



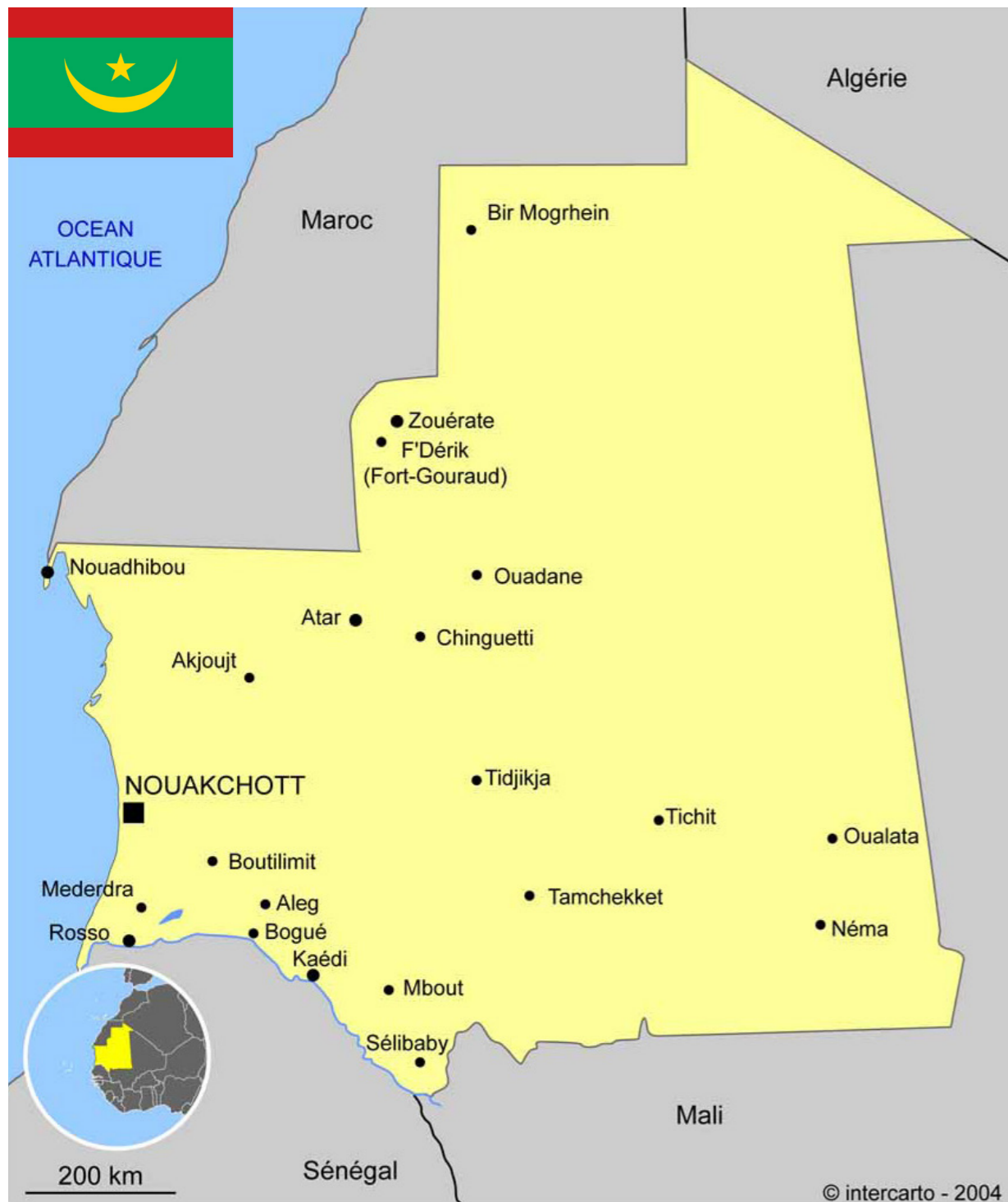
Exco
GHA - Mauritanie

INVEST *in* MAURITANIA

2022



GENERAL PROFILE : MAURITANIA



GENERAL INFORMATION FOR 2020

Population 4.650 Millions	Exchange rate 37.400 MRO/US\$	GDP 7 801 Millions current US\$
Land area¹ (n) 1 030 700 km ²	CPI growth 2.26 %	GDP growth -2.90 %

