A FOREIGN INVESTOR'S Guide TO TUNISIA

NEW TUNISIA
NEW OPPORTUNITIES

A FOREIGN INVESTOR'S Guide TO TUNISIA

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LIST OF ABBREVIATIONS

ADSL	Asymmetric Digital Subscriber Line
AFI	Industrial Land Agency
AFT	Tourism Real Estate Agency
AMU	Arab Maghreb Union
ANETI	National Agency for Employment and Self Employment
ANME	National Agency for Energy Conservation
ANPE	National Agency for Environment Protection
APIA	Agricultural Investment Promotion Agency
APII	Agency for the Promotion of Industry and Innovation
ATFP	Tunisian Agency for Vocational Training
ATM	Asynchronous Transfer Mode
BCT	Central Bank of Tunisia
BNEC	National Bureau of Employment of Graduates and Executives
BVMT	Tunisian Stock Exchange
CEPEX	Export Promotion Agency
CGA	Constitutive General Assembly
CMF	Financial Market Council
CNAM	National Health Insurance Fund
CNFCPP	National Center for Continuous Training and Professional Promotion
CNRPS	National Pension and Social Security Fund
CNSS	National Social Security Fund
CRDA	Regional Commissions of Agriculture Development
CTN	Tunisian Navigation Company
CTP	Part-Time Contract
EA	Energy Audit
EFTA	European Free Trade Association
EIA	Environmental Impact Assessment
EU	European Union
FIPA-Tunisia	Foreign Investment Promotion Agency
FOPROLOS	Fund for the Promotion of Social Housing
FTC	Fixed-Term Contract
HP	High Pressure
IAIGC	Inter-Arab Investment Guarantee Corporation
ICSID	International Centre for Settlement of Investment Disputes
ID	National Identity Card
INNORPI	National Institute for Standardization and Industrial Property
IORT	Official Printing Office of the Tunisian Republic
IRT	International Road Transport
JORT	Official Journal of the Tunisian Republic
LP	Low Pressure
MIGA	Multilateral Investment Guarantee Agency
MP	Medium Pressure
MTND	Million Tunisian Dinars
MW	Megawatt
OACA	Office of Civil Aviation and Airports
OECD	Organization for Economic Cooperation and Development

OMMP	Merchant Marine and Ports Authority
ONAS	National Office of Sanitation
ONAT	National Office for Tunisian Artisans
ONTT	National Office of the Tunisian Tourism
OPC	Mutual Funds
OPIC	Overseas Private Investment Corporation
PC	Permanent Contract
RA	Risk Assessment
SA	Limited Company
SARL	Limited Liability Company
SICAF	Investment Company with Fixed Capital
SICAR	Investment Company with Risk Capital
SICAV	Investment Company with Variable Capital
SIVP	Professional Life Initiation Internship
SMAG	Guaranteed Agricultural Minimum Wage
SMIG	Guaranteed Interprofessional Minimum Wage
SNCFT	National Tunisian Railroad Company
SONEDE	National Water Exploitation and Distribution Company
STEG	Tunisian Electricity and Gas Company
STICODEVAM	Tunisian Central Securities Depository
SUARL	Single Member Limited Liability Company
TFP	Vocational Training Tax
TND	Tunisian Dinar
TOE	Ton of Oil Equivalent
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
VAT	Value Added Tax
WHO	World Health Organization
WIPO	World Intellectual Property Organization

Exchange rate 2012
1 TND = 0.498 Euro
= 0.640 USD

CHAPTER 1

BENEFITS OF INVESTING IN TUNISIA

1. Financial and tax benefits
1.1 Tax incentives
1.2 Subsidies
1.3 Capital and dividend repatriation
1.4 Coverage of social contributions
1.5 Coverage of vocational training
1.6 Coverage of infrastructure expenses
1.7 Benefits for investment to support development
1.8 Employment incentives
1.9 Additional benefits

2. Activities covered by the Investment Incentives Code
2.1 Activities subject to a simple declaration
2.2 Activities subject to authorization
2.3 Activities governed by specific laws
2.4 Foreign investment scheme

The Tunisian Investment Incentives Code is the main reference for both domestic and foreign investors. Its aim is to ensure freedom to invest and to reinforce the Tunisian economy's openness to the outside while ensuring non-discriminatory treatment of direct foreign investment in Tunisian legislation. It sets the ground rules for the creation of projects and incentives for investment in Tunisia by both Tunisian and foreign developers, resident, non-resident, or in partnership. It contains a set of financial and tax benefits and covers the majority of sectors.

1. FINANCIAL AND TAX BENEFITS

The range of tax benefits concerns direct and indirect taxes. Tax incentives relate to the Value Added Tax (VAT), customs duties, registration fees and income tax.

The benefits may take the form of full or partial exemption. They are granted on the basis of activity or location.

1.1 TAX INCENTIVES

The Code provides tax incentives including:

- total exemption from tax on profits for the first 10 years of export income and agricultural projects;
- total exemption from tax on profits for 5 or 10 years, for projects located in of regional development areas, according to the priority of the area (see Box 2 page 14);
- payment of a reduced tax rate of 10% starting from the 11th year for export revenues and agricultural projects;
- total exemption of profits and reinvested income;
- total exemption from duties and taxes for capital goods, including equipment for the transportation of goods, raw materials and semi-finished products for totally exporting companies in addition to the elimination of tariffs on the importation of equipment and raw materials from the European Union under the provisions of the Association Agreement with the EU; and
- the possibility of sale on the local market up to 30% of industrial or agricultural turnover for export with payment of required fees and taxes.

(More details in Chapter 8: taxation page 66)

1.2 SUBSIDIES

Investment subsidies are granted for:

- protection of the environment: 20% of set up costs;
- promotion of technology and R&D: 20% of the project cost as well as land at nominal cost for projects related to the creation of business incubators and cyber parks;
- regional development: 8,15% or 25% of the project costs, capped between 500,000 TND and 1.5 million TND according to priority of the area; and
- agricultural development: 7% of the value of the investment for primary processing projects, with an additional 8% premium for agricultural projects in arid areas (Gabès, Gafsa, Médenine, Kébili, Tataouine, and Tozeur) and 25% for fishing projects in northern coastal ports (from Bizerte to Tabarka).

CHAPTER 1 BENEFITS OF INVESTING IN TUNISIA

1.3 CAPITAL AND DIVIDEND REPATRIATION

Any foreign investor has the freedom to repatriate profits and actual net proceeds from sale of capital invested in foreign currency, even if the amount is greater than the initial investment.

Interests, dividends, share in profits, remunerations, founder shares and capital gains made by non-resident investors are not taxable and their repatriation is not subject to any restrictions.

However, with regard to investments in non-export activities, authorization of the Central Bank of Tunisia (BCT) is required.

1.4 COVERAGE OF SOCIAL CONTRIBUTIONS

- Complete exemption by the State of employer contributions for the first 5 years for employment created by projects located in the first group of priority regional development areas.
- Complete exemption by the State of employment contributions for the first 5 years, then on a sliding scale of 80% to 20% for the next 5 years for employment created by the projects located in the second group of priority regional development areas.
- Complete exemption by the State of employer contributions for the first 10 years for employment created by projects located in other priority regional development areas.
- Complete exemption by the State of employment contributions during the first two years and partial coverage (ranging from 25% to 85%) during the next five years for the employment of individuals who have received their higher education degree, for activities with high added value.
- Complete coverage by the State of 50% of employer contributions for five years for the employment of second and third work teams for companies that do not work around the clock.

(Further details in Chapter 7: social security page 62)

1.5 COVERAGE OF VOCATIONAL TRAINING

Coverage of vocational training costs is likewise provided under the Investment Incentives Code:

- up to 50% of initial training costs;
- a discount on vocational-training taxes (non-exporting companies); and
- up to 25% of the cost of continued training to encourage acquisition of technical skills, up to 250,000 TND.

(Further details in Chapter 6: employment and professional training page 52)

1.6 COVERAGE OF INFRASTRUCTURE EXPENSES

The State can partially cover infrastructure expenses for projects in regional development areas at a rate of 25%, 75%, or 85% of the total cost of the infrastructure depending upon the priority of the area.

1.7 BENEFITS FOR INVESTMENT TO SUPPORT DEVELOPMENT

The training, education, cultural production, health and transport sectors enjoy:

- deduction of reinvested profits, up to 50% of net profits subject to corporate tax;
- imposition of a reduced tax rate of 10% on revenue and profit; and
- suspension of VAT on imported capital goods, for which there is no locally-manufactured equivalent.

1.8 EMPLOYMENT INCENTIVES

Tunisia grants a number of incentives with regard to employment, which are described in Chapter 6: employment and professional training, page 52.

1.9 ADDITIONAL BENEFITS

Many incentives are granted by decree after having obtained authorization from the High Commission for Investment, when the investments are of particular relevance and importance to the national economy, border areas, or investments in the fields of education, higher education, and professional training.

2. ACTIVITIES COVERED BY THE INVESTMENT INCENTIVES CODE

Foreigners may freely invest in all sectors provided in the Code when the activity is export-oriented. Investment in certain other sectors which are not totally exporting are subject to prior authorization for both Tunisian and foreign investors.

Some activities are subject to a simple declaration and others to prior authorization.

2.1 ACTIVITIES SUBJECT TO A SIMPLE DECLARATION

- Agriculture
- Manufacturing industries, with the exception of machine-woven carpets, weapons-manufacturing, recycling, and waste-conversion
- Food-processing industries
- Certain wholly export-based and industry-related services; and
- Public works.

2.2 ACTIVITIES SUBJECT TO PRIOR AUTHORIZATION

- Fishing
- Tourism
- Handicrafts
- Transport and communications
- Healthcare
- Property development
- Youth outreach and childhood support
- Cinema industries and production
- Professional training
- Education and instruction
- Manufacturing weapons and ammunitions, components and spare parts
- Carpet-weaving
- Recycling and waste-conversion
- Agricultural consulting; and
- Commercial advertising.

2.3 ACTIVITIES GOVERNED BY SPECIFIC LAWS

While the Code governs most activities, certain sectors such as the financial sector, mining and energy are subject to a particular legislation, which nonetheless does not impose discriminatory conditions with regard to foreign investors.

These sectors fall into two categories of activities:

- activities open to foreign participation, but subject to authorization on the conditions of exercise regardless of the status or nationality of the investor: activities of banks and investment companies; and
- activities subject to authorization where the level of foreign participation is equal to or exceeds 50%: insurance, forwarding agencies, stock exchange brokers, transport and activities related to the merchant navy.

ENCOURAGEMENT FOR BANKING AND FINANCING INSTITUTIONS

The tax system

As part of their transactions with non-residents, these organizations benefit from the following advantages:

- registration at a fixed rate of the documents necessary for the realization of their transactions with non-residents;
- exemption from the taxes payable on the income generated by foreign currency deposits they make in Tunisia;
- waiver of the obligation of withholding tax in respect of taxes due on interest paid on loans in foreign currency to non-residents that are not established in Tunisia;
- exemption from the tax on industrial, commercial or professional properties in respect of the turnover originating from their transactions with non-residents;
- exemption from the tax on vocational training, and the contribution to the fund for the promotion of housing for employees within a proportionate share of wages determined according to the turnover with non-residents compared to total turnover …

The customs system

These organizations enjoy under their procurement of goods necessary for their operation including cars for professional use as well as certain benefits such as:

- the suspension of duties and taxes on imports;
- the suspension of tax revenue when the said goods are purchased locally from producers;
- the repayment of customs duties and taxes on the turnover for goods purchased locally from non-producers.

Source: Non-Resident Financial Services Code
Law N° 2009-64 of August 12th, 2009

CHAPTER 1 BENEFITS OF INVESTING IN TUNISIA

2.4 FOREIGN INVESTMENT SCHEME

Foreigners, regardless of their residence status, are free to invest in projects within the framework of the Investment Incentives Code, for any creation, extension, renewal, readjustment, or transformation activity.

All foreign investors are free to invest in most sectors and can own up to 100% of project capital without the need for prior authorization.

Foreign investors are likewise free to repatriate the profits and proceeds from the sale of their investments in foreign currencies.

Certain non-export-oriented services require authorization if they are foreign controlled.

Investment in such activities is subject to approval from the High Commission on Investment once foreign ownership exceeds 50% of the capital. These activities are set out by Decree N°94-492 of February 28th 1994, as modified by Decree N° 97-503 of March 14th 1997 and subsequent texts. (See Box 1 page 13)

Foreigners can invest in the agricultural sector through the operation of leased farmland. The level of foreign participation in such businesses, as well as in aquaculture and fishing businesses located in Tunisia's northern waters may not exceed 66%.

Farmland ownership by foreigners can be through a long-term lease.

The duration of the lease:

- up to 25 years for state-owned land,
- freely determined among the parties concerned for private land,
- cannot be lower than 3 years (in both cases above).

Moreover, foreigners may acquire, by importing convertible currency, Tunisian stocks and shares conferring voting rights or shares to companies established in Tunisia as long as foreign participation in total does not exceed 50%.

If foreign ownership exceeds 50% such acquisition is subject to approval by the High Commission on Investment.

If the acquisition of stocks and shares does not confer voting rights (with the exception of debt instruments) it is totally unrestricted through importation of foreign convertible currency.

BOX 1

Non-export activities by sector subject to prior authorization by the High Commission on Investment where foreign participation exceeds 50%:

TRANSPORTATION

- Land transportation
- Air transportation
- Pipe-line transportation
- Maritime transportation

COMMUNICATIONS

- Electronic and telecommunications installation
- Mail delivery
- Email services
- Video-text services
- TV and radio broadcasting services
- Technical platforms for call-centres

TOURISM

- Travel agencies

EDUCATION, INSTRUCTION, AND PROFESSIONAL TRAINING

PRODUCTION ACTIVITIES AND CULTURAL INDUSTRIES

- Film screenings for social and cultural purposes
- Restoration of archaeological and historical monuments and related activities
- Museum creation
- Library creation
- Photography, video reporting, and film recording and processing
- Cultural centers
- Cultural fairs
- Music and dance
- Creation of drama centers

YOUTH ACTIVITIES, CHILDHOOD SUPPORT AND PROTECTION OF THE ELDERLY

- Nurseries and kindergartens
- Recreation centers for families and children
- Facilities for youth and children
- Camping
- Sports training facilities
- Recreational parks
- Sports medicine centers
- Fitness and physical education centers
- Advertising and sponsorship of recreational projects

PUBLIC WORKS

- Planning, implementation and maintenance of civil and industrial engineering works, including infrastructure and buildings
- Exploration, drilling, and exploitation of resources other than oil

HOUSING DEVELOPMENT

- Housing projects
- Buildings intended for business use
- Developing industrial and economic activities areas

COMPUTER SERVICES

- Data bases and telematic services

OTHER SERVICES

- Topographical services
- Electrical installation
- Installation of tiles and mosaics
- Fitting window panes and frames
- Installation of suspended ceilings
- Manufacture of gypsum and installation of other plaster products
- Building contractors
- Waterproofing systems for roofs
- Translation and other linguistic services
- Security services
- Organization of conferences, seminars, fairs and exhibitions
- Publishing and advertising
- Organization of youth and sports events

(Decree N°94-492 as modified by Decree N° 97-503 of 14 March 1997 – JORT N° 24 of 25 March 1997)

BOX 2

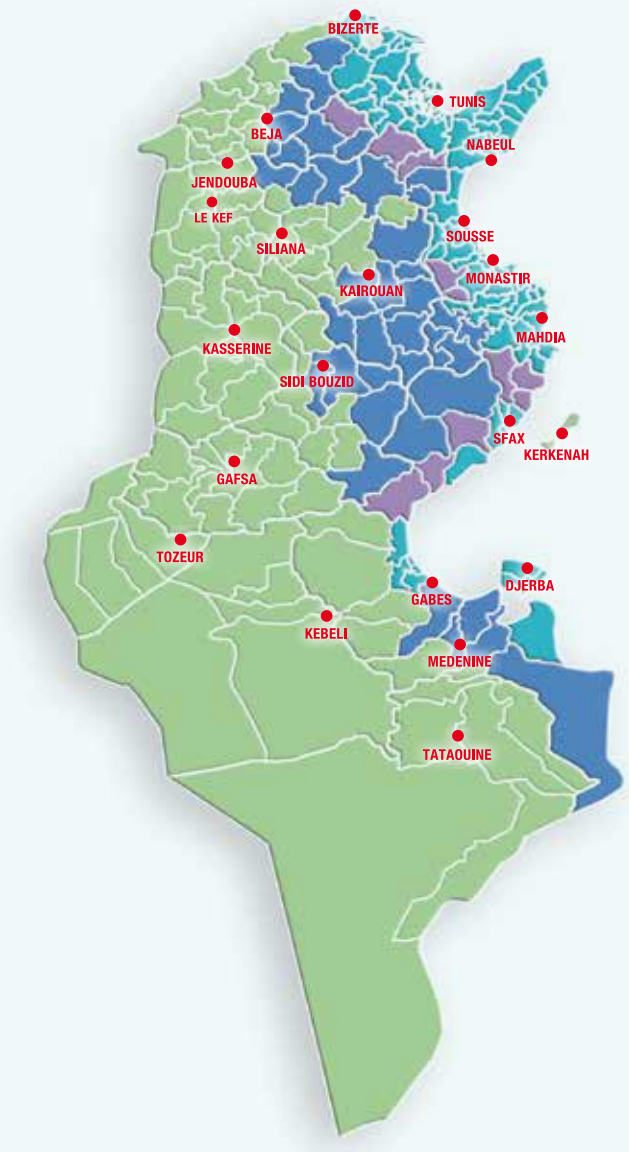
Financial and tax incentives for investment in regional development areas:

	REGIONAL DEVELOPMENT PRIORITY AREAS	2ND GROUP OF REGIONAL DEVELOPMENT AREAS	1ST GROUP OF REGIONAL DEVELOPMENT AREAS
Deduction of business revenue or profit	100% during the first 10 years and no more than 50% over the course of the next 10 years	100% for the first 10 years	100% for the first 5 years
Contribution to the Fund of the Promotion of Social Housing (FOPROLOS)	Permanent exemption	Permanent exemption	None
Professional Training Tax (TFP)	Permanent exemption	Permanent exemption	None
Coverage of employer's contribution to social security (CNSS)	100% for the first 10 years	100% for 5 years and decreasing for the following 5 years (80% - 65% - 50% - 35% - 20%)	100% for 5 years
Financial benefits in the form of subsidies, including revolving capital capped at 10% of project cost	25% up to a maximum of 1.5 MTND	15% up to a maximum of 1 MTND	8% up to a maximum of 500,000 TND
Coverage of infrastructure costs	85%	75%	25%

Source: Ministry of Finance
www.finances.gov.tn

BOX 3

REGIONAL DEVELOPMENT AREAS MAP IN TUNISIA



- 1st group of regional development areas
- 2nd group of regional development areas
- Regional development priority areas
- Areas without encouragement

CHAPTER 2

INVESTMENT GUARANTEES AND PROTECTION

1. International agreements related to investment guarantees and protection
2. Bilateral agreements on investment promotion and protection
3. Non-double taxation agreements
4. Existing trade agreements
5. International arbitration

Tunisia guarantees and protects investments made in its territory. The signing of international conventions and agreements, providing the necessary guarantees to foreign investors against all forms of risk, further strengthens its domestic institutional and regulatory framework.

