAC regulates prohibited practices in the common market. Activities in Chad should be conducted with CEMAC in mind.
employment requirements	<ul style="list-style-type: none"> The employment of foreigners must be submitted for prior approval to the National Office for the Employment Promotion and a labour contract is required to be stamped by the same office. In order to be in compliance with both the labour and immigration authorities, all expatriates working in Chad must hold the following legal documents: <ul style="list-style-type: none"> an employment authorisation that cannot exceed a one-year period of time (<i>autorisation d'emploi</i>); a work permit (<i>permis de travail</i>); a resident card (<i>carte de séjour</i>); and a long-term visa and a return visa (<i>visa long séjour et visa retour</i>).
foreign investment regime	
investment regime	<ul style="list-style-type: none"> The Investment Charter governs investments in Chad. Corporate issues, including formation, incorporation, management and dissolution of companies, are regulated by the OHADA Uniform Act on Commercial Companies and Economic Interest Groups, which supersedes all contradictory provisions of national legislation. Various regulations of the CEMAC, including the regulations on anti-competing commercial practices and exchange control are also of relevance to investment in Chad. The National Agency of Investments and Exports ("NAIE") is in charge of companies' administrative procedures and formalities, which are carried out by a one-stop shop (<i>guichet unique</i>).
registration / licensing requirements	<ul style="list-style-type: none"> Companies must register with the NAIE. Certain industries such as health services, the security sector, telecommunications, banking and financial services, tourism, education and transport are subject to prior accreditation.
non-industry specific registrations/ licences	<ul style="list-style-type: none"> A company's Articles of Association is to be registered with the <i>Service d'Enregistrement, des Domaines et du Timbre</i>. In addition, companies must register with the following agencies at the <i>Guichet Unique</i>: <ul style="list-style-type: none"> the Commercial Registry (<i>Registre du Commerce et du Credit Mobilier</i> ("RCCM"));



doing business in Chad



	<ul style="list-style-type: none"> the Ministry of Commerce and Industry to obtain administrative authorisation; the Chad Revenue Authority; and social security fund (<i>caisse nationale de prévoyance sociale</i>, “CNPS”). <ul style="list-style-type: none"> The company’s Internal Regulation Code is to be submitted to the Labour Inspection Office (<i>Inspection du Travail</i>).
industry-specific licences	<ul style="list-style-type: none"> Industry specific licences may be required.
incentives	<ul style="list-style-type: none"> Incentives include: <ul style="list-style-type: none"> a time-limited exemption from corporate tax for new industrial, mining, agricultural and forestry activities; an exemption from tax on capital gains realised from the disposal of fixed assets if the gains are reinvested within a period of three years; a tax reduction equal to 40% of a new minimum investment of FCFA60-million, provided that the investment is equal to a minimum of 10% of the fixed assets of the company; and tax incentives granted by the CEMAC Investment Charter to certain listed activities upon request to the Minister of Industry.
exchange control regulation	<ul style="list-style-type: none"> The CEMAC Foreign Exchange Regulations apply in Chad. These Regulations do not apply to transactions between CEMAC member states and states within the Zone Franc. Foreign-owned companies, and branches of foreign companies, may freely repatriate profits provided applicable taxes have been paid. Certain transfers, however, must be approved by the Central Bank.
types of entities available for foreign investment	<ul style="list-style-type: none"> Public limited companies (<i>sociétés anonymes</i>, SAs); simplified joint-stock companies (<i>sociétés par actions simplifiées</i>, SASs); private limited liability companies (<i>sociétés à responsabilité limitée</i>, SARLs); private companies (<i>sociétés à nom collectif</i>, SNCs); sleeping partnerships (<i>sociétés en commandite simple</i>, SCSs); joint venture (<i>sociétés en participation</i>); de facto companies (<i>sociétés de fait</i>); economic interest groupings (<i>groupements d'intérêt économique</i>, GIEs); registered branch of a foreign company; and representation or liaison offices.