INTERNATIONAL MERCHANDISE TRADE

Total merchandise trade (millions of US\$)

	2005	2010	2015	2020
Merchandise exports	625	2 074	1 389	2 830
Merchandise imports	1 428	1 935	3 703	2 745
Merchandise trade balance	-803	138	-2 315	86

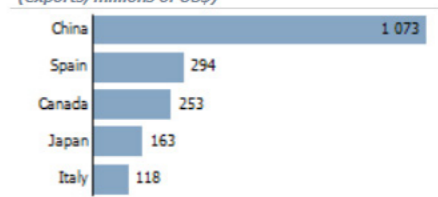
+24.9 %

Merchandise exports growth rate in 2020

Export structure by product group in 2020 (as % of total exports)



Top 5 partners in 2020 (exports, millions of US\$)



INTERNATIONAL TRADE IN SERVICES

Total trade in services² (millions of US\$)

	2005	2010	2015	2020
Services exports	80	119	246	(e) 183
Services imports	379	670	641	(e) 845
Services trade balance	-299	-551	-395	(e) -662

Services exports by main category² (as % of total services)

	2005	2010	2015	2020
Transport	6.0	6.0	12.7	-
Travel	-	-	11.8	-
Other services	-	-	75.5	-

TRADE INDICES



ECONOMIC TRENDS

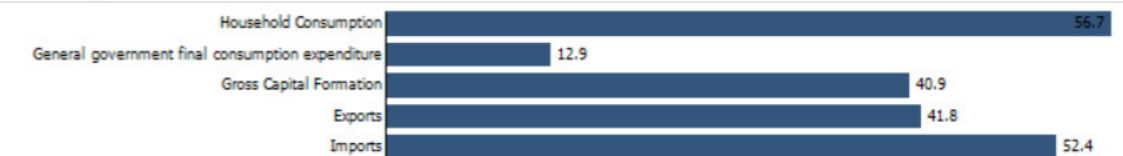
Economic indicators (millions of US\$ unless otherwise specified)

	2005	2010	2015	2020
GDP, current	2 937	5 629	6 167	7 801
GDP per capita, current US\$	971	1 611	1 524	1 678
Real GDP growth, y-on-y, %	8.57	2.62	5.38	-2.90
Current account balance, % of GDP	-29.86	-6.34	-15.50	(e) -7.10
Exchange rate (/US\$)	26.553	27.589	32.467	37.400

-2.9 %

Gross domestic product growth rate in 2020

GDP by expenditure in 2019 (as % of total GDP)



FDI AND EXTERNAL FINANCIAL RESOURCES

Financial flows (millions of US\$ unless otherwise specified)

	2005	2010	2015	2020
FDI inflows	811.87	130.53	502.07	977.70
FDI outflows	2.02	16.75	0.21	6.03
Personal remittances, % of GDP	..	0.98	1.05	0.79

+0.1 %

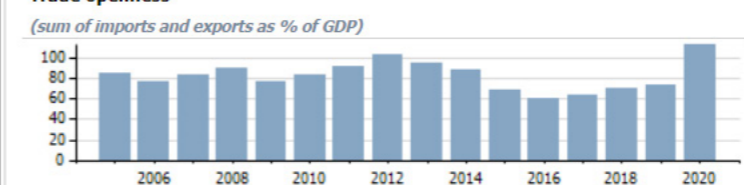
FDI outflows as % of GDP in 2020

TRADE IN GOODS AND SERVICES

Trade balance indicators² (as % and index)