1. INTERNATIONAL AGREEMENTS RELATED TO INVESTMENT GUARANTEES AND PROTECTION

Tunisia has adhered to a number of international agreements:

- agreement with the Multilateral Investment Guarantee Agency (MIGA);
- agreement with the Inter-Arab Investment Guarantee Corporation (IAIGC);
- agreement with the Overseas Private Investment Corporation (OPIC).

Tunisia is also a member of the International Agreement for the Settlement of Investment Disputes (ICSID) and in May 2012 signed the OECD declaration concerning international investment and multinational businesses.

CHAPTER 2 INVESTMENT GUARANTEES AND PROTECTION

2. BILATERAL AGREEMENTS ON INVESTMENT PROMOTION AND PROTECTION

COUNTRY	DATE SIGNED	ENTRY INTO FORCE
Albania	30 October 1993	-
Algeria	7 July 2006	-
Argentina	17 June 1992	23 January 1995
Austria	1 June 1995	1 January 1997
Belgium-Luxemburg	8 January 1997	18 October 2002
Bulgaria	24 November 2000	15 October 2003
Burkina Faso	7 January 1993	-
Chili	23 October 1998	-
China	13 April 2006	-
Congo	2 May 2006	-
Czech Republic	6 January 1997	8 July 1998
Denmark	28 June 1996	11 April 1997
Egypt	8 December 1990	2 January 1991
Ethiopia	14 December 2000	14 December 2000
Finland	4 October 2001	4 September 2003
France	20 October 1997	10 September 1999
Germany	20 December 1963	6 February 1966
Greece	31 October 1992	21 April 1995
Hungary	13 May 2003	-
Indonesia	13 May 1992	12 September 1992
Iran	23 April 2001	27 February 2003
Italy	17 October 1985	24 June 1989
Ivory Coast	16 May 1995	-

COUNTRY	DATE SIGNED	ENTRY INTO FORCE
Jordan	27 April 1995	23 November 1995
Kuwait	14 March 2005	-
Lebanon	24 June 1998	4 June 2000
Libya	3 October 2005	-
Mali	1 July 1986	-
Malta	26 October 2000	12 May 2002
Mauritania	11 March 1986	-
Morocco	28 January 1994	1 April 1999
Netherlands	11 May 1998	1 August 1999
New Guinea	18 November 1990	-
Niger	5 June 1992	-
Oman	19 October 1991	1 March 1992
Pakistan	18 April 1996	-
Poland	29 March 1993	22 September 1993
Portugal	28 February 2002	10 November 2006
Qatar	29 July 1996	-
Romania	16 October 1995	8 August 1997
Senegal	17 May 1984	-
South Africa	26 April 2005	-
South Korea	23 May 1975	28 November 1975
Spain	28 May 1991	20 June 1994
Sudan	26 April 2005	-
Sweden	15 September 1984	13 May 1985
Switzerland	2 December 1961	19 January 1964
Syria	23 January 2001	12 March 2003
Togo	13 September 1987	-
Turkey	29 May 1991	28 April 1994
United Arab Emirates	10 April 1996	24 February 1997
United Kingdom	14 March 1989	4 January 1990
United States of America	15 May 1990	7 February 1993
Yemen	8 March 1998	-

CHAPTER 2 INVESTMENT GUARANTEES AND PROTECTION

3. NON-DOUBLE TAXATION AGREEMENTS

To avoid double taxation, Tunisia has ratified non-double taxation treaties with some 50 countries, including nearly all industrialized western countries.

COUNTRY	SIGNED	ENTRY INTO FORCE
Algeria	9 February 1985	28 May 1986
Arab Maghreb Union (AMU)	23 July 1990	1 January 1993
Austria	23 June 1977	1 January 1978
Belgium	22 February 1975	16 October 1976
Cameroon	26 March 1999	10 May 2006
Canada	10 February 1982	4 December 1984
China	16 April 2002	25 August 2003
Czech Republic	14 March 1990	1 January 1992
Denmark	5 February 1981	13 May 1981
Egypt	28 December 1989	2 January 1991
Ethiopia	29 January 2003	1 January 2008
France	28 May 1973	1 April 1975
Germany	23 December 1975	4 November 1976
Greece	31 October 1992	22 March 1995
Hungary	22 October 1992	20 May 1997
Indonesia	13 May 1992	1 January 1994
Iran	16 July 2001	1 January 2006
Iraq	25 June 2001	-
Italy	22 October 1992	20 May 1997
Mauritius	12 February 2008	1 January 2009
Indonesia	13 May 1992	1 January 1994
Iraq	25 June 2001	-
Italy	16 May 1979	1 January 1981
Jordan	14 February 1988	1 January 1990

COUNTRY	SIGNED	ENTRY INTO FORCE
Kuwait	18 April 2000	1 January 2003
Lebanon	24 June 1998	1 January 2001
Libya	15 May 1978	1 January 1980
Luxembourg	27 March 1996	1 January 2000
Mali	28 April 2000	1 January 2003
Malta	31 May 2000	1 January 2003
Mauritania	12 March 1986	1 January 2000
Mauritius	12 February 2008	1 January 2009
Morocco	28 August 1974	1 January 1980
Netherlands	16 May 1995	1 January 1996
Norway	31 May 1978	3 January 1980
Oman	16 November 1997	1 January 1999
Pakistan	18 April 1996	1 January 1998
Poland	30 March 1993	1 January 1994
Portugal	24 February 1999	1 January 2001
Qatar	8 March 1997	1 January 1999
Romania	23 September 1987	1 January 1989
Saudi Arabia	7 July 2010	-
Senegal	17 May 1984	1 August 1985
Serbia	11 April 2012	-
South Africa	2 February 1999	1 January 2000
South Korea	27 September 1988	1 January 1990
Spain	12 July 1982	1 January 1988
Sudan	8 October 2003	1 January 2008
Sweden	7 May 1981	1 May 1983
Switzerland	10 February 1994	1 January 1996
Syria	22 June 1998	1 January 2002
Turkey	2 October 1986	1 January 1988
UAE	10 April 1996	27 May 1997
UK and North Ireland	15 December 1982	1 January 1984
USA Additional protocol	17 June 1985	1 January 1990
Yemen	8 March 1998	28 October 2000

CHAPTER 2 INVESTMENT GUARANTEES AND PROTECTION

4. EXISTING TRADE AGREEMENTS

To develop and diversify trade, Tunisia is a signatory of several bilateral and multilateral trade agreements, contributing thus to the consolidation of Tunisia's international and regional position.

SIGNATORY PARTY	DATE OF SIGNATURE	DATE OF RATIFICATION	TYPE OF AGREEMENT
Mauritania	25 September 1964	28 February 1986	Free trade agreement
Algeria	9 January 1981	21 March 1981	Free trade agreement
Kuwait	17 June 1988	4 November 1988	Free trade agreement
UE-27	17 July 1995	20 June 1996	Association agreement
18 countries of the Arab League	19 February 1997	1 January 1998	Agreement establishing a pan-Arab free trade zone
Egypt	5 March 1998	1 March 1999	Free trade agreement
Jordan	22 April 1998	2 November 1998	Free trade agreement
Morocco	16 March 1999	16 March 1999	Free trade agreement
Libya	14 June 2001	26 November 2001	Free trade agreement
Egypt, Jordan and Morocco	25 February 2004	July 2004	Agadir free trade agreement
Turkey	21 November 2004	1 July 2005	Free trade agreement
Switzerland, Norway, Island and Lichtenstein	17 December 2004	1 June 2005	Free trade agreement with the European Free Trade Association (EFTA)

5. INTERNATIONAL ARBITRATION

To further protect the interests of foreign investors, Tunisia provides guarantees for simplified dispute settlement procedures, to ensure diligent and expedient dispute resolution.

Tunisia's Arbitration Code, which was adopted in 1993 (promulgated by Law N° 93-42 on 26 April 1993), is largely based on the UN's standard agreement on international arbitration.

Tunisia also is a signatory of:

- the New York Convention signed on 10 June 1958 on the recognition and enforcement of arbitral awards;
- the International Agreement for the Settlement of Investment Disputes between states and nationals of other states, ratified by law N° 66-33 of 3 May 1966;
- the convention on the Establishment of the Arab Organization for Investment Guarantees approved by law N° 72-4 of 17 October 1972 and ratified by law N° 72-71 of 11 November 1972;
- numerous bilateral and multilateral agreements establishing the enforcement of arbitral awards, concluded in the spirit of mutual legal assistance.

CHAPTER 3

ENTERY AND RESIDENCE IN TUNISIA

1. Residence visa
1.1 Temporary resident visa
1.2 Permanent resident visa
2. Residence permit
3. Importation of personal effects and private vehicles
3.1 Personal effects
3.2 Private vehicles
4. Import, conversion, and export of foreign currency

Renowned for its multiculturalism, Tunisia is a country open to the world. Foreigners wishing to live in Tunisia without gainful employment, such as tourists, may stay in Tunisia for 3 months (90 days) or 4 months (120 days) without a permit.

Foreigners wishing to engage in gainful employment require a residence permit (visa and residence permit).

NATIONALS FROM FOREIGN COUNTRIES THAT DO NOT NEED A VISA:

- Algeria
- Andorra
- Antigua
- Antilles (Netherlands)
- Argentina
- Austria
- Bahrain
- Barbados
- Belgium
- Bermuda
- Bosnia and Herzegovina
- Brazil
- Brunei
- Bulgaria
- Canada
- Chile
- Croatia
- Denmark
- Dominica
- Fiji
- Finland
- France
- Gambia
- Germany
- Greece
- Guinea
- Honduras
- Hong Kong
- Hungary
- Iceland
- Ireland
- Italy
- Ivory Coast
- Japan
- Kiribati
- Liechtenstein
- Luxembourg
- Libya
- Macedonia
- Malaysia
- Maldives
- Mali
- Malta
- Morocco
- Niger
- Mauritania
- Mauritius
- Monaco
- Netherlands
- Oman
- Poland
- Portugal
- Qatar
- Romania
- Saint Kitts and Nevis
- Saint Lucia
- San Marino
- Senegal
- Serbia
- Seychelles
- Solomon
- South Korea
- Spain
- United Arab Emirates
- United Kingdom

CHAPTER 3 ENTRY AND RESIDENCE IN TUNISIA

1. RESIDENCE VISA

A residence visa is required for all foreigners residing in Tunisia for more than 3 consecutive months or 6 non-consecutive months in one year. Residence visas are divided into two categories:

1.1 TEMPORARY RESIDENCE VISA

This visa is granted to foreigners who do not intend to set up permanent residence in Tunisia. The authorities may also issue this visa to an applicant whom the Tunisian government has refused a normal residence visa. The validity of the temporary residence visa cannot exceed one year. Nonetheless, a temporary residence visa valid on a two-year renewable basis can be granted to a foreigner in exceptional circumstances. A temporary residence visa valid on a five-year renewable basis also can be granted to foreign investors who have been living in Tunisia for a year or less.

When applying for a temporary residence visa, the foreign national must specify the reasons for his/her residence. The visa is not issued unless the foreign national entered Tunisia legally and has the financial means to support him/herself for the entire period of his/her stay.

If the foreign national intends to work or begin a project in Tunisia, he/she must obtain authorization before obtaining his/her visa.

1.2 PERMANENT RESIDENCE VISA

Permanent resident visas are given to foreigners who have been living in Tunisia on a temporary basis for five uninterrupted years and to foreigners with a Tunisian spouse and/or Tunisian children.

Any foreigner who has lived outside of Tunisia for more than six months without having obtained a re-entry visa beforehand loses his/her right to permanent residence. A re-entry visa is valid for one year and cannot be renewed if the beneficiary lives abroad.

2. RESIDENCE PERMIT

The residence permit is normally granted for a period of 2 years on a renewable basis, and must be renewed each time a work contract is renewed. Each renewal may be valid for up to 5 years. The residence permit is granted by the Directorate General of National Security in the Ministry of the Interior.

It includes the foreigner's complete identity, occupation, and place of residence. It is subject to the set stamp duty.

Investors' support cell within the Ministry responsible for foreign investment assists foreign investors and entrepreneurs in their efforts to obtain their residence permit in Tunisia.

Residence permits are classified as temporary or permanent. Temporary residence permits are granted to foreigners with a temporary residence visa, the validity of which cannot exceed that of the visa. The temporary residence permit can be renewed provided that the holder has obtained a new residence visa. Moreover, if the foreigner commits acts disturbing public order, or if the reasons that led to granting the residence permit no longer exist, the temporary residence permit will be revoked.

Permanent residence permits are granted to foreigners with a permanent residence visa and to foreigners born in Tunisia who have lived in Tunisia without interruption.

The application for a residence permit must be made by the person concerned at the police station or at the National Guard Station in the country of the foreigner's residence. A certificate is immediately granted.

The One Stop Shop at APII (Tunis, Sousse or Sfax) grants foreign investors and entrepreneurs their residence cards. In this case a receipt is given forthwith; the residence permit is issued within a period not exceeding one month.

CHAPTER 3 ENTRY AND RESIDENCE IN TUNISIA

Documents to be provided when applying for a resident permit at APII One Stop Shop:

- a pre-printed form provided by the office,
- a copy of the certificate proving the submission of the investment project, of the authorization or of the trader license,
- a registered copy of the company's articles of incorporation,
- a certified copy of employer or of foreign worker certificate, a copy of employment contract stamped by the relevant departments of the Ministry of Employment,
- a copy of rental contract or title of enjoyment of residence,
- a copy of a statement certifying the existence of the fiscal identification card,
- a copy of the Commercial Register extract,
- a copy of the notice of publication in the JORT concerning the incorporation of the company;
- a copy of the passport (the three first pages and the page bearing the entry visa),
- 04 ID photos;
- 02 revenue stamps of 10 TND each; and
- a copy of the marriage contract or the spouse ID card in case of mixed marriage with a Tunisian national.

Documents to be provided for a renewal request:

- 03 ID photos; and
- the original document of the former residence card.

Source: Agency for the Promotion of Industry and Innovation (APII)
www.tunisieindustrie.nat.tn

3. IMPORTATION OF PERSONAL EFFECTS AND PRIVATE VEHICLES

3.1 PERSONAL EFFECTS

Any foreigner taking up residence in Tunisia as part of his/her professional activity has the right to import his/her personal belongings and furniture. The latter can be cleared through customs with a total exemption from payment or with a payment of duties and taxes in installments. They cannot be disposed whether or not in return for payment without customs clearance and, where applicable, the submission of an external trade certificate.

Tunisian tax legislation adjusts the benefits and procedures according to the beneficiary's status.

3.2 PRIVATE VEHICLES

Any foreigner, whether having the status of resident or not, has the right, within the context of his/her professional activities, to import his/her personal motor vehicle exempt of taxes and duties regardless of its age and power.

With **the Tunisian customs**, formalities to obtain a road license for a vehicle can be performed remotely.

Simply fill out, validate and print the **form online,** and submit it with the required documents to the customs office of entry to Tunisia (E-Services section, Tunisian customs website).

www.douane.gov.tn

The renewal of a customs-free vehicle is allowed. The vehicle cleared under the exemption scheme (Régime de Franchise) can be driven by:

- the developer himself,
- the developer's spouse,
- the developer's foreign representative, or
- a duly hired driver with customs' authorization.

Source: Tunisian Customs
www.douane.gov.tn

To drive his/her automobile or motorbike with an engine-capacity exceeding 49 cubic centimeters, a travel permit called "Diptyque" will be required and granted by Tunisian customs at the border with a validity period of 3 months.

The permit may be renewed for 3 consecutive times with the payment of a road tax when the first extension is granted. Upon expiration of this permit, the vehicle must be re-exported.

4. IMPORT, CONVERSION AND EXPORT OF FOREIGN CURRENCY

Foreigners may freely import unlimited amounts of payment instruments denominated in foreign currencies; however all imports and exports of currency whose value equals or exceeds 25,000 TND must be declared.

Non-residents are authorized to keep in their possession foreign currency in order to pay for cash expenditures.

Non-residents who intend to re-export currency imported at a value exceeding 5,000 TND are required, upon re-entry into Tunisian territory, to fill out an import declaration of the currency in their possession that is duly certified by customs.