private limited liability company	
minimum number of shareholders	<ul style="list-style-type: none"> SARL SA SAS: A minimum of one shareholder is required. Local shareholders are not required, except in certain specified sectors such as mining, oil and gas.
minimum share capital	<ul style="list-style-type: none"> SARL: at least FCFA1-million, which shall be divided into equal shares whose face value may not be less than FCFA5 000. SA: FCFA10-million. SAS: no minimum required share capital, but in practice FCFA10-million.
managing director	<ul style="list-style-type: none"> SARL: must have at least one managing director (<i>gérant</i>). It is recommended that someone who is either based in or regularly travels to Chad be appointed as managing director, as it is required for such a person to hold a long term visa. SA: must appoint a chairman of the board who can also act as general manager of the company (<i>directeur général</i>). SAS: free to determine its management structure, which could consist of only one chairman.
directors	<ul style="list-style-type: none"> SARL: not required to appoint directors / managers in addition to the managing director. SA: a board of directors with three to 12 members, including a chairman, is to be appointed. SAS: no requirement to appoint a board of directors.
company secretary	<ul style="list-style-type: none"> There is no requirement to appoint a company secretary in Chad.
auditor	<ul style="list-style-type: none"> SARL and SAS: must appoint a statutory auditor when two of the following three conditions are met at the end of the financial year: <ul style="list-style-type: none"> its total balance sheet exceeds FCFA125-million; the annual turnover exceeds FCFA250-million; or the permanent staff exceeds 50 employees. SA: appointment of an auditor is mandatory.
registered address	<ul style="list-style-type: none"> Every company shall have a registered office which shall be indicated in the Articles of Association. The address of the company’s accountants or lawyers may be used as registered address for an interim period.
shelf companies	<ul style="list-style-type: none"> There are no shelf companies available in Chad.
registration process	<ul style="list-style-type: none"> Companies are registered at NAIE and registration can be completed within a week once all required documents have been submitted.



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tax			
tax system	<ul style="list-style-type: none"> Chad has a source-based tax system in terms of which both residents and non-residents are subject to tax on income earned from a source in Chad. 		
corporate residence	<ul style="list-style-type: none"> There is no definition for "resident" in the law. Registered entities (i.e. companies, branches, and subsidiaries) conducting economic activities in Chad are liable to pay corporate tax. 		
corporate tax rate	<ul style="list-style-type: none"> Resident companies and permanent establishments of foreign companies are subject to corporate income tax at the rate of 35%. A minimum lump-sum tax equal to 1.5% of gross turnover (with a minimum of FCFA1-million) applies. 		
capital gains tax ("CGT")	<ul style="list-style-type: none"> Generally, capital gains is included in ordinary taxable income and subject to corporate income tax at the standard rate of 35%. However, a number of exceptions exists. 		
withholding tax ("WHT") rates	WHT rate (%)		
	payment to		
	residents		
	non-residents		
	branch profits	-	20%
	dividends	20%	20%
interest	20%	25%	
royalties	-	25%	
management, consulting and technical service fees	-	25%	
double tax agreements ("DTAs")	<ul style="list-style-type: none"> DTAs are in force with Cameroon, Central African Republic, Republic of Congo, Equatorial Guinea and Gabon. 		
losses	<ul style="list-style-type: none"> Losses may be carried forward for a period of three years. 		
transfer pricing	<ul style="list-style-type: none"> There are no specific transfer pricing rules in Chad, but in terms of its general anti-avoidance rules where any agreement or legal act conceals the direct or indirect transfer of income or benefits, the tax authorities may re-determine the taxable amount based on the substance of the transaction. Taxable profits are determined based on a comparison with the profits of local companies carrying on similar activities. 		
thin capitalisation	<ul style="list-style-type: none"> There are no thin capitalisation rules in Chad, however, interest paid on shareholders loans may only be deducted insofar as such sums do not exceed half of the free authorised capital of all such shareholders. 		