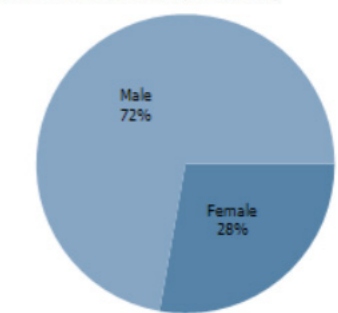
	2005	2010	2015	2020
Balance, % of GDP	-37.54	-5.61	-15.47	(e) -41.07
Balance, % of imports	-61.00	-12.54	-36.85	(e) -53.37
Normalized balance	-0.439	-0.067	-0.226	(e) -0.364

Trade openness² (sum of imports and exports as % of GDP)



LABOUR FORCE

Labour force by gender in 2020 (as % of total labour force, all sectors)



Source : UNCTADstat
The last update : 22 July 2021

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AVAILABLE CORPORATE STRUCTURES

The branch / representation office

- ✓ The law makes no distinction between a branch and a representative office.
 - ✓ They are both subject to the same rules of registration in the commercial register and rights linked to the incorporation.
- Flexibility and simplicity for the establishment.

The necessary documents

- ✓ Minutes of the Board of Directors or decision of the General Management authorising the opening of a branch and appointing a legal representative in Mauritania
 - ✓ Copy of the statutes + trade register of the parent company in French legalised by the diplomatic authorities in Mauritania.
- On this basis, registration with the Commercial Register (CR) is carried out and a certificate of registration is issued
- A declaration of existence to the Directorate General of Taxes (DGI) within twenty days of registration with the CR or the start of operations must be made

The subsidiary under Mauritanian

Structure	Partners	Minimum capital	Legal representative	Auditor	Rights linked to the incorporation	
Limited liability company (LLC)	Minimum of 1 partner	» No minimum capital » 25% of the capital must be paid up at the incorporation	Manager appointed by the General Meeting with full powers of management and direction	Mandatory if company's turnover is more than MRU 4,000,000		No limitation of capital for Foreigners
Public limited company (SA)	Minimum of 1 shareholder	500,000 MRU to be paid up for at least 25%, the remainder to be paid up within five years, by successive appeals following the decision of the shareholders	» Either a Board of Directors composed of 3 to 12 directors chaired by a Chairman of the Board of Directors who may be assisted by one or more General Managers » Or a Management Board (number of members fixed by the statutes with a Chairman and General Managers) controlled by a Supervisory Board	Mandatory	» Stamp duty (see art, 320 CGI) » Notary fees according to capital and on a decreasing	
Simplified joint stock company (SJTC)	» Either 2 partners minimum » Either Legal persons with a minimum capital of MRU 2,000,000	The capital set must be fully paid up at the time of signing the Articles of Association	Management and system of operation freely determined by the articles of association	Mandatory		

The decision-making

It is mandatory to hold an :

- ☑ Ordinary General Meeting for the approval of the accounts
- ☑ Extraordinary General Meeting for all important decisions (commitment of shareholders, modification of capital, modifications to the statutes, etc.)

➤ Compared to the branch/representation, the subsidiary has stricter rules for both its establishment and its administration.

In conclusion

The chosen legal structure will have to take into account multiple factors:

1 ⚙️

The management and control modalities in relation to the objectives pursued in Mauritania

2 ↙️

The prospects for activity in Mauritania

3 🔍

The characteristics of the mother company (administrative centralisation, geographical location, free capital transfer).

Act 2004-042 establishes financial relations with foreign countries, guarantees the freedom to transfer foreign currency to foreign countries for all operations that are part of a company's current operations



Capital transfers no longer require authorisation from the Central Bank of Mauritania (BCM)



TWO REQUIREMENTS :

1. Proof of transfer (minutes of the general meeting deciding on the distribution of the shares, invoices, etc.)
2. Receipt of payment of taxes due

LOCAL ACCOUNTING, TAX AND SOCIAL OBLIGATIONS

Tax rules ... company

Corporate tax (IS) imposed by Law n°2019-018

Corporate tax (IS)

- ✓ 25% of net profit or 2% of taxable income for companies subject to BRN (normal real profit)
- ✓ 25% of the net profit or 2.5% of the taxable income for companies subject to BRI (intermediate real profit)
- ✓ Quarterly payment by instalments of :40%; 30%; 30%