Non-residents may export the balance of unused currency without proof for any amount less than the value of 5,000 TND and, for any amount exceeding that, upon presentation of a receipt for regular importation of said currency (customs declaration and/or exchange slip issued by the bank).

Reconversion of the remainder of dinars is possible pending the presentation of a receipt of regular importation of these currencies (customs declaration and/or exchange slip issued by the bank).

CHAPTER 4

SETTING UP A COMPANY

1. Submitting a project declaration

2. Legal procedures to set up a company

2.1 Procedure for setting up a company at APII's One Stop Shop

2.1.1 Setting up a Limited Liability Company or a Single-Member Limited Liability Company (SARL/SUARL)
2.1.2 Establishment of a Limited Company (SA)

2.2 Capital requirements

2.3 Incorporation and registration of a company

2.3.1 Registration fees at the Tax Office
2.3.2 Fees for special regimes
2.3.3 Registration fees at the Trade Registry
2.3.4 Registration fees at the Court Registry
2.3.5 Publication fees for the JORT

3. Commitments in the field of environmental obligations

3.1 Environmental Impact Assessment (EIA)
3.1.1 Projects subject to an EIA
3.1.2 Projects subject to technical specifications
3.1.3 Content of an EIA
3.1.4 Submission of the EIA and deadlines for reply

3.2 Risk Assessment (RA)
3.2.1 Projects subject to a RA
3.2.2 Content of a RA

3.3 Energy Audit (EA)
3.3.1 Projects subject to an EA
3.3.2 Content of an EA

1. SUBMITTING A PROJECT DECLARATION

A certificate of deposit of the investment project is given by the relevant agency, depending upon its sector:

AGENCIES	SECTOR ACTIVITIES
Regional Commissions of Agricultural Development (CRDA) Agricultural Investment Promotion Agency (APIA)	■ Fishing and agriculture ■ Services linked to agriculture, fishing and aquaculture
Agency for the Promotion of Industry and Innovation (APII) One Stop Shop or online www.tunisieindustrie.nat.tn	■ Food-processing industries, processing and conditioning of agricultural products, and fishing products integrated into agricultural projects ■ Manufacturing industries ■ Public works ■ Transportation ■ Education and instruction ■ Vocational training ■ Cultural production and industries ■ Youth outreach and childhood support ■ Health ■ Environmental protection ■ Real estate promotion ■ Other non-financial services
National Office of the Tunisian Tourism (ONTT)	■ Tourism including tourist transportation
National Office for Tunisian Artisans (ONAT)	■ Crafts and arts
Export Promotion Agency (CEPEX) Commercial One Stop Shop	■ International trade and commerce

2. LEGAL PROCEDURES TO SET UP A COMPANY

To fast track the legal formation of a company, Tunisia has set up a One Stop Shop within the Agency for the Promotion of Investment and Innovation (APII). This office brings together, within a single location and single window, the various Government agencies empowered to grant project declaration certificates and company registration. In the One Stop Shop, the staff is responsible for reviewing all received applications and documents and performing all the required processes and procedures necessary to legally create a Single-Member Limited Liability Company (SUARL), Limited Liability Company (SARL), or Limited Company (SA).

CHAPTER 4 SETTING UP A COMPANY

2.1 PROCEDURE FOR SETTING UP A COMPANY AT APII'S ONE STOP SHOP

To register a company in Tunisia, the following steps are required:

- obtain a project declaration certificate from the Investment Promotion Agency concerned, according to the sector or activity mentioned in the preceding section,
- file the company's project declaration certificate, statutes with the Tax Office,
- file a declaration of opening and obtain a tax identification number from the Tax Office,
- register the company at the Court Clerk,
- publish the 'Request for Registration' in the Official Journal of the Republic of Tunisia (JORT),
- obtain a customs code number,
- obtain a work permit for all foreigners,
- obtain a residence permit for foreign investors and/or promoters.

Note: some steps may differ depending upon the legal status of the company being created.

2.1.1 SETTING UP A LIMITED LIABILITY COMPANY OR A SINGLE-MEMBER LIMITED LIABILITY COMPANY (SARL/SUARL)

Eligibility

Companies whose sectors or activities are governed by the Investment Incentives Code.

Departments involved

- Tax Office: registration of project declaration certificate (if business requires pre-authorization) and corporate statutes.
- Tax Control Desk: to obtain tax identification card.
- Court Clerk: registration at the Trade Registry.
- Official Printing Office of the Republic of Tunisia: publication in the JORT.

Note: tax stamps must be obtained from the Tax Office at the start of the process.

Process and documents to be submitted

PROCEDURE	AGENCY	TIME LIMIT	DOCUMENTS REQUIRED
Registering a company	Tax Office	Immediate	■ Project declaration certificate (3 copies) ■ The company's corporate statutes, of which at least 4 must be original (10 copies) ■ Minutes appointing the manager(s) in the event that the Statutes do not specify this (4 original copies at least) Note: in case of an in-kind contribution, the Statutes must contain an evaluation performed by an input auditor. If the value of the contribution does not exceed 3,000 TND, the associates/partners may decide, by a majority vote, not to call on an auditor. The statutes must contain the reference of the organization entrusted with the funds.
Declaration and Tax Identification Card	Tax Inspection	Immediate	■ Application form to be signed at the APII office ■ One copy of the manager'(s) or his representative's valid passport(s). ID card if local manager ■ A trader card, for trade companies (1 copy) ■ Rental or lease contract for headquarters (1 copy) ■ Corporate address certificate (1 copy)
Submission to Court Clerk	Court Clerk	Immediate	■ Application form to be filled out and signed by the manager or their representative (2 copies) ■ Project declaration certificate (2 copies) ■ The statutes (2 original copies) ■ The company's minutes electing a manager(s) in the event that the statutes do not specify (2 original copies) ■ Tax declaration and tax identification card (2 copies) ■ Corporate address certificate- with company's lease showing address of the head office (2 copies) ■ The manager'(s) passport(s) and of the proxy or the agent, if used (2 copies). If a local manager or agent, the National Identification Card (2 copies) ■ Power of attorney (notarized), if the applicant is other than the legal representative, or if the investor/owner is abroad. (1 copy)
Publishing in the Official Journal (JORT)	IORT	Immediate	■ Text for the notice to be published in the Official Journal. (typed and available in both Arabic and French) ■ Tax identification number and card (1 copy) ■ The National Identity Card of the advertiser or passport (1 copy)
Registration at the Trade Registry	Court Clerk	Immediate	■ The official receipt for fees paid to publish in the JORT (1 copy)

Source: Agency for the Promotion of Industry and Innovation (APII)
www.tunisieindustrie.nat.tn

Note: a checklist for the above procedure is regularly updated and available at the relevant offices or can be downloaded from the APII website at: **www.tunisieindustrie.nat.tn.**

CHAPTER 4 SETTING UP A COMPANY

2.1.2 ESTABLISHMENT OF A LIMITED COMPANY (SA)

Eligibility

Limited Companies, whether or not they make a public offering, whose activities are governed by the Investment Incentives Code.

Departments involved

- Tax Office: registration of project declaration certificate (if business requires pre-authorization) and statutes.
- Tax Inspection: to obtain tax identification card.
- Court Clerk: registration at the trade registry.
- Official Printing Office of the Republic of Tunisia: publication in the JORT.

Note: all tax stamps must be obtained from the Tax Office at the start of the process.

Procedure and documents to be submitted

PROCEDURE	AGENCY	TIME LIMIT	DOCUMENTS REQUIRED
Submission of statutes project	Court Clerk	Immediate	■ Project declaration certificate (1 copy) ■ Project statutes, signed by the owner(s) (1 copy)
Publication in the Official Journal (JORT)	IORT	Immediate	■ Typewritten text of the notice to be published in the Official Journal (in Arabic and French) ■ The National Identity Card of the advertiser (1 copy)
Statement of capital and payment receipt	Tax Office	04 hours	■ Project declaration certificate (2 copies) ■ 10 original copies, including 4 originals of the list of subscribers and payment statements ■ A receipt for temporary submission of Statutes from the Court Clerk ■ 1 copy of the JORT publication notice ■ 1 copy of the text in the Official Journal of the Tunisian Republic (JORT) and daily newspapers publishing the notice ■ 10 copies of the list of subscribers and the payment schedule ■ 1 copy of each subscription bulletin ■ Bank statement (certified) for the required funds, (verifying payment along with the decision of FOPRODI in the event that the investor benefits from it) ■ The investor's passport(s) and of the representative or agent (1 copy). If a local investor or representative, the National Identification Card (1 original copy) ■ Power of Attorney (notarized signature of the principal investor), if an investor is abroad (1 copy) ■ In case of a contribution in-kind, the Statutes plus the company must be evaluated by a registered certified accountant. The report of the auditor must be annexed to the Statutes. Note: the subscription and declaration of capital form must be formalized in an act of declaration by the founding party, submitted to the Receiver.

PROCEDURE	AGENCY	TIME LIMIT	DOCUMENTS REQUIRED
Registration of the minutes of the CGA and 1st BD	Tax Office	Immediate	■ Minutes of the Constitutive General Assembly (4 copies) and the first Board of Director's Meetings (10 original copies)
Tax identification number and card	Tax Control Desk	Immediate	■ Application form to be signed at the APII office ■ The manager'(s) passport(s) and of the agent, if necessary (1 copy), ID card if local manager ■ A trader card, in case of trade companies ■ Rental or lease contract for headquarters, with address and activity (1 copy) ■ Corporate address certificate
Final registration in the Trade Registry	Court Clerk	Immediate	■ 2 forms to be filled out and signed by the manager or a representative. ■ Project declaration certificate (2 copies) ■ The company's registered statutes (2 original copies) ■ Minutes of the General Constitutive Assembly and the first Board of Director's Meetings. (2 original copies) ■ The declaration of subscription and payment (2 original copies) ■ In case of contribution in kind, 2 original copies of the commissioners' report. ■ List of subscribers/applicants (2 original copies) ■ Tax identification number and card (2 copies) ■ Corporate address certificate with the signature of the legal representative and stamp of the company. (1 copy) ■ Rental or lease contract for headquarters, with address (2 copies) ■ The Owner/CEO's passport, if foreigner and of the representative or the agent (2 copies). If Tunisian, the National Identification Card (2 copies) ■ The National Identification Card and the Professional Card of the external auditor (2 copies), or the trade registry's extracts issued within the last three months by the Court Clerk (2 copies) ■ Power of attorney (notarized), if the applicant is other than the company's legal representative
Publication in the Official Journal (JORT)	IORT	Immediate	■ Text for the notice to be published in the Official Journal (typed and available in both Arabic and French) ■ The National Identification Card of the advertiser, if Tunisian, or passport if a foreigner (1 copy) (references of the deposit certificate of project declaration)
Approval of the Trade Registry	Court Clerk	Immediate	■ The official receipt for fees paid to publish in the JORT (1 copy)

Source: Agency for the Promotion of Industry and Innovation
www.tunisieindustrie.nat.tn

Note: Checklists are regularly updated and are available at the relevant departments or can be downloaded from the APII website **www.tunisieindustrie.nat.tn.**

CHAPTER 4 SETTING UP A COMPANY

2.2 CAPITAL REQUIREMENTS

The law in Tunisia does not require a minimum capital requirement, if a company being created is in the form of a Limited Liability Company or a Single Member Liability Company (SARL or SUARL).

For a Limited Company (SA), a minimum capital requirement of no less than 5,000 TND is required if the company does not make a public invitation to investors, and 50,000 TND, if the company does make a public invitation. In both cases, the minimum capital requirement must be divided into shares whose nominal value may not be less than 1 TND.

2.3 INCORPORATION AND REGISTRATION OF A COMPANY[1]

2.3.1 REGISTRATION FEES AT THE TAX OFFICE

Registering the company's statutes and capital increase are subject to a fixed fee of 150 TND.

The voluntary registration of statutes, which are not themselves part of the company's constitution, are subject to a fee of 20 TND per page/per copy.

2.3.2 FEES FOR SPECIAL REGIMES

In Tunisia, export only companies (under the special regime) are exempt from all company registration fees.

For all other companies (SUARL, SARL, or SA), a subscription and disbursement fee of 150 TND is to be paid at the Tax Office. This fee is required of all companies, except those exonerated (export only companies) from registration fees.

2.3.3 REGISTRATION FEES AT THE TRADE REGISTRY (COMMERCIAL PROJECTS)

For commercial projects, the fee for registering a company at the Court Clerk is 15 TND. In addition, a tax stamp of 5 TND is required for each statement of account.

2.3.4 REGISTRATION FEES AT THE COURT REGISTRY (INDUSTRIAL PROJECTS)

For an industrial project, the fee for registering a company with the Court Clerk is 15 TND.

2.3.5 PUBLICATION FEES FOR THE JORT

Publication fees in the Official Journal of the Tunisian Republic (JORT) vary according to the length of the text. They are generally between 61 TND and 250 TND.
Failing to use the template provided by JORT, the fee will be 2.373 TND per line, knowing that six words constitute one line.

[1]The tax and customs identification cards are issued free of charge

APII One Stop shop provides several assistance services for the incorporation of companies:

- reception of promoters,
- preparation and immediate delivery of the certificate proving the submission of the investment project,
- performance on behalf of promoter of formalities for the company's incorporation,
- provision of other services (secretarial tasks, translation, etc.),
- assistance and information about the investment environment in Tunisia,
- formalities for the declaration of the project,
- procedures to obtain tax and financial advantages: Investment Incentives Code,
- customs procedures,
- affiliation to the legal scheme of Social Security,
- affiliation of self-employed workers,
- certificate of non submission to Visa of the work contract,
- foreign employer certificate: developer, manager, CEO,
- foreign worker certificate,
- work contract for foreign worke,
- customs code number,
- pledge or non-pledge certificate,
- submission of pledge agreement,
- deposit of amendment acts,
- registration of other types of documents,
- authentification of signature and certification of copies of original documents,
- publication in the Official Journal of the Tunisian Republic (JORT)…

3. COMMITMENTS IN THE FIELD OF ENVIRONMENTAL OBLIGATIONS[2]

3.1 ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

To prevent negative effects on the Tunisian environment, a full Environmental Impact Assessment (EIA) is required by law for most industrial, agricultural and commercial projects. Under special circumstances, the document is sometimes reduced in scope – to a summary description and a list of foreseeable environmental impacts – depending upon the type of sector and activities.

The purpose of the EIA is to integrate the economic, social, and environmental aspects of the project and to identify mitigation measures that will minimize the impacts of the project on the greater environment. This document will provide the Ministry of Environment and other approving agencies with the necessary comfort that:

- the project does not pose a threat to the environment; and
- if required, the agencies have the opportunity to issue a decree regarding the nature and the contents of the project.

[2] This section, while not exhaustive, presents most commitments required in the environmental field.

CHAPTER 4 SETTING UP A COMPANY

3.1.1 PROJECTS SUBJECT TO AN EIA

Projects, which are subject to an EIA are listed in two categories:

CATEGORY A

- Household and similar waste management facilities, of a capacity not exceeding 20 tons per day
- Facilities for processing and manufacturing construction materials, ceramics, and glass
- Facilities creating or manufacturing medicine
- Facilities manufacturing non-ferrous metals
- Facilities for processing metals
- Oil and natural gas exploration and extraction projects
- Sand, clay, and marble quarries with production not exceeding 3,000,000 tons per year
- Yeast and sugar production facilities
- Textile-dying, weaving, knitting and jeans-washing and finishing facilities
- Development of industrial zones with areas not exceeding 5 hectares
- Urban development projects with a plot area between 5 and 20 hectares
- Development of tourist zones with areas between 10 and 30 hectares
- Mineral fibers manufacturing facilities
- Food industry, agro-processing and manufacturing facilities
- Slaughterhouses
- Facilities for the manufacturing or construction of automobiles, trucks or their engines
- Naval yard projects
- Facilities for the manufacturing and maintenance of airplanes
- Shellfish breeding facilities
- Desalinization plants
- Facilities for seawater therapy and balneology
- Hotels with a capacity of over 300 beds
- Facilities producing cardboard and paper products; and
- Elastomer and peroxide fabrication facilities.

CATEGORY B

- Crude oil and gas refineries and gasification and liquefaction facilities with a capacity of at least 500 tons per day of carbon or oil shale
- Electricity production of over 300 megawatts
- Household and similar waste management facilities with a capacity of over 20 tons per day
- Hazardous waste disposal facilities
- Facilities for the production of cement, lime and gypsum
- Facilities for the production of chemical products, pesticides, paints, polish, and bleach falling under category 2, according to the list of dangerous, unhealthy and inconvenient establishments
- Steel facilities/plants
- Sand, clay, and marble quarries with production exceeding 300,000 tons/year and extraction of mineral resources projects
- Facilities for the production and processing of paper pulp and cellulose
- Construction projects for railroads, highways, express roads, bridges and interchanges
- Construction projects of airports with runways exceeding 2,100 meters
- Construction projects for fishing, commercial harbours, and marinas

- Development of industrial zones exceeding 5 hectares
- Urban residential projects exceeding 20 hectares
- Tourist projects exceeding 30 hectares
- Equipment facilities for gas and crude oil transport
- Urban wastewater treatment plants
- Industrial wastewater treatment plants
- Lambskin and sheepskin tanning facilities
- Agricultural projects irrigated by treated wastewater
- Construction of large dams
- Aquaculture projects not mentioned in Category A
- Desalination facilities to provide urban environments with drinking water
- Holiday resorts projects exceeding a capacity of 1,000 beds
- Facilities for the extraction, processing or cleaning of mineral or non-mineral products
- Facilities for refining phosphate and phosphate derivatives.