employee taxes	<ul style="list-style-type: none"> The income tax rates applicable to resident individuals are: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>annual chargeable income (FCFA)</th> <th>tax rate</th> </tr> </thead> <tbody> <tr> <td>up to 800 000</td> <td style="text-align: center;">0%</td> </tr> <tr> <td>800 001-2 500 000</td> <td style="text-align: center;">10%</td> </tr> <tr> <td>2 500 001-7 500 000</td> <td style="text-align: center;">20%</td> </tr> <tr> <td>over 7 500 000</td> <td style="text-align: center;">60%</td> </tr> </tbody> </table> 	annual chargeable income (FCFA)	tax rate	up to 800 000	0%	800 001-2 500 000	10%	2 500 001-7 500 000	20%	over 7 500 000	60%
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social security contributions	<ul style="list-style-type: none"> Both employees and employers must make monthly social security contributions to the CNPS. The employer contribution rate of 16.5% (with a maximum monthly ceiling) is made up as follows: <ul style="list-style-type: none"> family allowances: 7.5% old age, disability and survivors: 5% work injury and occupational diseases: 4% The employee contribution rate is 3.5% of their gross salary (with a maximum monthly ceiling). 										
payroll tax	<ul style="list-style-type: none"> A lump-sum tax on employment income (<i>taxe forfaitaire</i>) is payable by employers at a rate of 7.5% on gross employee remuneration. In addition, an apprenticeship tax is payable monthly on the total monthly remuneration. The tax base also includes remuneration paid to temporary workers. 										
stamp duty	<ul style="list-style-type: none"> Stamp duty is levied on all official documents and judicial instruments at rates varying from FCFA200 to FCFA5 000 depending on the size of the document. Transfer tax at the rate of 3% if payable on the transfer of shares and other transferable securities. Registration duty on the transfer of real estate is levied on the indexed official values per district at rates varying depending on the location of the property. 										
VAT											
<i>taxable supplies</i>	<ul style="list-style-type: none"> VAT is levied on all supplies of goods and services in Chad and on the importation of goods and services. 										
<i>VAT rate</i>	<ul style="list-style-type: none"> 18% 										
<i>registration threshold</i>	<ul style="list-style-type: none"> Any person or business who carries on business in Chad and has an annual taxable turnover / expected turnover exceeding FCFA30-million for the supply of goods and FCFA20-million for the supply of services must register for VAT purposes. 										



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<i>reverse VAT on imported services</i>	<ul style="list-style-type: none"> A non-resident taxpayer must appoint a VAT representative, resident in Chad, who will be jointly responsible for payment of the VAT due. If no tax representative is appointed, resident companies are required to account for output VAT in respect of imported services rendered by non-resident companies in terms of a reverse charge mechanism.
trade marks	
general	<ul style="list-style-type: none"> Chad is a member of the <i>Organisation Africaine de la Propriété Intellectuelle</i> ("OAPI"), together with Benin, Burkina Faso, Cameroon, Central African Republic, Comoros, Congo, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Ivory Coast, Mali, Mauritania, Niger, Senegal and Togo. OAPI has a central registry in Cameroon which facilitates the central filing of IP rights, including trade marks. An OAPI application automatically covers all member countries, as the member states had to renounce their national IP laws in order to become members. It is therefore not possible to file individual national applications in any of the OAPI member states.
international conventions, treaties and arrangements	<ul style="list-style-type: none"> Madrid Protocol Nice Agreement Paris Convention Trade Mark Law Treaty World Intellectual Property Organization World Trade Organization
classification	<ul style="list-style-type: none"> The International Classification of goods and services applies. A single application may cover any number of classes, however, goods and services may not be included in the same application.
categories of trade marks	<ul style="list-style-type: none"> Provision is made for: <ul style="list-style-type: none"> collective marks; service marks; and geographical indications.
filing requirements	<ul style="list-style-type: none"> A certified copy of the priority document (if applicable); electronic copy of the trade mark; full particulars of the applicant; and Power of Attorney, in French or English, simply signed.
procedure	<ul style="list-style-type: none"> An application is filed at the OAPI office in Cameroon. Applications are examined to determine if it complies with formal requirements and in respect of prior conflicting trade marks. If accepted, the registration certificate will be issued and the trade mark registration published for opposition purposes.

oppositions	<ul style="list-style-type: none"> Opposition may be lodged within six months following the date of advertisement of the registration. No extensions are allowed.
duration and renewal	<ul style="list-style-type: none"> A trade mark registration is effective for an initial period of 10 years and, thereafter, renewable for further periods of 10 years.

For more information or assistance please contact:

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