Other taxes

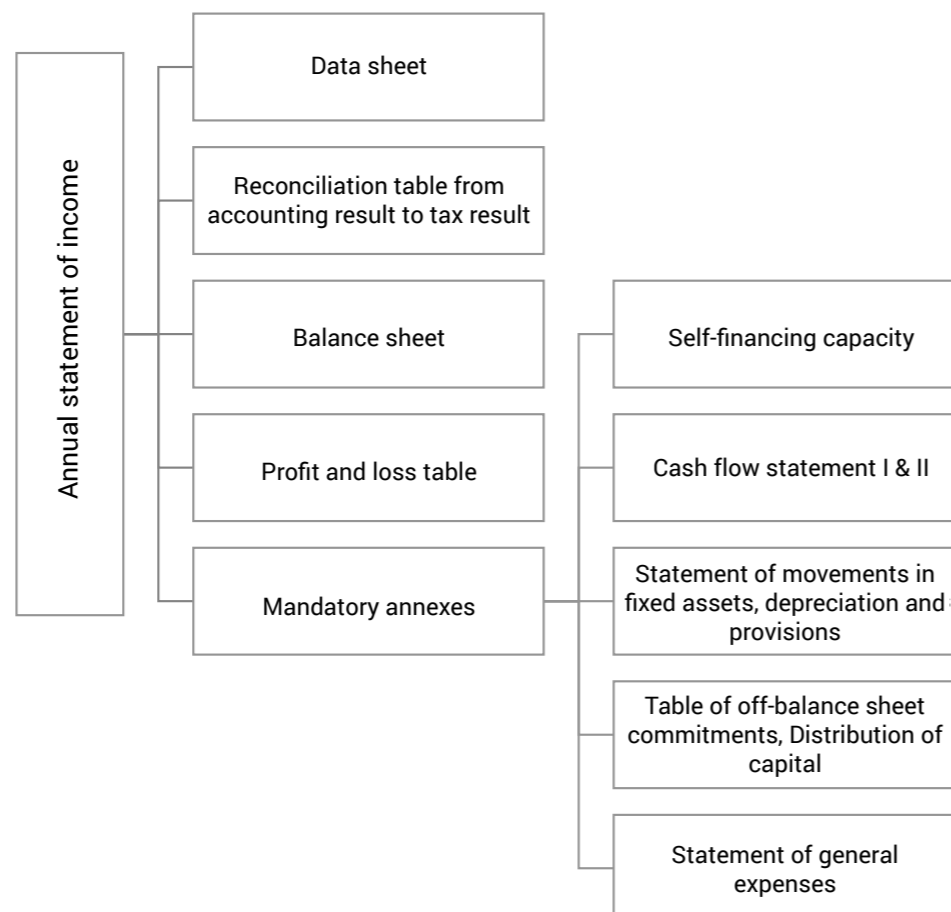
- ✓ Licence
- ✓ Apprenticeship tax
- ✓ VAT (Value Added Tax)
- ✓ Import duties and taxes on imported goods
- ✓ Registration and stamp duties
- ✓ Tax on property income
- ✓ Tax on income from movable capital (dividends, interest on debts, etc.)

Accounting rules

Compliance with the Mauritanian Accounting Plan (PCM)

