

# Business in Guinea



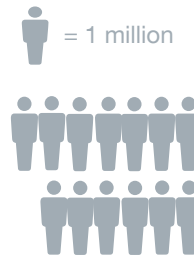
The Republic of Guinea is experiencing a considerable acceleration of its economic and social development due to the abundance of natural resources. If many investors converge to this destination, it is also probably because Guinea is characterized by a large workforce of its youth and a high demand for infrastructures and services.

The Guinean economic system is based on the free market and investment policies are set to ensure that no restriction or discrimination is made regarding foreign investment. Investments in natural resources, such as mining, may require a licence from the relevant authorities.

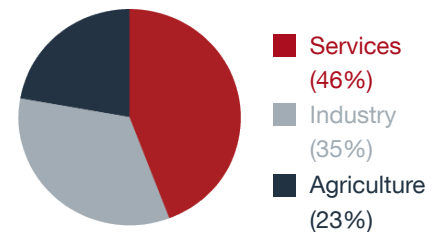


## Population

13.1  
million



## GDP Breakdown by Sector



## Currency

Guinean  
Francs (GNF)

## Foreign Direct Investment (est. 2019)

325 million (USD)

## GDP Growth (est. 2019)

5.2%

## Business Climate

Guinea is in the extreme west of Africa and is bordered by the Atlantic Ocean, Côte d'Ivoire, Guinea Bissau, Senegal, Mali, Liberia and Sierra Leone. Guinea is home to the sources of the great West African rivers (Senegal, Niger, Gambia) and Mount Nimba, the highest point in West Africa (1752 m). The official language is French.

Business and investment are regulated by Law L/2015/N°008/AN, which introduced the Investment Code in Guinea.

Guinea is a member state of several multilateral organizations such as: Economic Community of West African States (ECOWAS); Organization for the Harmonization of Business Law in Africa (OHADA) etc.

Guinea is a member of the revised Bangui Agreement of March 2, 1977, instituting the African Intellectual Property Organization (OAPI), which is charged with intellectual property protection. OAPI has a membership of 16 African states; protection given in any one of these states is subsequently valid in all 16 countries.

The Central Bank (BCRG) controls the banking sector.

## International Trade

Guinea is a member state of several multilateral organizations such as the Economic Community of West African States (ECOWAS).

### Trade Agreements

Investment protection agreements are in force with Belgium, Benin, Burkina Faso, Cameroon, Canada, Tchad, China, France, Gambia, Germany, Great Britain, Iran, Italy, Japan, Lebanon, Malaysia, Mali, Mauritania, Mauritius, Morocco, Nigeria, United Arab Emirates, Senegal, Serbia, South Africa, South Korea, Switzerland; Tunisia and Turkey.

### Free Trade Zones

There are no provisions on setting up of free zones under Guinean Law.

## Foreign Direct Investment Policy

The Investment Code protects investors against nationalization, expropriation or any form of discrimination regardless of property regardless of the investor's nationality. However, nationalization and expropriation procedures could take place for public benefit purposes. In such a case, the investor must receive a prior and equitable indemnification.

In Guinea, any natural or legal person of a foreign nationality is guaranteed free ownership of land and property.

Investors are guaranteed the freedom to repatriate income and capital.

Guinea has an abundance of natural resources, accelerating economic and social development.



## Tax Regime

There are two kinds of taxes, namely direct taxes and indirect taxes.

### Direct Taxes:

**Minimum Flat Tax Rate or Impôt Minimum Forfaitaire (IMF):** The rate is set at 3% of the turnover of previous year and capped as follows

- Large companies: minimum of GNF 75 million and maximum of GNF 100 million.
- Medium companies: minimum of GNF 15 million and maximum of GNF 45 million.

**Tax Payable by the Employee:** There is a withholding tax on wages paid to personnel employed by any natural or legal person in Guinea. This withholding tax is made by the company that pays wages to a worker and calculated on all salaries, wages, allowances, gratuities, emoluments and similar remuneration, including bonuses, pensions and annuities, as well as benefits in kind received by employees domiciled in Guinea or in respect of activities carried out in Guinea.

### Tax Payable by the Employer:

- Lump-Sum Payments (VF): Employers are required to pay a lump-sum payment based on the total amount of salaries, allowances, including benefits in cash and in kind, after deduction, where applicable, of contributions for family benefits, actually paid to all of its personnel employed in Guinea.
- Apprenticeship tax: This tax is levied on all salaries, wages, allowances and remuneration of any kind, including benefits in cash or in kind, the total amount of which is included in the general expenses of the company.

**Corporate Tax:** Commercial companies are subject to corporate income tax that is applicable on the taxable net profit made by the company.

**Non-Commercial Profits (BNC):** Non-commercial profits are those resulting from the exercise of a non-commercial profession or as income assimilated to non-commercial profits.

**Agricultural Profits:** The profits of the agricultural exploitation are incomes obtained by the exploitation of rural goods, cultivation, breeding and forestry production.