3.1.2 PROJECTS SUBJECT TO TECHNICAL SPECIFICATIONS

The projects subject to technical specifications, which must obtain approval from the Minister of Environment/ ANPE (National Agency for Environment Protection), include:

- urban residential projects with an area not exceeding 5 hectares and tourist zone projects not exceeding 10 hectares;
- projects for schools and educational facilities;
- projects involving the installation of transport channels or water transfers;
- projects for energy transport, not listed above, and which do not cross sensitive or natural areas (which are under legal protection);
- projects for coastal planning, not previously mentioned;
- oil pressing facilities (oil mills);
- facilities for the extraction of animal and vegetable oils;
- facilities categorized as animal farming;
- textile facilities, not previously mentioned;
- facilities for stamping and cutting large metal parts;
- storage and oil distribution facilities, or vehicle washing stations;
- starch manufacturing facilities;
- traditional quarries;
- facilities for storing gas or chemicals;
- boiler works, construction of tanks and reservoirs, and other sheet metal parts;
- laundries using water for garments and blankets;
- catchment lakes; and
- facilities for manufacturing pharmaceutical products.

3.1.3 CONTENT OF AN EIA

The Environmental Impact Assessment (EIA) must be carried out by a firm sanctioned by the National Agency for Environment Protection (ANPE), based upon their contractual specifications and in accordance with the sectoral terms of reference set up by the National Institute for Standardization and Industrial Property (INNORPI).

A list of accredited consultancy firms approved by the ANPE is available at its headquarters or at one of their seven regional offices.

The cost of an Environmental Impact Assessment is the responsibility of the investor.

The content of the EIA must identify the potential impact of the project on the environment and must include, at least, the following:

- a detailed description of the project;
- an analysis of the initial state of the site and its surroundings, including the natural elements and resources, which could be affected by the project;
- an analysis of foreseeable consequences, direct and indirect, of the project on the environment, in particular, natural resources, species of flora and fauna and areas under legal protection, i.e., forests, nature reserves, historical sites, sensitive or protected areas, national parks, and urban parks;
- the measures proposed by the developer (in addition to the associated potential costs of these measures) to eliminate, mitigate or reduce, and if possible, offset the adverse effects of the project on the environment; and
- a comprehensive environmental management plan for the project.

3.1.4 SUBMISSION OF THE EIA AND DEADLINES FOR REPLY

The investor must submit 3 copies of the EIA to the ANPE or 1 copy of contracts signed and authenticated by the ANPE. In addition, one copy of the report is required for each agency issuing approvals for the EIA.

The ANPE has a 21 working-day processing time from the receipt of the EIA for projects listed in Category A to notify its refusal. The processing deadline for a project under Category B is 3 working months. If this time period elapses, the project is technically considered approved.

It should be noted that the processing period of 21 days can be extended to 3 working months for projects listed under Category A, if the area is under legal protection, i.e., forests, nature reserves, historical sites, sensitive areas, protected spaces, national parks; and/or city parks different species of fauna and flora.

3.2 RISK ASSESSMENT (RA)

A Risk Assessment (RA) is a technical study, undertaken by the operator, which identifies the potential health and safety hazards of a company's activities. The purpose of the study is to set the means and measures to prevent potential risks associated with fire, explosions, health and safety of employees, panic and major industrial accidents.

The RA must describe the risks of major accidents that might happen and how they could be handled. In addition, RA has to explain and justify the preventive measures and procedures intended to reduce the probability of accidents and limit their effect on people, property and the environment.

A RA must be updated every 5 years or whenever there is a modification to the site or premises (following an extension or other modifications).

3.2.1 PROJECTS SUBJECT TO A RA

Projects required to undertake a RA are those classified as dangerous, unhealthy, inconvenient, or similar.

The classification of a project is made according to the amount of danger or potential negative impact of its operations. These types of projects fall into three categories[3].

A RA document is mandatory for all projects or companies classified as dangerous unhealthy, inconvenient or similar, under Categories 1 and 2 below:

CATEGORY 1

This category includes projects that are located far from urban centers and private residential areas.

Specifically, projects that fall into this category are those which:

- manufacture alkaline hypochlorite, including bleach with chlorine;
- use or store organic peroxides (in amounts ≥10 tons); or
- use or store chlorine (in amounts ≥ 4,000 kg).

CATEGORY 2

Category 2 is comprised of projects, which are allowed to be in the vicinity of residential areas or houses, whose operations can only be authorized if safety measures are undertaken to prevent danger, or an inconvenience.

This is relevant particularly for factories, workshops, plants, warehouses, and construction sites, and all institutions, which are sources of danger, whether it be for reasons of security, sanitation, health of staff, public health, or agriculture.

Projects that fall into this category are businesses which:

- store materials such as plastics, rubber, elastomers, paint, varnish, synthetic resins, or adhesives (in amounts equal to or greater than 500 m^3);
- manufacture, use, or store substances or preparations releasing toxic gases when in contact with water (in amounts greater than 50 tons but less than 200 tons); or
- use or store chlorosulfuric acid (in amounts equal to or greater than 50 tons).

CATEGORY 3

The third category includes projects, which do not cause serious inconveniences either on the general public's health or to nearby residential communities. These types of projects are only under administrative supervision and subject to general requirements, the goals of which are to ensure public safety and limit negative effects on residential communities.

[3] JORT N°18 of 2 March 2010 (exhaustive list)

3.2.2 CONTENT OF A RA

The minimum requirements for an RA are fixed by Tunisian law and include the following:

- a general presentation of the study and a non-technical summary;
- a thorough description of the project's environment;
- a description of the project, its facilities, and methods of operation, as well as, the activities undertaken;
- identification of the project's dangers and risk analysis;
- measures to be taken to limit negative consequences;
- impact on the environment;
- procedures and intervention means in case of accidents; and
- important elements for security.

3.3 ENERGY AUDIT (EA)

In Tunisia, the aim of the Energy Audit (EA) is based on 3 mechanisms intended to promote energy savings and reduce greenhouse gas effects on key economic sectors: a legal system, an incentive system and an institutional system.

The procedures governing the EA are subject to a series of regulations specifying the following steps and conditions:

- every company is required to undertake a compulsory and regular EA (every five years). The EA must be completed by an auditing expert;
- the company is required to enter into a written agreement with the auditing expert or to perform an energy assessment and prepare a report in conformity with the rules and requirements set out by the National Agency for Energy Conservation (ANME);
- the agreement will be submitted, prior to signature, by the two parties to the ANME for approval;
- the AE report, the content of which is fixed by Tunisian decree, must present the recommendations to improve energy performance at company facilities, provide an economic evaluation of the proposed actions, and an evaluation of the action plan.

Once the approval of an EA report is granted, the company must implement the EA's action plan. Any benefits granted by the ANME will be released only after the EA has been accepted and a contract has been signed between the company and the ANME. Companies not subject to an EA and willing to invest in energy efficiency measures, renewable energy, or energy substitution are also expected to perform a voluntary EA following the same procedures.

3.3.1 PROJECTS SUBJECT TO AN EA

Under the regulatory framework, there are two types of companies subject to a mandatory Energy Audit:

- industrial companies with total energy consumption greater than or equal to 800 TOE/year;
- companies in the transportation, commercial, service, and residential sectors with total energy consumption equal to or greater than 500 TOE/year.

Moreover, the same regulatory framework sets out the conditions to which new projects in the industrial, commercial, service and residential sectors are subject. The EA is required prior to project implementation and must be undertaken in consultation with the ANME. An EA must be undertaken:

- if the projected energy consumption is equal to or greater than 800 TOE/year for industrial establishments; or
- if the projected energy consumption is equal to or greater than 200 TOE/year for service and residential projects.

Given that the EA is obligatory for the aforementioned, infractions are penalized by law with a fine ranging from 20,000 to 50,000 TND.

3.3.2 CONTENT OF AN EA

For companies conducting an energy audit for the first time, the EA must include:

- a description of the project and its main characteristics in terms of energy consumption;
- an assessment of the facility's energy performance;
- an evaluation of the organizational system for the control, monitoring and management of energy utilization;
- recommendations to improve the facility's energy performance level, accompanied by an economic evaluation of the actions proposed; and
- an action plan to improve the energy performance of the facility and resort to substitution.

For companies, which have already undertaken an energy audit, the revised EA must contain the following:

- a description of the evolution of energy use since the previous audit;
- a summary of the main activities undertaken since the previous audit and their results;
- an update of previous assessments conducted in the field of energy consumption and the organizational system adopted; and
- any recommendations for the re-focusing of the action plan and its development.

CHAPTER 5

STARTING A PROJECT: INFRASTRUCTURE AND LOGISTICS

1. Lands and premises
1.1 Industrial and services lands and premises
1.2 Lands and premises for tourism
1.3 Agricultural lands

2. Production factors
2.1 Electricity
2.2 Gas
2.3 Water
2.4 Sanitation
2.5 Telecommunications

3. Transport
3.1 Maritime transport
3.2 Air transport
3.3 Rail transport
3.4 Road Transport
3.5 Agreements in transport services

1. LANDS AND PREMISES

1.1 INDUSTRIAL AND SERVICES LANDS AND PREMISES

In Tunisia, foreign investors are permitted to purchase land and/or premises set aside for industrial and services projects. This can be undertaken with the assistance of:

- the Industrial Land Agency (AFI);
- regional councils;
- Tunisian private citizens.

For foreign investors, the acquisition of land and/or pre-built facilities within an industrial zone/free zone in Tunisia for industrial or commercial projects is allowed and does not require pre-authorization from the Government.

Also, the acquisition of land and/or pre-built facilities by foreign investors, in the framework of integrated projects approved by the Ministry in charge of Investment does not require pre-authorization. Outside these zones however, land and premises do require pre-approval by the Tunisian authorities.

FIPA-Tunisia has access to a land and industrial premise database to assist all investors in their search for a location, site or building.

Tunisia has about one hundred industrial zones distributed all over the territory, including 83 zones created by AFI covering a total area of 2,300 hectares.

Furthermore, new industrial zones are regularly planned so as to meet the increasing demand for industrial land.

There are two business activity parks that are operational with high quality services: Bizerte and Zarzis–Djerba. Tunisia also has 10 competitive nessclusters as well as 13 cyberparks covering various specialities.

CHAPTER 5 STARTING A PROJECT: INFRASTRUCTURE AND LOGISTICS

1.2 LANDS AND PREMISES FOR TOURISM

In Tunisia, a foreign investor also has the possibility of purchasing land and/or premises set aside for tourism projects. Investors should contact:

- the Tourism Land Agency (AFT) for touristic locations;
- Tunisian private owners.

For foreign investors, the purchase or lease of land and/or premises built in tourist locations in order to develop economic projects does not require pre-authorization from the Government.

1.3 AGRICULTURAL LANDS

Foreign investors are not permitted to own agricultural land in Tunisia. However, agricultural lands may be leased and managed by Limited Companies with, at most, a 66% share ownership by foreigners.

State owned lands can be leased on a long term basis for up to 25 years.

To lease and manage lands slated for agricultural use, a foreign investor may contact:

- the Ministry in charge of agriculture;
- Tunisian private citizens.

2. PRODUCTION FACTORS

2.1 ELECTRICITY

In Tunisia, electricity is available in the following voltage:

Frequency of alternating current	50 Hz
Low voltage	220 / 380 V (± 10%)
Medium voltage	30 kV (± 7%) Basic throughout Tunisia 10 kV and 17 kV In some regions

In Tunisia, the Tunisian Company of Electricity and Gas (STEG) is responsible for the production and distribution of electricity, natural gas, and liquid petroleum gas (LPG). STEG provides its clients with the highest quality service possible, which is comparable to those offered by the top electricity and gas companies in the Mediterranean region. Electricity fares depend on a number of factors such as the type of power supplied, the technical requirements, the nature of use, time of day, and the location of the user with regard to existing networks.

Provider: www.steg.com.tn

2.2 GAS

The Tunisian Company of Electricity and Gas (STEG) is solely responsible for the production and distribution of liquefied petroleum gas (LPG), as well as, natural gas.

In Tunisia, gas levels are available in the following measures:

PRESSURE LEVEL	FLOW RATE (IN THERMS PER HOUR)		
Low pressure (LP)	LP1	50 and 100 thm/h	C[4]≤300 thm/month (≤30 m³/month)
			300<C≤600 thm/month
			C>600 thm/month (>60 m³/month)
	LP2	160 to 8,000 thm/hr	
Medium pressure (MP)	MP1	1,000 to 4, 000 thm/hr	
	MP2	6,000 to 30,000 thm/hr	
High pressure (HP)	HP1	10,000 to 30,000 thm/hr	
	HP2	≤2,000 TOE/month	>30,000 thm/hr
		>2,000 TOE/month	

[4] C: consumption

LP1 is intended for domestic consumers, as well as, small industrial and services consumers. LP2 is intended for large services and industrial consumers requiring low pressure. In contrast, medium and high pressures (MP1, MP2, HP1, and HP2) are geared towards large-scale consumers requiring pressure speed up to 30,000 thm/hr.

Pricing for gas depends on the type of connection, quantity of product consumed, size of the meters and other technical specifications.

Provider: www.steg.com.tn

2.3 WATER

In Tunisia, water is provided solely by the National Water Exploitation and Distribution Company (SONEDE). It is responsible for processing and distributing water in the country, as well as, the operations, maintenance, and renovation of its facilities.

The price of water in Tunisia is progressive and applicable to different types of use except for tourism. It depends upon the quantity consumed, and the use of the water and the charges which depend on the size of the meter.

In Tunisia, consumers have 24-hour water supply that is high quality, safe and reliable.

Before distribution, Tunisian water undergoes a double bacteria screening by SONEDE in accordance with the Ministry of Public Health's regulations and in conformity with the World Health Organization's (WHO) standards.

Provider: www.sonede.com.tn

CHAPTER 5 STARTING A PROJECT: INFRASTRUCTURE AND LOGISTICS

2.4 SANITATION

The National Office of Sanitation (ONAS) is responsible for the sanitation sector in Tunisia. ONAS manages the sewerage and sanitation networks, and is involved in water protection and combating all sources of pollution.

With a 90% rate of connection to the public sewage network, ONAS seeks to control pollution from industrial wastewater by:

- controlling polluting industrial discharges; and
- controlling industrial wastewater by pre-treating waste via periodic analysis in ten laboratories.

Provider: www.onas.nat.tn

INCENTIVES IN THE FIELD OF SANITATION

- 50% reduction of the sanitation tax for textile enterprises having a wastewater pretreatment plant and complying with the standards of connection to the sewer system.
- The possibility for industrial and tourism businesses to pay in several installments the fees of connection facilities. Thanks to this measure, these companies can pay the fee over a period of eight years instead of a cash payment at once.

Source: National Office of Sanitation (ONAS)
www.onas.nat.tn

2.5 TELECOMMUNICATIONS

The Tunisian telecommunications network is considered to be amongst the most developed and highest-performing in the region.

The landline infrastructure in the country, as well as, mobile and satellite communication services are provided by the three national telecommunications operators (Tunisia Telecom, Orange Tunisia and Tunisiana). The ISPs, (more than 10 public and private operators), offer a wide range of both local and international services including audio, video data, and a number of other advanced telecommunication services.

The networks in Tunisia are both modern and completely digitized. They consist of fiber optics, ADSL, ATM, SDH and other bandwidths without extended cables, capable of offering high capacity and fast speeds for both voice and data transmissions. This technology allows foreign investors to establish communication links virtually anywhere in the world at affordable prices.

Telecommunications providers:
www.tunisietelecom.tn
www.tunisiana.com
www.orange.tn

3. TRANSPORT

3.1 MARITIME TRANSPORT

There are seven commercial ports in Tunisia: La Goulette, Rades, Bizerte, Sousse, Sfax, Gabes, Zarzis, and an oil terminal in Skhira. These ports have diverse and complementary activities, and their strategic locations accommodate all types of vessels.

Currently, several shipping companies provide full-service logistics (transport, containers, bulk, and conventional cargo) from Tunisia. The Tunisian Navigation Company (CTN) remains the premier shipping company in the country providing specialized maritime transport along regular routes throughout the Mediterranean. In addition, CTN offers a multi-modal service, tailored logistics services, and a tramping service through its local and European offices.

A large number of freight forwarders offer forwarding services in Tunisia. Goods to international destinations can be sent through various international shippers with local offices in Tunisia, such as DHL, FedEx, UPS…

For full and general cargo, freight is calculated either by volume or tonnage. Containers and towing freight are calculated by linear meter.

In Tunisia, shipping rates are negotiable and many factors determine the price to a specific destination such as size, weight, nature of the goods, customer loyalty, and route of transport…

Export rates are often lower than import rates.

The port of Rades being the first container port in Tunisia, it occupies an important place in the national transport chain by its specialization in container traffic and rolling units (mainly trailer traffic).

Source: Merchant Marine and Ports Authority (OMMP)
www.ommp.nat.tn

NUMBER OF DEPARTURES PER WEEK TOWARDS CERTAIN PORTS IN THE MEDITERRANEAN AND NORTHERN EUROPE (INCLUDING CAR-FERRIES)

Marseille	10
Seta	1
Genes	7
Barcelona	7
Livorno	2
The Spezia	1
Malta	5
Gioia Tauro-Istanbul-Izmir	1
Gioia Tauro-Hera Klion (Greece)	1
Cartagena	2 per month
Gioia Tauro-Alexandria	1
Gioia Tauro-Piraeus	1
Rotterdam	1
Bremen	1
Rouen	1
Antwerp	1

Source: CTN & other companies

CHAPTER 5

STARTING A PROJECT: INFRASTRUCTURE AND LOGISTICS

3.2 AIR TRANSPORT

Tunisia has nine international airports providing coverage throughout the country: Tunis-Carthage (Northeast), Tabarka (Northwest), Enfidha, Monastir and Sfax (East Coast and Center), Djerba (Southeast), Tozeur and Gafsa (Southwest) and Gabes (Southeast). The largest and most important airport is Tunis-Carthage.