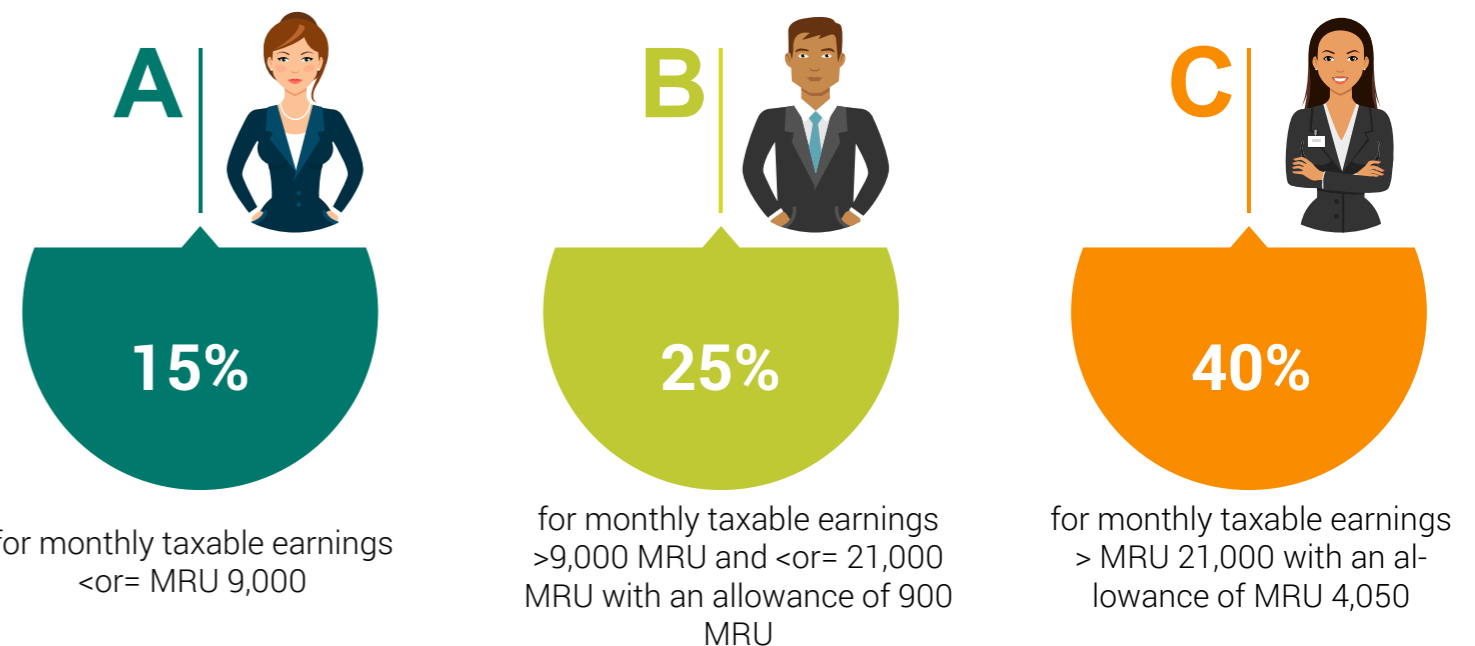


Storage of accounting and supporting documents for 10 years

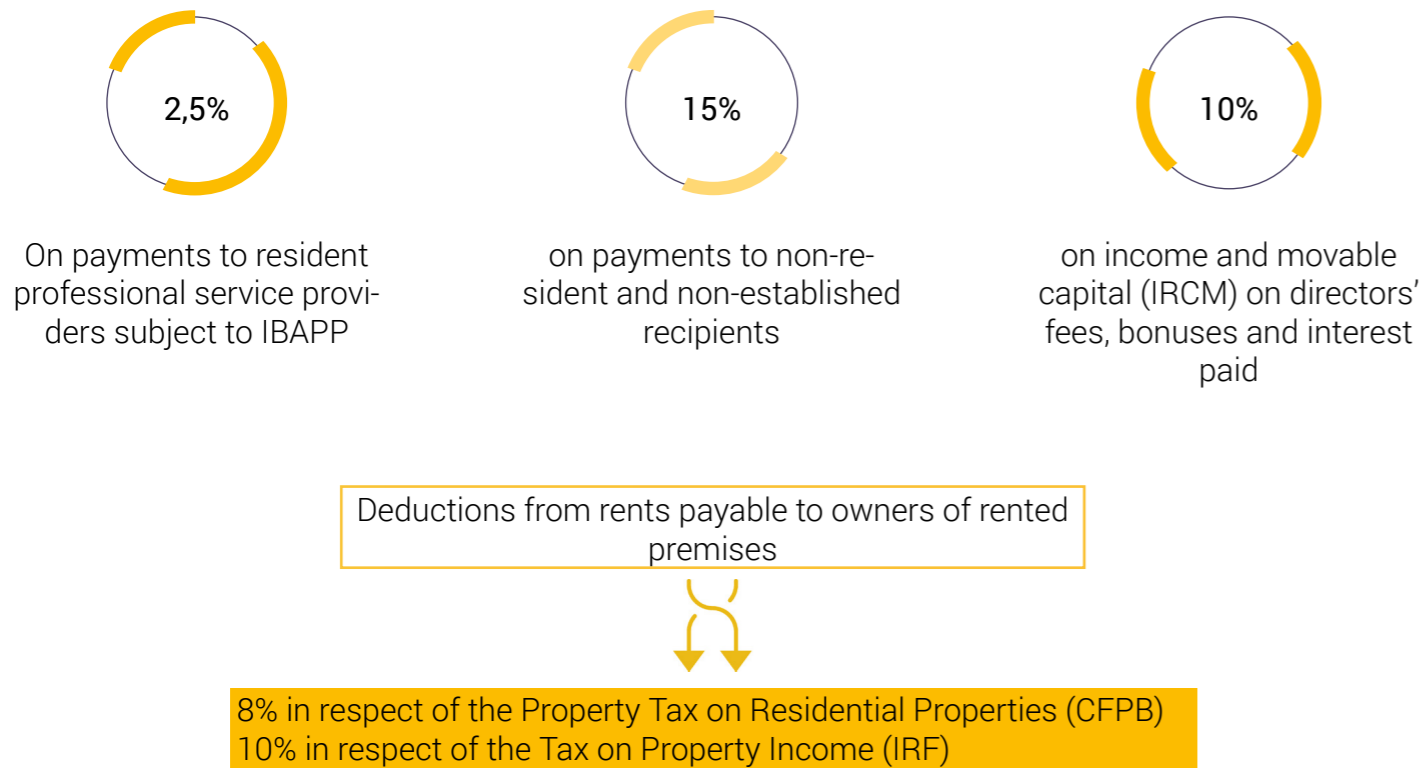