**Tax on Interest/Tax on Allocated Revenue (IRVM):** Dividend distributions are subject to a 10% withholding tax and applicable to interest on loans granted by the parent company to the subsidiary.

### Indirect Taxes:

**Value-Added Tax (VAT):** The tax base is constituted by all sums, values, goods or services received in return for the taxable transaction.

**Tax on Financial Activities (TAF):** The operations subject to the tax on financial activities are those related to banking, financial activities and, in general, to trade in securities and money.

**Main Social Obligations:** Payment of social contributions once registered with the National Social Security Fund and employing at least one person, employers are required to pay monthly social contributions (employee and employer) on behalf of their employees.

**Insurance Tax:** The following are subject to insurance tax and exempt from stamp duty or the registration formality:

- Insurance and life annuity agreements concluded with an insurance company or company or with any other Guinean or foreign insurer, regardless of the place or date on which they are concluded
- Actual insurance contracts, which cover notes and policies

## Establishing a Business

---

The main types of companies in Guinea are the public limited companies, simplified public limited companies and private limited companies. Other forms of businesses regulated by the Revised Uniform Act 2014 include general partnerships and limited partnerships.

Unincorporated business is mainly conducted through joint ventures and “de facto” partnerships.

- **Public Limited Company:** A public limited company is a company in which the liability of each shareholder for the debts of the company is limited to the nominal value of his shares which also represent his rights in the company.

The minimum share capital is F.CFA 10 million (or the equivalent in Guinean franc), divided into shares of a face value freely set in the articles of association. (GBL), with certain substance conditions attached.

- **Limited Liability Company:** A private limited company is one in which the members are liable for the company's debts up to their contributions and their rights are represented by company shares.

In Guinea, the authorities have simplified the process of setting up a private limited company and the minimum capital requirement is no longer mandatory. Effective May 24, 2017, the share capital of a private limited company is to be divided into equal shares, the face value of which is freely determined by the company's articles of association. This is pursuant to Decree D/2017/114/PRG/SGG relating to the provision applicable to the form and the establishment of the articles of association and to the fixing the share capital of a private limited company

- **General Partnerships:** A general partnership is a partnership in which all the partners are traders and have unlimited liability for the partnership's debts. The partnership's creditors may bring an action against a partner for the payment of the partnership's debts within a period of 60 days after having notified the partnership of such a claim. This time limit may be extended for an additional period of not more than 30 days by order of a competent court through summary proceedings.
- **Liaison Office:** Under the Revised Uniform Act 2014, a liaison office (bureau de liaison) can be used to explore the market but cannot render services locally. It is a link between the establishment that it represents and the market in which it is located. It does not have a management autonomy and only has a preparatory or auxiliary activity vis-à-vis the company that created it.

## Employment Affairs

---

Companies can use local labor as well as the services of foreign workers. The guaranteed minimum inter-professional wage is GNF 440,000. The parties freely define the contractual advantages. However, maternity leave and annual leave are compulsory and must be remunerated. In addition, labor law in Guinea is mainly governed by Law N ° L / 2014/072 / CNT of January 10, 2021 on the Labor Code of the Republic of Guinea and its implementing texts.


- **Unemployment benefits:** There is no unemployment insurance for workers laid off for economic reasons. However, they benefit from all social security benefits to which they are entitled.
- **Maternity Leave:** Female employees are generally entitled to 14 weeks of paid maternity leave – six weeks of leave prior to the birth and eight weeks after.
- **Retirement:** At present, the retirement age is gradually increasing from 55 to 65.


## Contact Us


### Nimba Conseil, Guinea

A collaborating firm of Andersen Global

For more information, please contact your Andersen advisor or visit [global.Andersen.com](http://global.Andersen.com) to view our office locations.

 @AndersenGlobal1

 Andersen Global

 @AndersenGlobal

 ANDERSEN®

Updated: November 10, 2021

---

**Andersen Global is an international association of legally separate, independent member firms comprised of tax and legal professionals around the world.**

**Visit [global.Andersen.com](http://global.Andersen.com) for more locations.**

The opinions and analyses expressed herein are subject to change at any time. Any suggestions contained herein are general, and do not take into account an individual's or entity's specific circumstances or applicable governing law, which may vary from jurisdiction to jurisdiction and be subject to change. Nimba Conseil is the Guinean collaborating firm of Andersen Global, a Swiss Verein comprised of legally separate, independent member firms located throughout the world providing services under their own name. Andersen Global does not provide any services and has no responsibility for any actions of the member firms, and the member firms have no responsibility for any actions of Andersen Global. No warranty or representation, express or implied, is made by Nimba Conseil, nor does Nimba Conseil accept any liability with respect to the information and data set forth herein. Distribution hereof does not constitute legal, tax, accounting, investment or other professional advice. Recipients should consult their professional advisors prior to acting on the information set forth herein. © 2021 Nimba Conseil. All rights reserved.