The cargo terminal in the Tunis-Carthage airport contains the offices of TUNISAIR (the national carrier), foreign airlines, certified agents, freight forwarders, Customs, and the Office of Civil Aviation and Airports (OACA).

The terminal has a one-stop desk which hosts TUNISAIR import agency, customs, and OACA to facilitate the efficient transfer of imported goods into Tunisia.

3.3 RAIL TRANSPORT

The railway network in Tunisia extends 2,167 km and covers the entire country. The National Tunisian Railroad Company (SNCFT) is the sole provider of rail transport in Tunisia. SNCFT is entrusted with transporting both passengers and goods on its national network.

Approximately 12 million tons of goods, including construction materials, cereals and grains, food products, and bulk minerals including phosphates, iron, zinc, and lead are transported each year.

Believing in the interrelatedness between sea, rail and land transport and their role in stimulating economic activity, SNCFT has developed several alliances with shipping companies, freight forwarding agents, maritime transporters, road transporters, and some forty industrial manufacturers.

3.4 ROAD TRANSPORT

The Tunisian road network covers the whole of Tunisia and consists of over 20,000 km of paved asphalt roads and 360 km of a national highway network.

The road system in Tunisia links all the main urban centers of the country and allows for a very effective and efficient transport and logistics service.

The highway network connecting the main Tunisian cities and towns are:

- Tunis – Sfax, Southbound
- Tunis – Bizerte, Northbound
- Tunis – Medjez Elbab, Northwest bound to the Algerian border.

The average price of land transport in Tunisia is between 0.070 and 0.080 TND per ton per kilometer. These prices tend to decrease, as the distance increases.

Since land transport has been liberalized in the country, transport companies are permitted to apply competitive pricing for logistics services.

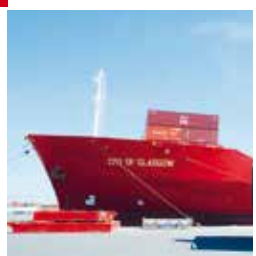
3.5 AGREEMENTS IN TRANSPORT SERVICES

Tunisia is a signatory to international agreements and conventions governing international transport with regard to customs issues, road circulation, rail, air and sea transport, multimodal transport, and maritime navigation.

The agreements governing international land transport signed by Tunisia are:

- the CMR Agreement, pertaining to contracts for international transport of goods signed in May of 1956. This convention regulates inter alia, the conditions of transport, and the responsibility of the transport agent,
- the IRT Agreement (Agreement on International Transport of Goods Under Cover of IRT Logs), signed in November 1975, provides transit countries the guarantees necessary to cover payable duties and customs taxes. It aims to facilitate the movement of goods along international roads,
- the COTIF Agreement, pertaining to international rail transport, signed in May 1980, is the basis of the inter-governmental organization for international rail transport. It establishes a common legal framework for international rail transport of passengers and goods,
- the convention for transport of goods and passengers between Arab-Maghreb Union countries signed on July 23, 1990.

Tunisia has concluded bilateral agreements on international road transport with Austria, Belgium, Egypt, Spain, Finland, France, Italy, Germany, Hungary, Jordan, Luxemburg, Poland, Portugal, the United Kingdom and North Ireland, Sweden, and Switzerland.



CHAPTER 6

EMPLOYMENT AND PROFESSIONAL TRAINING

1. Employment
1.1 Labor regulation in Tunisia
1.2 Hiring Tunisian staff
1.2.1 Staffing contracts
1.2.2 Incentives for employing Tunisians
1.3 Hiring foreign personnel

2. Working conditions
2.1 Salaries in Tunisia
2.2 Work schedules
2.3 Work leave
2.4 Contract termination

3. Professional training

1. EMPLOYMENT

1.1 LABOR REGULATION IN TUNISIA

In Tunisia, the labor market is regulated by the 1966 Labor Code. It guarantees workers, both foreign and nationals, the same rights especially as concerns compensation, protection against discrimination, and the prevention of work-related accidents. The Code also includes provisions on professional training.

The Labor Code is in conformity with the relevant international labor standards and international agreements.

1.2 HIRING TUNISIAN STAFF

Tunisia offers investors an educated workforce capable of being swiftly trained in new techniques and new skills. It has recourse to a large pool of young, highly-qualified new graduates whose skills and qualifications in various fields meet the needs of the business world.

Hiring Tunisians is free and competitive. To recruit staff, a foreign entrepreneur may resort to national support organizations such as the National Agency for Employment and Self Employment (ANETI), the National Bureau of Employment of Graduates and Executives (BNEC) or their regional offices, as well as private hiring consultancies.

1.2.1 STAFFING CONTRACTS

The Labor Code provides for several types of staffing contracts:

PERMANENT CONTRACT (PC)

The PC is a common law contract. It is concluded either in writing or verbally for an indefinite term.

The probation or trial period for this type of contract is not obligatory, but varies depending upon the category of the employee as follows:

- 6 months renewable once for technicians/agents
- 9 months renewable once for supervisors; and
- one year renewable once for executives.

FIXED-TERM CONTRACTS (FTC)

This type of contract is concluded for a maximum term of four years, including renewals. Employment beyond this period will be made permanent without a trial period.

TEMPORARY WORK CONTRACT

Recruitment intermediation is a recognized and regulated activity.

This type of contract allows a company to contract employees legally without having to be their employer.

PART TIME CONTRACT (CTP)

PCs or FTCs also can be made part time however; the maximum effective working time for part time contracts may not exceed 70% of the normal working hours of the company.

CHAPTER 6 EMPLOYMENT AND PROFESSIONAL TRAINING

1.2.2 INCENTIVES FOR EMPLOYING TUNISIANS

To encourage employment, the Tunisian authorities provide additional compensation for the benefit of employees and make subsidies available to employers.

PROFESSIONAL LIFE INITIATION INTERNSHIP (SIVP)

A Professional Life Initiation Internship can benefit first-time job-seekers of Tunisian nationality who have had their higher education or equivalent diploma for at least 6 months.

The duration of the Professional Life Initiation Internship cannot exceed one year; however, the Minister of Employment may, in exceptional circumstances, extend the period for an additional 6 months within the same host company or authorize a second internship with another company. The overall duration of Professional Life Initiation Internship may in no case exceed 18 months.

Throughout the duration of the contract National Agency for Employment and Self Employment (ANETI) gives the trainee a monthly allowance of 150 TND.

In addition, the host company must grant the trainee an additional monthly allowance for the duration of the contract the amount of which is set at a minimum of 150 TND.

Interns benefiting from the Professional Life Initiation Internship may be admitted to additional training sessions during the internship period, upon agreement with the host company. ANETI organizes further training sessions within the host company or at a public or private training organization and bears the cost of training for a maximum of 200 hours.

A company cannot have new SIVP trainees unless it has already recruited at least 50% of all trainees who completed their internship during the last three years before filing a new application for inclusion in the program.

The benefit of this program is subject to prior registration of the beneficiary at the Office of Employment and Self Employment and to the signing of Professional Life Initiation Internship contract.

CONTRACT FOR THE INTEGRATION OF HIGHER EDUCATION GRADUATES

Job-seekers of Tunisian nationality who have received a higher education or equivalent diploma and whose period of unemployment exceeds 3 years after the date of graduation may benefit from a Contract for Integration of Higher Education Graduates.

A Contract for Integration of Higher Education Graduates is set for a maximum period of one year on the basis of a specific training program adopted for this purpose between a host company, the trainee, and ANETI.

The specific training program may be held at either the host company or at a public or private training organization. ANETI pays the cost of training up to a maximum of 400 hours per trainee for the duration of the contract.

Throughout the contract period, trainee receives a monthly allowance of 150 TND.

In addition, a trainee who resides outside of the governorate where the host company is located is entitled to an additional allowance not to exceed 50 TND for the duration of the contract.

The host company must provide the trainee with an additional monthly allowance of no less than 150 TND for the duration of the contract.

The host company is committed to recruiting beneficiaries who have completed the Contract for Integration of Higher Education Graduates. Companies which do not comply with these provisions are not entitled to benefit from this program for at least two consecutive years after the termination of their last contract.

A host company recruiting the trainee receives a recruitment bonus of an amount equal to 1,000 TND. This bonus is paid after a year of work starting, effective from the recruitment date. A company wishing to take advantage of this bonus is required to file an application with the National Bureau of Employment of Graduates and Executives (BNEC) in the competent jurisdiction in accordance with the form provided for this purpose, supported by the employment contract of the youth in question and proof of payment of wages during the aforementioned period. ANETI shall pay the bonus within a maximum period of 15 days from the filing of a complete application.

Private sector businesses benefit from support paid from the national employment fund for employer social security contributions on wages paid to new hires from the Contract for Integration of Higher Education Graduates program for a period of 7 years in accordance with the following table:

EMPLOYER SOCIAL SECURITY CONTRIBUTIONS PAID BY THE NATIONAL EMPLOYMENT FUND (FROM THE DATE OF RECRUITMENT)	
Years 1 and 2	100%
Year 3	85%
Year 4	70%
Year 5	55%
Year 6	40%
Year 7	25%

To take advantage of this benefit, the company is required to file an application with the ANETI office in the competent jurisdiction in accordance with the form provided for this purpose. The application must be supported by the requisite documents.

This benefit is granted by a decision of the Governor of the competent jurisdiction after consultation with the relevant advisory committee. The head of the competent ANETI office is responsible for sending a copy of this decision to the company.

The benefit of this program is subject to prior registration of the beneficiary company with the relevant ANETI office and upon signing of a Contract for Integration of Higher Education Graduates.

PROFESSIONAL ADAPTATION AND INTEGRATION CONTRACT

The goal of the Professional Adaptation and Integration Contract is to allow job-seekers who do not hold a higher education degree to acquire professional qualifications that meet the requirements of a job in a private business which has gone unfilled due to the unavailability of required skills in the job market.

A company can benefit from this contract individually or within the framework of agreements concluded with technical centers, professional associations, chambers of commerce and industry, or professional orders and associations.

ANETI, in accordance with a specific training program agreed upon with the company concerned or with one of the organizations mentioned above, covers the cost of this training up to a maximum limit of 400 hours. The specific training program may be done within the host company or in a public or private training organization.

Professional Adaptation and Integration Contracts are concluded between the host company and the trainee for a maximum period of one year.

CHAPTER 6 EMPLOYMENT AND PROFESSIONAL TRAINING

ANETI provides the trainee with a monthly allowance of 80 TND for the duration of the contract. In addition, the company must grant the trainee an additional monthly allowance of at least 50 TND for the duration of the contract.

The host company is expected to recruit beneficiaries of Professional Adaptation and Integration Contracts who have completed the specified training. Companies that have not hired trainees under this program are not entitled to new contracts under this program for at least two consecutive years from the end of the last Professional Adaptation and Integration Contract from which it benefitted.

To take advantage of this program, companies must pre-register with ANETI and conclude a Professional Adaptation and Integration Contract.

LABOR MARKET REINTEGRATION CONTRACT

The goal of the Labor Market Reintegration Contract is to enable workers who have lost their jobs to acquire new skills which meet the requirements of a previously-identified position in a private company.

Workers who may benefit from Labor Market Reintegration Contract include:

- permanent workers who have lost their jobs due to economic or technical reasons or due to the final, sudden, and illegal closure of companies that employed them;
- non-permanent workers who lost their jobs due to economic or technical reasons or due to the sudden, final, and illegal closure of businesses that employed them and who had been working for a minimum of 3 years within the same company that dismissed them.

Labor Market Reintegration Contract is a contract between a host company and an eligible job-seeker for a maximum period of one year.

ANETI encumbers the cost of re-training eligible workers, according to a pre-determined schedule set with the host company for a 200 hours maximum.

ANETI provides the trainee with a monthly allowance of 200 TND for the duration of the contract.

In addition, the company must grant the trainee an additional monthly allowance of at least 50 TND for the duration of the contract.

The host company is expected to hire beneficiaries who have completed their Labor Market Reintegration Contract. Companies that do not hire beneficiaries as stipulated above may not benefit from a new Labor Market Reintegration Contract for at least two consecutive years after the end of the last contract from which they benefited. To take advantage of this program, companies must pre-register with ANETI and conclude a Labor Market Reintegration Contract.

EMPLOYMENT SOLIDARITY CONTRACT

The goal of the Employment Solidarity Contract is to facilitate the integration of various categories of job-seekers into the labor force through specific actions within the framework of regional and local initiatives to promote employment or within the framework of adapting to changing circumstances in the labor market.

Recipients of Employment Solidarity Contract who have higher education degrees or the equivalent receive a monthly allowance from 150 to 200 TND for a maximum of 3 years. Recipients with an education level lower than that indicated above receive a monthly allowance not exceeding 130 TND, for a maximum period of one year.

Under this contract, expenditures for the adaptation and re-training of recipients are subsidized. Monthly compensation not exceeding 300 TND for a period of one year is provided to those in charge of these arrangements.

The benefit of this program is subject to prior registration of the beneficiary with ANETI and upon the conclusion of an Employment Solidarity Contract.

EMPLOYMENT SUPPORT CHECK

The goal of the Employment Support Check is to encourage private sector businesses operating within the framework of the Investment Incentives Code to hire first-time job-seekers of Tunisian nationality, registered with the Office of Employment and Self-Employment (ANETI).

The benefit of an Employment Support Check is contingent upon recruitment of a first-time job applicant under a fixed-term contract for a period of at least one year or under a permanent work contract in accordance with the provisions of the Labor Code.

The duration of benefit of the Employment Support Check cannot exceed one year; however in exceptional circumstances, ANETI can extend the duration of benefit within the same company for an additional period of one year maximum for workers recruited by companies engaged in high added-value and knowledge-intensive activities. The list of these activities is determined by order of the Minister of Employment.

Employment Support Check entitles the employers concerned to the following:

- financial support from the National Employment Fund throughout the duration of the Employment Support Check to cover a part of the salary paid to the recruited worker with a limit of 50% thereof, in accordance with the conditions and within the limit of maximum amounts set by joint order of the Minister of Employment and the Minister of Finance,
- financial support from the National Employment Fund throughout the period of the Employment Support Check to cover the employer's contribution to social security in line with the wages paid to the recruit.

A company may not under any circumstances combine the two benefits mentioned above with similar benefits under plans or instruments reserved for the same purpose.

The expenditures arising from the grant of the aforementioned benefits shall be paid to the National Social Security Fund (CNSS), on the basis of a statement generated by the National Employment Fund and delivered to the Ministry of Employment that includes the number of employees concerned, the salaries paid, and any other data relating to granting the benefit in question.

1.3 HIRING FOREIGN PERSONNEL

To pursue paid employment in Tunisia, all foreigners must possess an employment contract or a certificate of non-submission to a work contract delivered by the Ministry of Employment and a valid residence permit containing the designation "authorized for salaried employment in Tunisia."

Recruitment of foreigners may not be done when there are Tunisian nationals with the required specializations.

Employment contracts may be concluded for a period not exceeding one year, renewable once. All employment contracts may be renewed more than once if the foreigners are working for their own company in Tunisia and are engaged in development projects approved by the relevant authorities.

Employment contracts and renewals must be approved by the Ministry of Employment. The contract's form and the conditions of its grant and renewal are fixed by an order of the aforementioned Ministry.

Totally exporting businesses may recruit up to four foreign managers and supervisors for each business. Beyond this limit, businesses must comply with a recruitment program pre-approved by the Ministry of Employment.

CHAPTER 6 EMPLOYMENT AND PROFESSIONAL TRAINING

DOCUMENTS TO BE SUBMITTED BY FOREIGNERS TO OBTAIN A WORK CERTIFICATE IN TUNISIA (EMPLOYERS AND EMPLOYEES) IN A TOTALLY EXPORTING COMPANY

- A request to the Minister of Employment
- Declaration of hiring a foreign executive
- Copy of certificate of declaration deposit
- Copy of Tax Identification Card
- Copy of the statute or the market contract (for employers only)
- Original abstract of the Registry of Commerce (for employers only)
- Copy of the last statement of wages to the National Social Security Fund for the staff of the Enterprise
- Copy of the page of passport validity
- Certified copy (ies) of degree (s) or document (s) certifying experience or secondment certificate issued by the parent company; and
- 02 tax stamps of 01 TND each.

The file can be deposited at the Central Registry Office of the Ministry of Employment or on line, or at one of its regional directorates or at its agent at APII One Stop Shop.

Source: Ministry of Empoymnent and Professional Training
www.emploi.gov.tn

Upon hire, a foreign worker is entitled to the following:

- the payment of a tax set at 20% of gross income; and
- exemption from customs duty and from taxes concerning the import of personal effects and the import of one automotive vehicle for each person.

2. WORKING CONDITIONS

2.1 SALARIES IN TUNISIA

Tunisian salaries are relatively low compared with neighboring and industrialized countries.

Salaries are generally determined either:

- by reference to collective agreements of the private sector; or
- by free negotiation between employers and employees subject to compliance with the minimum wage established by law.

MINIMUM LEGAL WAGES FIXED BY LAW

- Guaranteed Interprofessional Minimum Wage (SMIG)

SCHEME	MONTHLY WAGE	HOURLY WAGE
40 hours	259.479 TND	1,497 millimes
48 hours	301.808 TND	1,451 millimes

- Guaranteed Agricultural Minimum Wage (SMAG)

SCHEME	DAILY WAGE
Rate (common)	10.608 TND
Specialized workers	10.199 TND A technicality premium of 619 millimes is included
Skilled workers	11.253 TND A technicality premium of 1,163 millimes is included

Source: Decree N°2012-1981 and 1982 dated September 20th, 2012
The Official Journal of the Tunisian Republic (JORT)
www.iort.gov.tn

2.2 WORK SCHEDULES

In Tunisia, the 5 day work week is applied and the most current labor schedules are as follows:

- **for agents of the state, local authorities, and public establishments of an administrative nature**

Winter period

Monday to Thursday: 8:30 AM to 12:30 PM and 1:30 PM to 5:30 PM.