Tax rules... employees

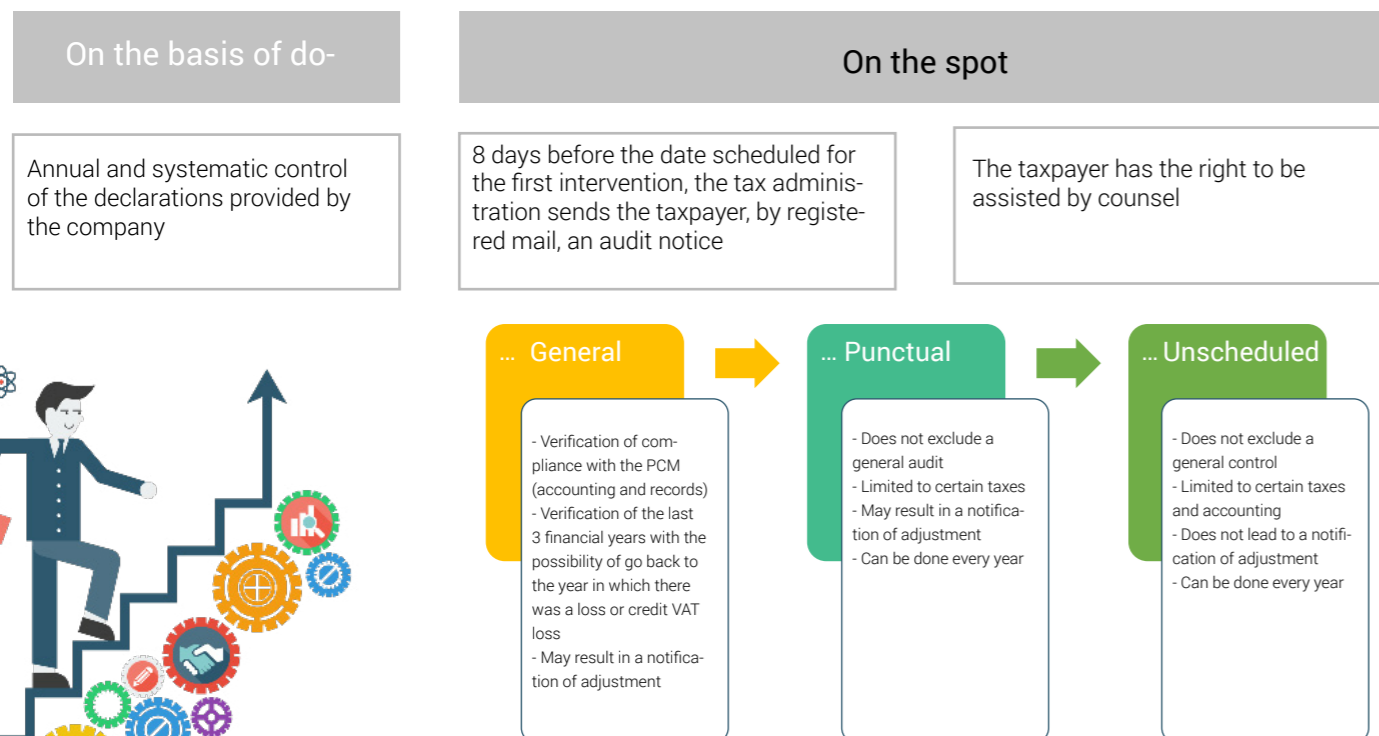
Employees are subject to the Tax on Salary and Income (TSI) deducted at the source



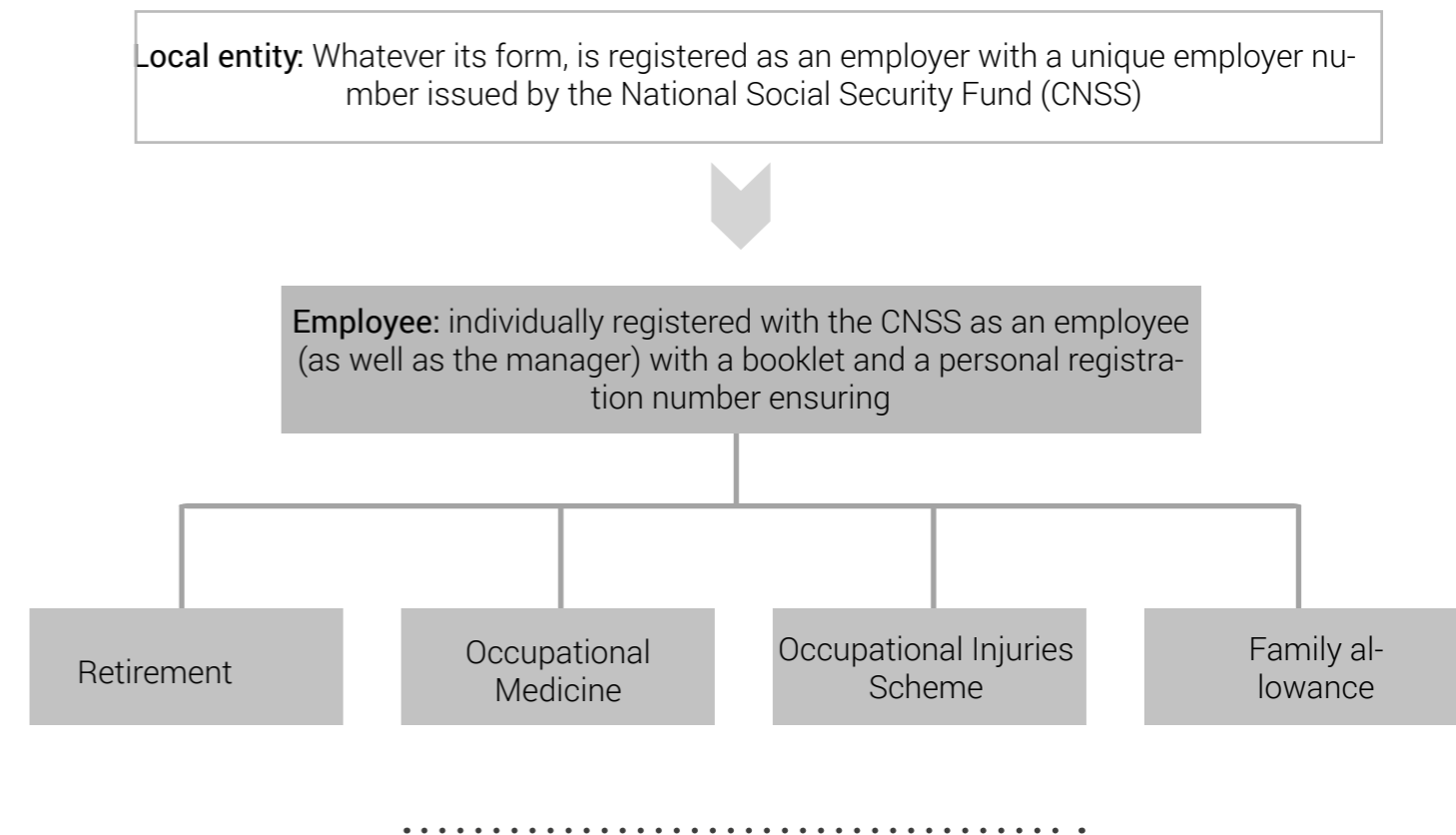
Tax rules ... withholding taxes to be remitted