Friday: 8:00 AM to 1:00 PM and 2:30 PM to 5:30 PM.

Summer period and the month of Ramadan

The administrative schedule varies from 8:00 / 8:30 AM to 2:00 / 2:30 PM.

- **for private institutions (work schedules typically vary from one institution to another)**

Winter period

8:00AM to 12:00 PM, and 2:00 PM to 6:00 PM from Monday to Friday.

Summer period and the month of Ramadan

7:00 AM to 1:00 PM from Monday to Friday.

For overtime hours, those above and beyond the normal weekly hours, they are compensated by the weekly salary base plus the following rates of increase:

- for full time work at 48 hours per week: 75%;
- for full time work under 48 hours per week: 25% up to 48 hours and 50% thereafter; and
- part time work 50%.

CHAPTER 6 EMPLOYMENT AND PROFESSIONAL TRAINING

2.3 WORK LEAVE

Holidays considered to be statutorily mandated paid leave are 9 in total as per collective framework agreement:

- January 1st: New Year's Day
- March 20th: Independence Day
- May 1st: Labor Day
- July 25th: Republic Day
- Variable time: 3 days for Eid Al Fitr
- Variable time: 2 days for Eid Al Adha.

Workers who are not able to take off on these holidays owing to the exigencies of their jobs have a right to a salary increase of 100%

There are also five days of unpaid leave:

- 14 January: Youth and Revolution Day
- 9 April: Martyrs' Day
- 13 August: Women's Day
- 1 day for Mawlid
- 1 day for the Hegira New Year.

Workers in Tunisia receive annual leaves which vary between 12 and 30 days per year.

2.4 CONTRACT TERMINATION

A permanent contract may be terminated at any time either on the initiation of the worker by the notification of resignation or by the employer in the form of a layoff.

Resignations must be in writing, signed by the employee him/herself, and express his/her unconditional desire to leave the company of his/her own accord. Layoffs must be based on a legally-valid reason.

It can be issued for personal reasons, or for reasons related to the business (economic or technological difficulties).

Breaking a fixed term contract on the employer's initiative (except for cases of duly established misconduct) requires the employer to pay the laid off worker wages due to him/her for the remaining performance period of the contract.

3. PROFESSIONAL TRAINING

In Tunisia, vocational training is provided both by public operators, such as the Tunisian Agency for Vocational Training (ATFP), which operates the Centers for Training and the Technical Centers for Training in areas under their purview, and by private operators licensed by the Ministry in charge of Vocational Training.

There are 212 training centers comprising 451 specializations, covering all economic sectors, located throughout Tunisia.

VOCATIONAL TRAINING FIELDS IN TUNISIA

In Tunisia, vocational training fields cover both traditional sectors and sectors with high added value:

- agriculture
- building, public and ancillary works (wood and furniture, sanitary, refrigeration and air conditioning…)
- textile and clothing
- leather and shoes
- general mechanics and steel construction
- electricity, electronics
- office work
- transport, driving and maintenance of vehicles and gear of public and agricultural work
- art and craft trades
- agrofood industry
- other services and industries.

Source: Ministry of Education and Vocational Training
www.edunet.tn

Vocational training activities in Tunisia are diversified in order to provide a qualitative approach in order to develop the various types of training including:

- basic training courses (residential, alternating or apprenticeship)
- training courses contracted by the companies at their request
- continuous training sessions in collaboration with the National Center for Continuous Training and Professional Promotion (CNFCPP).

Laws and regulations foster continued training within a company. To this end, support mechanisms are in place to encourage training. Companies that participate in this national effort may receive financial assistance from the state in two forms:

- basic training assistance, consisting of a defrayment of 50% of the costs of training; and
- continued training assistance comprising:
  - a rebate on professional training taxes (for non-exporting businesses)
  - financial support under the National Program for Continuing Education
  - payment of up to 25% of the cost of training to encourage technological mastery, up to 250,000 TND.

CHAPTER 7

SOCIAL SECURITY

1. Social security system
2. Social contributions
3. Social security exemptions
4. Health insurance
5. Bilateral social security agreements

1. SOCIAL SECURITY SYSTEM

Tunisian social protection covers employees against all risks including unemployment. The social security system in Tunisia is applicable to virtually all employees and differs according to the professional category:

- for non agricultural sectors, there is a general plan, a supplementary pension plan, and a self-employment plan;
- for the agricultural sector, separate plans cover workers and managers.

SOCIAL SECURITY BODIES IN TUNISIA

- The National Pension and Social Security Fund (CNRPS) responsible for providing coverage to civil servants and public sector employees.
- The National Social Security Fund (CNSS), which provides social security for workers in the private sector (employees and self-employed workers in various sectors).
- The National Health Insurance Fund (CNAM) manages the various schemes of health cover for social security affiliates in the public and private sectors, the provision of sickness benefits as well as compensation schemes for damages resulting from occupational accidents and diseases.

Source: Ministry of Social Affairs
www.social.tn

Employers who employ staff are required to join the National Social Security Fund (CNSS) and report the names of the staff they employ within one month of the date of their hiring. If the employer fails to do so, the employee has the right to register himself/herself.

The documents required to open a CNSS file are:

In all cases:

- application for membership with the signature and stamp of the employer;
- nominal list of personnel with a signature and stamp of the employer;
- hours of work submitted to the labor inspectorate in the competent jurisdiction;
- certified copy of the employer's title to the premises, the land, the vehicle or certified copy of the lease with a copy of the last rent receipt; and
- a copy of the residence permit or passport of the employer or the legal representative of the company if s/he is a foreigner, or a copy of his/her Identity Card if s/he is Tunisian.

As appropriate:

- original extract from the Trade Registry;
- certified copy of the patent;
- certified copy of the authorization to carry out the activity;
- certified copy of the license to operate;
- certified copy of the certificate to practice the activity;
- certified copy of the company's statutes and a copy of its publication in the Official Journal (JORT);
- certified copy of the decision to appoint a legal representative of the business (if not designated in the statutes) and a copy of the decision's publication in the Official Journal (JORT);

- certified copy of the business's management contract and a copy of its publication in the Official Journal (JORT);
- certified copy of the decision to grant incentives; and
- certified copy of the investment declaration filing certificate.

Membership can be procured at the relevant CNSS office, subject to a fee of 5 TND.

2. SOCIAL CONTRIBUTIONS

The rate of employer social security contributions required by law is fixed for the industrial sector as follows:

- employer contribution to Social Security (CNSS):16.5%
- special state funds: 0.5%
- contribution to the Fund for the Promotion of Social Housing (FOPROLOS): 1%
- vocational Training Tax (TFP) for manufacturing industries: 1%.

Note that the Professional Training Tax is 2% for other sectors.

For the agricultural sector, the social security contribution rate payable by the employer is 7.7%.

3. SOCIAL SECURITY EXEMPTIONS

Although social security contributions are mandatory, in certain cases, exemptions are granted:

- export-only companies are exempt from FOPROLOS contribution and TFP;
- investments in industrial and service sectors made in regional development areas are exempt from social security contributions as follows:
  - 100% during the first ten years of operation in the priority areas for regional development;
  - 100% during the first five years of operation and decreasing (80%, 65%, 50%, 35% and 20%) over the next five years in the 2nd group of areas for regional development; and
  - 100% during the first five years of operation in the 1st group of areas for regional development.
- Companies operating in high added value sectors which hire Tunisian employees having at least a national university degree are totally exempt from social security contributions for 7 years (based on a sliding scale).
- new promoters are exempt from 50% of payroll taxes for five years;
- companies operating in the sectors covered by the Investment Incentives Code creating new work crews.

4. HEALTH INSURANCE

The health insurance plan has a compulsory core and optional supplementary schemes.

It is managed by the National Health Insurance Fund (CNAM).

Management is entrusted to the supplementary pension insurance companies and complementary health insurance schemes.

The contribution rate is set at 6.75% distributed as follows:

- 2.75% paid by the employee;
- 4% paid by the employer.

Pension holders pay a rate of 4%. A decree fixes the contribution base and the different stages of its implementation.

The basic plan guarantees coverage for costs of care services in the public and private health sectors.

5. BILATERAL SOCIAL SECURITY AGREEMENTS

Anxious to coordinate legislation with several countries for the benefit of their nationals who come to Tunisia, Tunisia has concluded bilateral agreements on social security with Belgium, France, The Netherlands, Luxembourg, Germany, Italy, Libya, Morocco, Austria, Egypt, Spain, Algeria, and Portugal. Tunisia also is party to a social security agreement concluded between the states of the Arab Maghreb Union in 1991.

These conventions guarantee the rights of expatriate workers in Tunisia and cover the following branches of social security:

- health insurance – maternity – death;
- family benefits;
- old-age, disability, and survival; and
- insurance against work accidents and occupational diseases.

CHAPTER 8

TAXATION

1. Taxation of individuals
2. Business taxation
3. Value added tax
4. Company accounting
5. Agreements signed by Tunisia

1. TAXATION OF INDIVIDUALS

Subject to international conventions and special agreements, income tax is payable by any natural person who is:

- a resident in Tunisia with regard to all income earned in the previous year,
- a non-resident in respect of the income earned in Tunisia.

The income tax is payable on 1st January each year.

The following are considered resident individuals:

- persons who have their habitual residence in Tunisia,
- persons who live in a continuous or discontinuous fashion in Tunisia for at least 183 days per calendar year if it is not their primary residence.

The following income sources are considered taxable income:

- property income,
- income from capital and movable property,
- industrial and commercial profits,
- profit from non-commercial professions,
- profits of farms and fisheries,
- salaries and annuities; and
- other income including income from foreign sources not taxed in the source country.

The scale applied to the annual net income for individuals is as follows:

- up to 1,500 TND 0%
- 1,500.001 TND to 5,000 TND 15%
- 5,000.001 TND to 10,000 TND 20%
- 10,000.001 TND to 20,000 TND 25%
- 20,000.001 TND to 50,000 TND 30%
- over 50,000 TND 35%

A compensation fee shall be payable to the General Compensation Fund (CGC) by individuals subject to income tax regardless of their tax payment and whose annual net income exceeds 20,000 TND at a rate of 1% of annual income, up to a maximum of 2,000 TND per year.

The fee is paid at the same time and under the same procedures established for the payment of income tax. This fee is not deductible from income tax.

Regularly distributed dividends are exempt from income tax.

Pursuant to the Investment Incentives Code, foreign staff recruited by export-only companies and offshore institutions, have the option of a flat tax of 20% of their gross salary.

CHAPTER 8 TAXATION

2. BUSINESS TAXATION

The standard corporate income tax rate is 30%. However, this rate may vary depending on the sector of activity. For example, agriculture and fisheries are taxed at a rate of 10%, while the financial, oil and gas, and telecommunications sectors are taxed at a rate of 35%.

However, the Investment Incentives Code allows for deductions from one category of benefits or application of reduced rates to certain forms of income:

During the first 10 years of operation

Total deduction of profits:

- for totally exporting companies,
- for agricultural projects,
- for companies operating in the priority areas of regional development and deduction of 50% of profits over the following 10 years; and
- for companies operating in the second group of regional development areas.

During the first five years of commencement

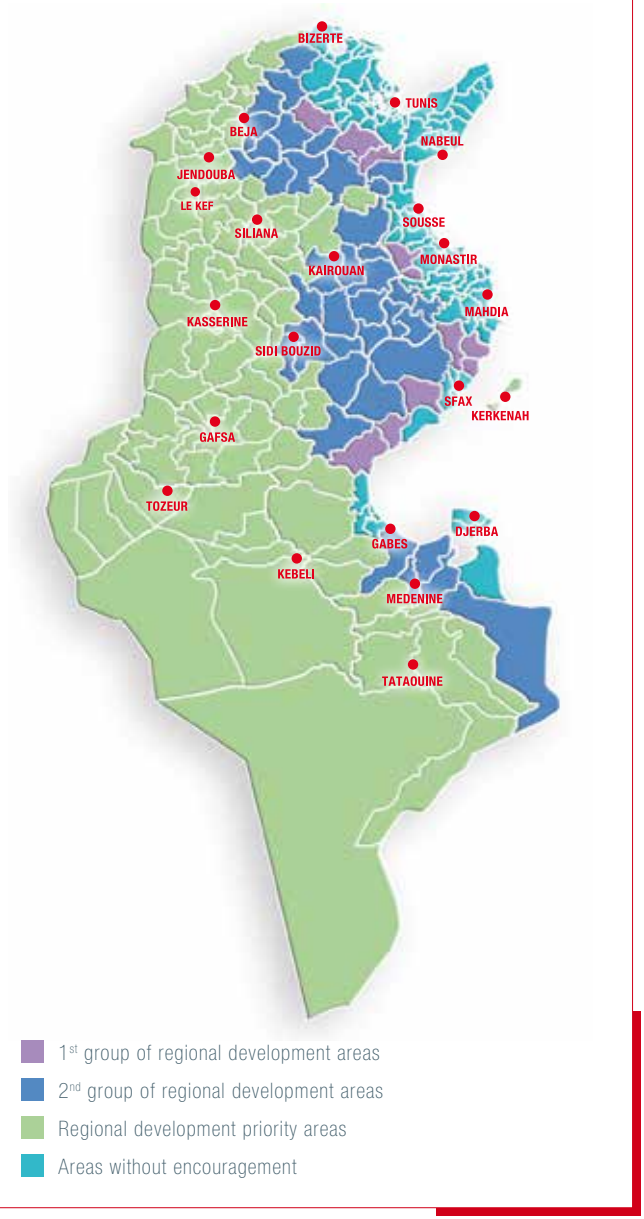
Total deduction of profits for the companies operating in the first group of regional development areas.

A tax rate of 10% for:

- support activities (education, teaching, training…);
- investments in activities to protect the environment; and
- totally exporting companies after the conclusion of the initial 10 year period of full exemption for an unlimited period thereafter.

REGIONAL DEVELOPMENT AREAS

MAP IN TUNISIA



Rebates:

- allowances granted for profits and reinvested earnings, ranging from 35% to 100%, subject in some cases to a minimum tax set at 20% of profits for companies and 60% of income for natural persons;
- tax relief for subscribers within limits set by legislation regarding profit or net income subject to personal and corporate income tax;
- tax breaks to corporations that reinvest internally within certain limits; and
- exemption from personal income tax and corporate tax for on dividends regularly distributed and collected by corporations and natural persons.

In addition to tax exemption schemes provided for totally exporting companies, Tunisian law provides significant tax and other financial incentives with regard to investment in regional development areas as presented in Chapter 1: benefits of investing in Tunisia – Box 2 page 14.

However, while export-oriented companies are exempt from income taxes, they remain bound to fulfill other tax obligations, in particular those of withholding and reporting of results.

3. VALUE ADDED TAX

In Tunisia, a value added tax (VAT) applies to all industrial production activities, crafts, and services; however, operations concerning certain products and services are exempt from VAT including areas of agribusiness, international air and sea transportation, etc.

The following, among others, are necessarily subject to VAT:

- imports,
- industrial production, including crafts, but excluding agricultural and fishery products,
- services,
- wholesale, excluding food products,
- retailers whose annual turnover is at least 100,000 TND (currently food, drugs, pharmaceuticals, and products subject to administrative approval of prices are exempt from VAT); and
- professional activities.

VAT paid on purchases is deducted from the VAT collected on sales.

CHAPTER 8 TAXATION

APPLICABLE VAT RATES

VAT applies according to 3 rates:

- 6%, namely for:
  - medical activities drugs and pharmaceuticals,
  - canned food,
  - products of local crafts and raw materials used in this sector…,
  - transport operations of individuals and agricultural products on behalf of others.
- 12%, namely for:
  - machines for processing information and services carried out in information technology, hotel services and a list of tourist services (thalassotherapy and hydrotherapy, catering),
  - equipment goods (according to a list),
  - low and medium voltage electricity used in the operation of agricultural equipment and low voltage electricity for domestic use,
  - certain types of fuels other than gasoline and natural gas, ;operations to transport goods other than agricultural and fishery products.
- 18%, this is the standard rate. It applies to transactions for which the law did not provide for another rate.

Source: Ministry of Finance
www.impots.finances.gov.tn

4. COMPANY ACCOUNTING

The Tunisian accounting system has two major components: the conceptual framework and accounting standards, namely:

- a general standard for presentation of financial statements and accounting procedures;
- technical standards that address common operations; and
- sectoral standards for operations specific to certain sectors and, where appropriate, presentation of financial statements and accounting procedures.

GENERAL RULES OF TAXATION IN TUNISIA

- Companies are required to hold a general journal, a general ledger and an inventory register and to establish a periodic balance. The general journal and the inventory register must be numbered and initialed with the court or other authority empowered for this purpose.
- Companies are required to prepare financial statements, i.e. balance sheet, income statement and statement of cash flows as well as notes to the financial statements, including a presentation, for comparison purpose, of data from the previous fiscal year.
- In addition to the annual financial statements and the report to the Board of Directors on the management of the fiscal year:
  - companies making public offerings of shares must submit to the Financial Market Council and the stock exchange and publish in a daily newspaper, the annual financial statements;
  - listed companies publish half-yearly situations during the month following the closing of the semester;
  - banks provide the Central Bank of Tunisia with a monthly supply and use statement and with a quarterly statement of income;
  - investment companies with variable capital publish on a quarterly basis a detailed breakdown of their portfolio.
- Companies must develop and submit for approval to the shareholders their annual financial statements within three months from the closing date of the fiscal year.
- Unless otherwise approved by the Minister of Finance, the budget year shall coincide with the calendar year that is from the 1st of January to the 31st of December.

5. AGREEMENTS SIGNED BY TUNISIA

The complete list of agreements signed by Tunisia is provided in Chapter 2: investment protection guarantees, page 16.

CHAPTER 9

CUSTOMS AND FOREIGN TRADE

1. Customs
1.1 Customs duties
1.2 Customs Code
1.3 General regime
1.4 Regime for totally exporting companies
1.5 Regime for partially export-oriented companies
1.6 Agreements signed by Tunisia

2. Foreign trade
2.1 Import and export procedures
2.2 Agreements signed by Tunisia

1. CUSTOMS

1.1 CUSTOMS DUTIES

In general, Tunisian customs duties vary between 0% and 36%. However export-only businesses are authorized to freely import equipment necessary to conduct their activities, exempt from duties and taxes on condition of completion of a customs declaration that serves as a receipt of deposit.

In addition, companies that export can freely import raw materials and semi-finished products for their production, free of duties and taxes on condition of the completion of a customs declaration.

1.2 CUSTOMS CODE

To perform foreign trade operations, it is necessary to obtain a customs identification number called a "Customs Code". Companies may obtain a Customs Code at regional customs or at APII's One Stop Shop. Customs Code identification numbers are provided immediately and Customs Code cards are delivered within approximately one week from the date of application submission.

The application is also available online via the website of Tunisian customs at: www.douane.gov.tn.

1.3 GENERAL REGIME

The customs declaration for any import or export may be made by the importer/exporter him/herself or by a licensed customs broker. The customs declaration includes information on the goods declared such as the value, the tariff classification, the originating country and the country of production.

Furthermore, in accordance with Tunisia's World Trade Organization and European Union commitments and liberalization of foreign trade, more than 95% of imports are free from customs duties with the exception of a very limited list of products that continue to be excluded from the system of free trade and remain subject to import authorization from the Ministry of Commerce, Such products generally fall under categories related to product safety, public order, health, fauna, flora, health and morals.

1.4 REGIME FOR TOTALLY EXPORTING COMPANIES

The Customs Code has dedicated a customs regime for totally exporting companies, i.e., the procedure for processing goods for exportation only. This regime allows for the processing or production of goods mainly for export on premises subject to customs control and free of duties and taxes on imports.

CHAPTER 9 CUSTOMS AND FOREIGN TRADE

TOTALLY EXPORTING COMPANIES

Are considered as totally exporting companies, those whose production is totally exported or those performing services abroad or, in Tunisia to be used abroad. Are also considered as totally exporting companies working exclusively with the above mentioned companies or in economic activity parks or with the non-resident financial institutions.

Under the provisions of the Investment Incentives Code, totally exporting industrial companies may be authorized to sell their products in Tunisia up to a maximum of 30% of sales for export produced during the previous calendar year excluding taxes.

Sales on the domestic market are subject to foreign trade and foreign exchange requirements and formalities, as well as the payment of duties and import taxes on imported inputs used to manufacture final products that are sold in the domestic market.

Companies wishing to sell their products on the local market under this regime are required to file with the customs office:

- an application which includes the turnover of exports during the previous calendar year or upon commencement of operations for newly created companies, together with the company's balance sheet for the previous year (with the exception of newly established companies);
- a customs declaration (form "VA" under customs regime #899) comprising a transfer document listing the product and the business enterprise acquiring it. This document may be used to complete the formalities of foreign trade and exchange;
- a customs declaration (form "C" or "CF" under customs regime #417) to be used for the payment of duties and taxes on imports of inputs used in the manufacture of finished goods to be sold on the local market. This statement must be accompanied by a technical file provided by the relevant departments in the Ministry of Industry showing precisely the type of product and inputs used in their production.

Importation of capital goods, raw materials, semi-finished goods, and transportation of goods as well as other items necessary for the activity, are fully exempt from duties and taxes and formalities of foreign trade and foreign exchange are not applicable.

To perform import and export operations all totally exporting companies must complete domiciliation with the customs office closest to their factories. In addition, companies benefiting from the export-processing regime are subject to customs control. Customs authorities may subject these businesses to permanent customs control, whereby a customs officer is permanently assigned to the company who is responsible for keeping track of movements of imported goods purchased locally and exported by the company and who ensures compliance with all the commitments made by company's manager.

1.5 REGIME FOR PARTIALLY EXPORT-ORIENTED COMPANIES

The import of capital goods, semi-finished products and raw materials by companies operating in the domestic market shall be subject to the payment of duties and taxes, the completion of foreign trade and exchange control formalities, in compliance with regulations governing technical controls on imports and exports.

Customs legislation provides partially export-oriented companies with a range of suspended customs procedures for customs duties and taxes to suit all situations.

1.6 AGREEMENTS SIGNED BY TUNISIA

In the performance of its functions, the Tunisian customs authorities adhere to the relevant national legislation and regulations as well as the provisions of international conventions.

International conventions containing customs provisions are mainly issued in:

- the works of the World Customs Organization, which brings together more than 160 countries and is responsible for working to harmonize customs procedures and processes, the development of relations between the customs administrations of member countries and trade facilitation internationally,
- the work of the World Trade Organization aimed at removing tariff barriers and non-tariff barriers,
- the work and decisions of other international institutions such as the UN, UNCTAD, etc.; and,
- bilateral or regional agreements between Tunisia and other countries such as Morocco, Jordan, Egypt, Libya, Kuwait, Algeria, Mauritania, Palestine, Syria, Sudan, Senegal, Niger, and Turkey.

CHAPTER 9 CUSTOMS AND FOREIGN TRADE

2. FOREIGN TRADE

In general, all products may be freely exported and imported with the exception of certain absolutely prohibited products and a very limited list of sensitive products. This list is regularly amended in keeping with the objective of complete liberalization of importation.

Import/export operations as well as financial regulations are made under the aegis of a foreign bill of trade or final invoice in lieu thereof.

2.1 IMPORT AND EXPORT PROCEDURES

FOR FREELY IMPORTED-EXPORTED PRODUCTS:

which are necessary for production undertaken by totally exporting businesses as well as the imports of companies in economic zones. Importation is performed with an approved intermediary bank on the basis of a pro forma invoice. Export sales that exceed 200 TND must produce a final invoice which must be domiciled with an approved intermediary bank.

FOR PRODUCTS EXCLUDED FROM THE FREE IMPORT-EXPORT REGIME:

- not subject to authorization: Importation is completed by way of import domiciliation procedures completed through an approved intermediary bank; and
- subject to authorization including an application accompanied by the commercial contract and deposited with the approved intermediary. This import authorization is valid for 12 months (with payment) and 6 months (without payment) and allows importation of products it covers, including multiple importations.

Import and export is subject to a permit issued by the Ministry of Commerce. Applications are submitted electronically through the TradeNet website (a unique site for foreign trade in Tunisia: www.tradenet.com.tn) via an authorized intermediary who sends applications to the Ministry. After review and evaluation by the relevant technical department, the Ministry issues its decision and transmits it electronically to the approved intermediary. The intermediary then informs the importer or exporter of the outcome of his/her application. If the decision is positive, the authorized intermediary shall proceed with domiciliation, unless the importer or exporter chooses to use another intermediary for this purpose.

REGULATORY REGIMES FOR FOREIGN TRADE TRANSACTIONS

- **The regulatory regime for foreign trade transactions subject to prior authorization, relate in particular to:**
  - products excluded from the regime of free trade: mainly related to security, public order, hygiene, fauna, flora, health and morality;
  - used or renovated products;
  - products with a reduction of customs duties under the tariff quotas;
  - sales of totally exporting companies excluding those released for consumption within the 30% reserved for consumption on the local market for products excluded from the regime of free trade…
- **The regulatory regime for foreign trade operations requiring no formalities with regard to the regulation of trade and which concerns, among others, the following:**
  - spare parts donated by foreign producers as replacement of defective parts provided that the free import is justified by presenting the trade documents and exchanges of correspondence for the purpose;
  - raw materials, semi-finished products, equipment goods and spare parts reserved for the professional use of the importer as part of the industrial, agricultural, craft or hotel activities, subject to the condition that the merchandise is not marketed as is and provided that the value does not exceed TND 100,000 annually and per importer;
  - goods found not to conform to the request or which feature defects that the supplier agrees to replace for free…

Source: Ministry of Trade and Crafts
www.commerce.gov.tn

2.2 AGREEMENTS SIGNED BY TUNISIA

The complete list of conventions signed by Tunisia is set forth in Chapter 2: investment protection guarantees, page16.

CHAPTER 10

FINANCIAL SYSTEM

1. Financial system overview

2. Structure of the financial system

2.1 The Central Bank of Tunisia
2.2 Commercial banks
2.3 Investment banks
2.4 Offshore banks
2.5 Investment companies
2.6 Leasing companies
2.7 Factoring companies
2.8 Mutual funds (OPCs)
2.9 Financial Market Council (CMF)
2.10 Stock Exchange (BVMT)
2.11 Stockbrokers
2.12 Tunisian Central Securities Depository (STICODEVAM)
2.13 Insurance companies
2.14 Pension funds

1. FINANCIAL SYSTEM OVERVIEW

The organization of the Tunisian financial system, as stipulated by law, allocates financial tasks and powers to three institutions:

- the Financial Market Council which serves as a regulatory body (CMF);
- the Tunisian Stock Exchange, which is responsible for managing the financial market; and
- the Tunisian Central Securities Depository (STICODEVAM), which is in charge of compensation and deposits.

Within this structure, stock investments are initiated through transmission of a stock order via a stock broker and are concluded with the deposit and delivery of a security or its equivalent value. The different stages in the stock investment process are completed by means of an electronic network between the three institutions.

CHAPTER 10 FINANCIAL SYSTEM

2. STRUCTURE OF THE FINANCIAL SYSTEM

In Tunisia, the financial system is comprised of the following:

2.1 THE CENTRAL BANK OF TUNISIA (BCT)

The central mission of the Central Bank of Tunisia (BCT) is the preservation of price stability. To this end, it is responsible for:

- setting the monetary policy,
- controlling the money supply and ensuring efficient operation of payment systems and guaranteeing their stability, durability, effectiveness and security,
- supervising credit institutions; and
- preserving the security and stability of the financial system.

On behalf of the State, the Tunisian Central Bank has the exclusive authority to issue bank notes and metal coins, which are the sole legal tender within the Republic of Tunisia.

2.2 COMMERCIAL BANKS

There are 21 commercial banks. Their roles include, among others, the following:

- collection of deposits from different economic actors regardless of the term and form,
- granting credit in all its forms,
- ensuring international trade transactions on behalf of economic players,
- provision of cash and exchange services; and
- acquisition of equity under certain conditions.

2.3 INVESTMENT BANKS

The 2 investment banks in Tunisia provide consulting services and assistance in capital management, financial management and financial engineering, and generally all services intended to facilitate the creation, development, and restructuring of companies.

2.4 OFFSHORE BANKS

The 8 offshore banks are responsible for:

- collecting deposits from non-residents regardless of length and form,
- extending credit to non-residents in all its forms,
- ensuring exchange transactions with non-residents and, to the extent permitted by the law, with residents,
- performing foreign exchange and foreign trade operations for resident customers as accredited intermediaries; and
- under certain conditions, collecting deposits and granting loans in Tunisian Dinars.

2.5 INVESTMENT COMPANIES

Investment companies are approved by the Finance Minister on the recommendation of the Financial Market Council and the Central Bank of Tunisia. Investment companies, whose aim is to strengthen the capital base of companies and boost the financial market, are divided into three categories:

- Investment Companies with Variable Capital (SICAV), the purpose of which is to manage securities portfolios through the acquisition of listed company shares and to underwrite bonds;
- Investment Companies with Fixed Capital (SICAF), the general purpose of which is to acquire interests in the capital of existing companies or start-ups; and
- Investment Companies with Risk Capital (SICAR), the purpose of which is to strengthen the equity of SMEs and companies located in regional development areas as well as companies in the process of upgrading.

2.6 LEASING COMPANIES

In Tunisia, there are 9 leasing companies that finance acquisitions of movable and immovable property and place such property on the rental market for professional use at the disposal of an economic player.

2.7 FACTORING COMPANIES

There are 2 factoring companies in Tunisia that are primarily responsible for managing the client's financial accounts, using the appropriate financial management techniques, They also ensure the recovery of debts for their accounts.

CHAPTER 10 FINANCIAL SYSTEM

2.8 MUTUAL FUNDS (OPCs)

OPCs manage collective portfolios of securities or debt on behalf of a customer base composed of corporations and individuals. They are divided into:

- OPCs for transferable securities; and
- securitized debt funds.

2.9 FINANCIAL MARKET BOARD (CMF)

The CMF is an independent public authority responsible for ensuring the protection of savings invested in securities.

In this context it ensures the organization of markets and their proper functioning to prevent manipulations that hinder its implementation.

It is also responsible for financial reporting and regulation breaches penalties.

To accomplish these objectives, the law provides CMF with the following powers:

- issuance of regulations in areas under its jurisdiction,
- monitoring the enforcement of regulations and the market operation,
- approval of mutual funds and stock brokers,
- review information produced by the issuer for the investor; and
- impose or propose, to the relevant authorities, the penalties required for the failure of economic players to adhere to their professional obligations or for violations of laws and regulations.

2.10 STOCK EXCHANGE (BVMT)

Established as a privately private sector, public limited company with capital exclusively and equally held by stockbrokers, the Tunisian Stock Exchange is responsible for managing the securities market, which includes negotiation and registration activities. This choice aims at ensuring that the market is managed by professionals.

2.11 STOCKBROKERS

Stockbrokers, who are the exclusive, legally authorized agents to register and trade securities on behalf of their clients or on their own behalf, are grouped together in an association responsible for the defense of their professional interests and known as the Association of Stockbrokers.

The Association is responsible for defending the interests of the stockbrokers:

- advising on matters pertaining to the occupation,
- making proposals concerning the development of the financial market; and
- administering the Guarantee Market Fund (FGM).

2.12 TUNISIAN CENTRAL SECURITIES DEPOSITORY (STICODEVAM)

STICODEVAM is an inter-professional company responsible for deposit, clearance and delivery/settlement of securities. STICODEVAM's main tasks include:

- the proper settlement of transactions in the Stock Exchange via the establishment of a securities accounting system for cashless inter-account transfers of property,
- the reduction of costs and risks resulting from the manual processing of securities; and
- the simultaneity of sale and payment of securities.

2.13 INSURANCE COMPANIES

Insurance companies seek to establish, between participants, a system of mutual benefit which warranties against all risks that are guaranteed by the law.

In Tunisia, the performance of the insurance business, whatever be its form (multi-branch insurance or specialized, as well as onshore and offshore), is subject to approval by the Ministry of Finance upon submission of an application for operation to the Ministry of Finance.

2.14 PENSION FUNDS

There are 3 pension funds in Tunisia, which are public institutions receiving financial contributions that are used to pay the pensions of employees or the self-employed.

CHAPTER 11

FOREIGN EXCHANGE SYSTEM

1. Principles of foreign exchange system
2. Alternative exchange system
3. Import and export of payment instruments
4. Capital transactions
5. Allowances for business trips
6. Accounts in foreign currency or in convertible dinars
   - 6.1 Non-resident accounts
   - 6.2 Resident accounts

1. PRINCIPLES OF FOREIGN EXCHANGE SYSTEM

Tunisia, which has acceded to the provisions of Article VIII of the IMF Statute in 1993, regulates foreign exchange and foreign trade as stipulated in the Foreign Exchange Code.

The authorized options for exchange are European-type.

Exchange regulations are based on the following principles:

- the Tunisian Dinar's exchange rate is freely determined on the exchange market between authorized agents including offshore banks,
- the Tunisian Central Bank (BCT) intervenes in the market and publishes the inter-bank exchange rate for currencies and banknotes, the following day, for reference. purposes only,
- importers and exporters of products and services can protect themselves against interbank exchange rate fluctuations of foreign currency and bank note. The futures rates are freely negotiated between the economic players and the counterpart bank,
- authorized intermediaries are allowed to rate currency options (foreign currencies/Dinars) for their resident customers to enable them to hedge against foreign exchange risks arising from commercial transactions in goods and services and financial transactions carried out in accordance with the foreign exchange regulations in force.
- authorized intermediaries can carry out exchange options with each other (foreign currency vs. Dinar) to hedge against the foreign exchange risk related to transactions of their resident clientele,
- freedom to transfer with respect to current operations, actual net proceeds, as well as the profit from the sale or liquidation of capital previously invested by importing currency,
- the movement of funds between Tunisia and abroad must be performed through the Central Bank or authorized banks, which are intermediary banks approved by the Finance Minister on the proposal of the Governor of the BCT,
- all natural and legal persons shall deposit, in an authorized bank, their foreign bank notes, checks, and debt instruments denominated in foreign currencies and foreign securities held in Tunisian territory. Individuals ordinarily residing abroad are allowed to keep with them currency that they have regularly imported to meet their basic expenses during their stay in Tunisia.

CHAPTER 11 FOREIGN EXCHANGE SYSTEM

CURRENCY EXCHANGE GENERAL REGIME AND RESIDENCE

The general regime of currency exchange in Tunisia applies to individuals according to their place of residence, and namely the two following categories:

- residents which are defined as follows:
  - Tunisian or foreign legal persons for their establishment in Tunisia,
  - natural persons of Tunisian nationality domiciled in Tunisia,
  - individuals of foreign nationality domiciled in Tunisia for more than two years and having the center of their activities in the country. These individuals lose their resident status upon final departure from Tunisia.
- non-residents which are defined as follows:
  - Tunisian or foreign legal persons for their establishment abroad,
  - natural persons of foreign nationality residing outside Tunisia,
  - foreign public servants serving in Tunisia whatever the duration of their stay,
  - natural persons of Tunisian nationality living abroad for more than two years and having the center of their activities in the country

Source: Central Bank of Tunisia
www.bct.gov.tn

2. ALTERNATIVE EXCHANGE SYSTEM

Non-resident status is granted to financial and bank organizations working mainly with non-residents, created in the form of public limited companies under Tunisian law or establishments in Tunisia that have their headquarters abroad.

Nonetheless, this status may be selected by export-only companies created within the framework of the Investment Incentives Code or located within the Bizerte and Zarzis business activity parks, as well as international trade companies when their capital is owned by non-resident Tunisians or foreigners with the means to import convertible foreign currency equal to at least 66% of the company's capital funds.

Non-resident companies are not subject to any obligation to repatriate their revenue or products abroad and enjoy complete freedom of exchange regarding their transactions with non-residents. In addition, income realized from transactions with residents and financed by their resources in Dinars may be transferred after being authorized by the BCT.

They must pay all of the amounts, such as those pertaining to the acquisition of goods and services in Tunisia, as well as fees, charges, and dividends distributed to resident associates, by means of foreign convertible Dinar accounts.

To deal with the current expenses of administration and management in Tunisia, these organizations are authorized to hold a reserve in Dinars which must be fed by the debit output of their foreign convertible Dinar accounts.

Nonetheless, these organizations may achieve this by means of their Dinar revenues generated with residents.

3. IMPORT AND EXPORT OF PAYMENT INSTRUMENTS

In Tunisia, importing and exporting Dinars in the form of legal tender is strictly prohibited. However, non-resident travellers may import, without limitation, foreign bank notes, checks, or any other means of payment in foreign denominations.

All imported currency whose value equals or exceeds 25,000 TND, upon entry or in transit, is subject to a currency declaration submitted to customs. Furthermore, imported currencies must be declared to customs upon entry into Tunisian territory if they are to be deposited into a foreign currency or Dinar account, or if the non-resident traveller plans to re-export an amount exceeding the equivalent of 5,000 TND.

Recovery of foreign bank notes or travellers' checks in foreign currency is guaranteed by authorized intermediaries, competent customs offices, and persons delegated from an authorized intermediary (hotelkeepers, restaurant owners, travel agencies, handicraft stores, etc).

The validity of the foreign currency import declaration is equal to the duration of the stay in Tunisia, starting from the date of entry, but for no more than three months. Such declaration is valid for a single trip only.

Non-resident travellers may convert Tunisian bank notes with no limit as to amount:

- upon presentation of an exchange slip issued to them upon transfer of currency if the amount to be reconverted is under 5,000 TND,
- upon presentation of said slip as well as declaration at customs if the amount is over 5,000 TND.

Non-resident travellers also may re-export the unused remainder of currency which they have imported:

- without a receipt or written proof, if the amount to be re-exported is less than the equivalent of 5,000 TND,
- upon presentation of a slip authorizing the exit of currencies, if the latter were received from abroad by check, credit transfer, money order or any other form of debt or if they originate in foreign currency form from a foreign account,
- upon presentation of the exchange slip and customs declarations if the amount to be re-exported was physically imported from overseas and greater than or equal to 5,000 TND.

CHAPTER 11 FOREIGN EXCHANGE SYSTEM

4. CAPITAL TRANSACTIONS

The Investment Incentives Code provides that resident and non-resident foreigners are free to invest in projects undertaken within the framework of the Code. Non-residents enjoy a guarantee of transfer with regard to the sale or liquidation of investments made via importation of currency.

Non-resident foreign nationals are free to invest in companies already established in Tunisia in the form of acquisition of Tunisian securities conferring a right to vote or company shares, when the rate of overall foreign capital holdings in these companies' capital, including the acquisitions in question, is less than 50%.

To meet their needs, resident businesses may freely contract loans in foreign currency or convertible Dinars up to 10 MTND per year for financial institutions and 3 MTND for other businesses.

5. ALLOWANCES FOR BUSINESS TRIPS

Resident physical and legal persons who go abroad during the course of professional activities enjoy a number of allowances for business travel. These include:

- allowances for **exporter business trips** are fixed at 25% of export earnings with an annual cap of 500,000 TND,
- allowances for **business trips under contracts executed abroad** are permitted without prior-authorization provided that such contracts require that the holder of this allowance or his/her employees go overseas, and such contract does not include a provision permitting use of part of the contract money for personal or other expenses incurred in the country where the contract is executed. The maximum amount allowed without prior-authorization is set at 15% of the market price of the contract through which the allowance is claimed,
- allowances for **importer business trips** are available from approved intermediaries: (1) for no more than 5,000 TND for all imports received during the previous year when the amount spent is between 5,000 and 50,000 TND; and (2) for no more than 10% with a ceiling of 50,000 TND when the amount spent on imports is over 50,000 TND,
- allowance for **business trips for other activities** are permitted without prior authorization by authorized intermediaries to Tunisian and foreign resident individuals and legal entities for their institutions in Tunisia and who have not received any further allowance for business trips (only for some activities). The amount is set at 2,000 TND when the turnover of the previous year varies between 10,000 and 30,000 TND and at 8% of the turnover of the previous year with a ceiling of 30,000 TND when the turnover exceeds 30,000 TND,
- allowance for **business trips of developers** is freely granted by authorized intermediaries to Tunisian and foreign legal persons for their institutions in Tunisia, developers of new projects, whose execution requires travel abroad.

  The amount is set at 15,000 TND and is granted only once for the entire duration of the project.

6. ACCOUNTS IN FOREIGN CURRENCY OR IN CONVERTIBLE DINARS

6.1 NON-RESIDENT ACCOUNTS

Accounts in foreign currency or in convertible Dinars can be opened freely and used mainly for the purchase of all foreign currency for a trip abroad or to make payments in Tunisia.

Domestic non-resident accounts are intended to receive income in Dinars of foreign nationals temporarily based in Tunisia.

Special Dinar accounts may be opened by foreign non-resident companies having market interests in Tunisia to accommodate the portion of the contract price payable in Dinars and for coverage of local expenses.

Suspense accounts receive all revenue, due to their holders, in Dinars and whose final destination has not been decided yet by the Central Bank of Tunisia (BCT).

Capital accounts receive funds whose owners do not enjoy any transfer guarantee.

6.2 RESIDENT ACCOUNTS

Business accounts in foreign currency are funded with as much as 50% in foreign currency from their owners and used, principally, to handle the settlement of current transactions relating to the activities for which the debit account was opened.

Business accounts in convertible Dinars are for residents who have revenue in foreign currency.

Special export-benefit accounts in convertible Dinars may be opened by any resident individual making profits from export, or by any resident individual who holds shares in the capital of resident legal entities making profits from export. They are freely charged for any transfer in foreign currency for travel abroad or to acquire interests abroad other than real estate.

Special accounts in foreign currency or convertible Dinars are funded by currency payments from income or proceeds of foreign assets and foreign currency assets abroad reported to the BCT. They are especially used for any payments abroad or for a trip overseas.

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CHAPTER

INTELLECTUAL PROPERTY

1. Overview
2. Protection of inventions
3. Trademark protection
4. Agreements signed by Tunisia

1. OVERVIEW

In Tunisia, intellectual property is protected by National law as well as by the relevant international treaties.

INDUSTRIAL PROPERTY IN TUNISIA

Industrial property includes patents, trade or service marks, industrial designs, layout designs of integrated circuits, trade names and geographical indications.

It is divided into two categories:

- new creations: whether creations of utilitarian type (patents and layout designs of integrated circuits) or of ornamental character (industrial designs and models),
- distinctive features: marks and geographical indications.

Source: Institute for Standardization and Industrial Property
www.innorpi.tn

Industrial designs and models are filed with the National Institute for Standardization and Industrial Property (INNORPI), and depending on the nature of the protection, is effective for a period of:

- 20 years for invention patents;
- 10 years renewable for trademarks; and
- 5, 10 or 15 for industrial designs.

2. PROTECTION OF INVENTIONS

In Tunisia, new discoveries and inventions are protected by patents. Nonetheless, credit or finance schemes and plans as well as inventions whose dissemination would be contrary to law or morality are not patentable.

On the other hand, if the invention concerns food products or medicines, patents cannot be issued for the products themselves, but can be for the special processes related to their manufacture.

However, in accordance with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights or TRIPS, INNORPI accepts filings of patent applications pertaining to pharmaceutical as well as chemical agricultural products.

The filing with INNORPI of a patent application may be executed either by the applicant him/herself or by his/her agent, directly or by mail in a sealed envelope.

Tunisian invention patent legislation is applicable to the nationals of one of the 174 signatories of the Paris Convention.

Tunisia gives these foreign nationals, regarding the protection of their inventions on Tunisian soil, national treatment and the specific benefits of the Paris Convention. Patent-holders must, under penalty of forfeiture, pay regular installments to maintain their patents, upon recurrence of the anniversary of their issuance.

CHAPTER 12 INTELLECTUAL PROPPERTY

3. TRADEMARK PROTECTION

In Tunisia, the law protects trademarks and registered service trademarks. If a trademark or service trademark is registered, no other person or company beside the owner or authorized user may utilize it. Infringement claims may be made against violators.

The registration of a trademark provides 15 years of protection. This period is indefinitely renewable, each time with a new registration.

The owner of the trademark or service mark has the right to negotiate or assign and authorize its use under license.

Tunisia has consented to the Nice and Vienna Agreements which, respectively, concern the international classification of goods and services to register trademarks, and the classification of trademarks composed of, or containing, figurative elements.

When filing for or renewing a brand or trademark, certain documents are required, namely:

- 5 copies of the trademark, not exceeding 10 cm on square,
- a receipt for payment of filing fees to INNORPI (payment made on site),
- a list of products and/or services for which the trademark is or will be used,
- a power of attorney, if necessary, for the agent; and
- an indication that the applicant claims rights of priority to an earlier filing abroad, if necessary.

4. AGREEMENTS SIGNED BY TUNISIA

Mindful of the intellectual property challenges and the importance of protecting scientific discoveries through patents, Tunisia established well-defined legal and financial frameworks in this field.

As part of this policy, Tunisia, a member of the World Intellectual Property Organization (WIPO) (November 1975), is signatory to several international agreements and member of most international conventions on the protection of intellectual property:

- signatory to the Paris Convention for the Protection of Patents;
- signatory to the agreement of the United Nations Conference on Trade and Development pertaining to the protection of trademarks and licenses; and
- member of the International Centre for Settlement of Investment Disputes (ICSID).

TREATIES SIGNED BY TUNISIA ON THE PROTECTION OF INDUSTRIAL PROPERTY

TREATIES ON THE PROTECTION OF INDUSTRIAL PROPERTY	
The Paris Convention for the protection of industrial property	July 1984
The Nairobi Treaty on the protection of the Olympic symbol	May 1983
The Madrid Agreement concerning the international registration of marks and the protocol relating to the Madrid agreement	July 1992
TREATIES ON INTERNATIONAL REGISTRATION SYSTEMS	
The Hague Agreement concerning the international deposit of industrial designs	October 1930
Lisbon Agreement for the protection of appellations of origin and their international registration	October 1973
The Patent Cooperation Treaty (PCT)	December 2001
Budapest Treaty on the international recognition of the deposit of microorganisms for the purposes of patent procedure	August 2003
TREATIES ON CLASSIFICATION	
The Nice Agreement concerning the international classification of goods and services for the purposes of the registration of marks	May 1967
The Vienna Agreement establishing an international classification of the figurative elements of marks	August 1985

Source: National Institute for Standardization and Industrial Property
www.innorpi.tn

LEGAL FRAMEWORK IN TUNISIA

The Tunisian legal framework is established in legislation adopted by Parliament, executive decrees, and ministerial orders. The list of laws used in the preparation of this guide is presented below:

- Investment Incentives Code
- Commercial Code
- Customs Code
- Labor Code
- Commercial Companies Code
- Value Added Tax Code
- Local Taxation Code
- Personal Income Tax and Corporate Tax Code
- Civil and Commercial Procedures Code
- Arbitration Code
- Contracts and Obligations Code
- Real Property Code
- Criminal Procedures Code
- Criminal Code
- Water Code
- Insurance Code
- Public Accounting Code
- Maritime Labor Code
- Maritime Trade Code
- Maritime Shipping Administrative Police Code
- Foreign Exchange and Foreign Trade Code
- Stamp Duties Code
- Fiscal Rights and Procedures Code
- Hydrocarbons Code
- Mining Code
- Non-Resident Financial Services Code

FIPA-TUNISIA

YOUR PARTNER FOR SUCCESS

The Foreign Investment Promotion Agency "FIPA-Tunisia" is a public organization created in 1995, under the aegis of the Ministry of Development and International Cooperation. It is responsible for offering requisite support to foreign investors and promoting foreign investment in Tunisia.

FIPA-Tunisia and its offices overseas provide:

- information about investment opportunities in Tunisia and the main reasons why Tunisia a privileged site for FDI. All relevant information on the Tunisian economy, human resources, infrastructure, investment incentives are presented in extensive literature produced in various languages,
- contacts from Tunis or from abroad, thanks to a preliminary outreach program and contact missions, specifically tailored to meet the needs of investors and present the most satisfying Tunisian offer for businesses in search of an international dimension,
- advice about the most favorable conditions for the success of projects, geographical location, investment systems, and means of financing,
- accompany the investor on his/her prospecting visits in Tunisia and at the different stages of his/her project. A program of contacts with Tunisian businesses and institutions according to the desired activity sector and the areas of interest of investors are established by FIPA executives,
- support to improve the sustainability of businesses through a personalized follow-up and a permanent assistance with the different ministries and Tunisian organizations, as well as regional authorities.

FIPA TUNISIA

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The guide of foreign investors in Tunisia presents the basic rules applicable to foreign companies locating their activities in Tunisia.
It presents the Tunisian general framework and basic data on the legal aspects, employment, and benefits to investment, to facilitate business decisions.
This information is not exhaustive and FIPA-Tunisia may not be held liable for its content

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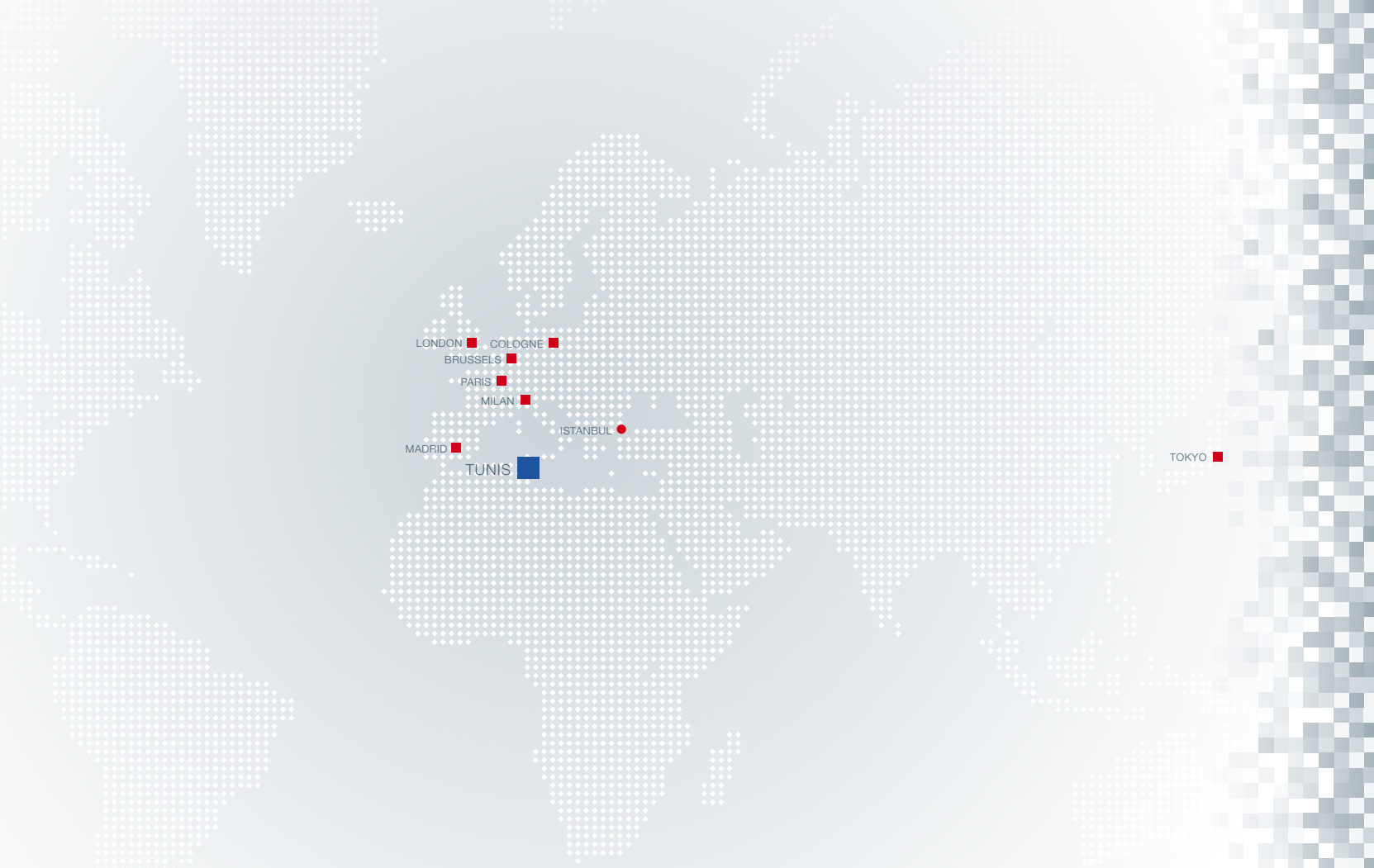

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