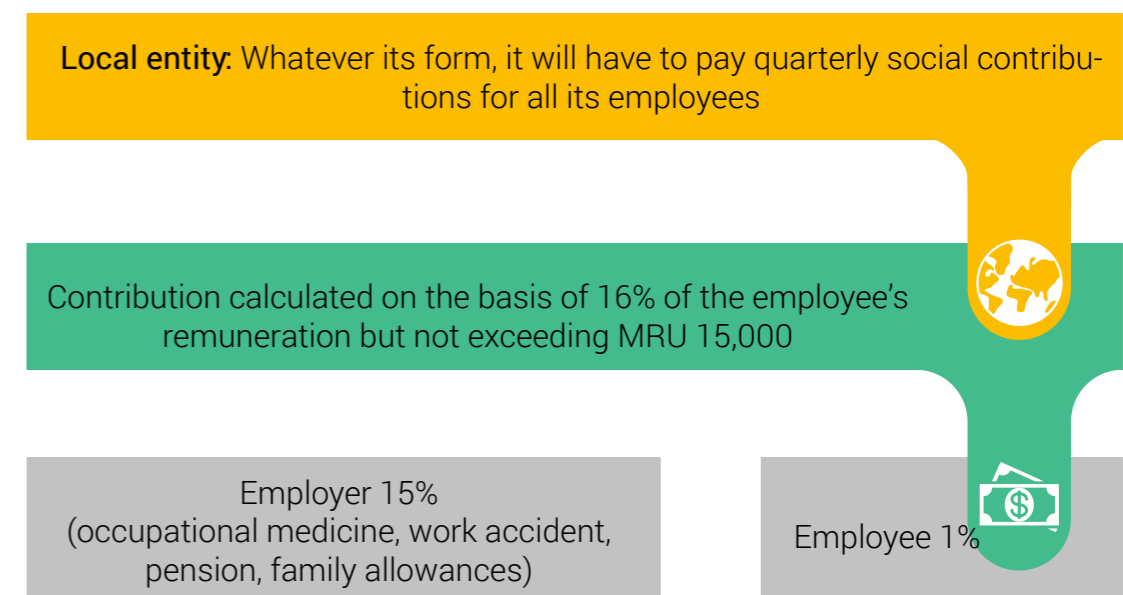
Tax inspection possible on the basis of documents or on the spot



Social rules ... National Social Security Fund (CNSS)



Social Rules: Social contributions and benefits



Social rules : Registration CNAM

Local entity: no matter what form it takes, is registered as an employer with a unique employer number issued by the Caisse Nationale d'Assurance Maladie (CNAM)

Employee: individually insured with CNAM as a permanent employee (as well as the manager)

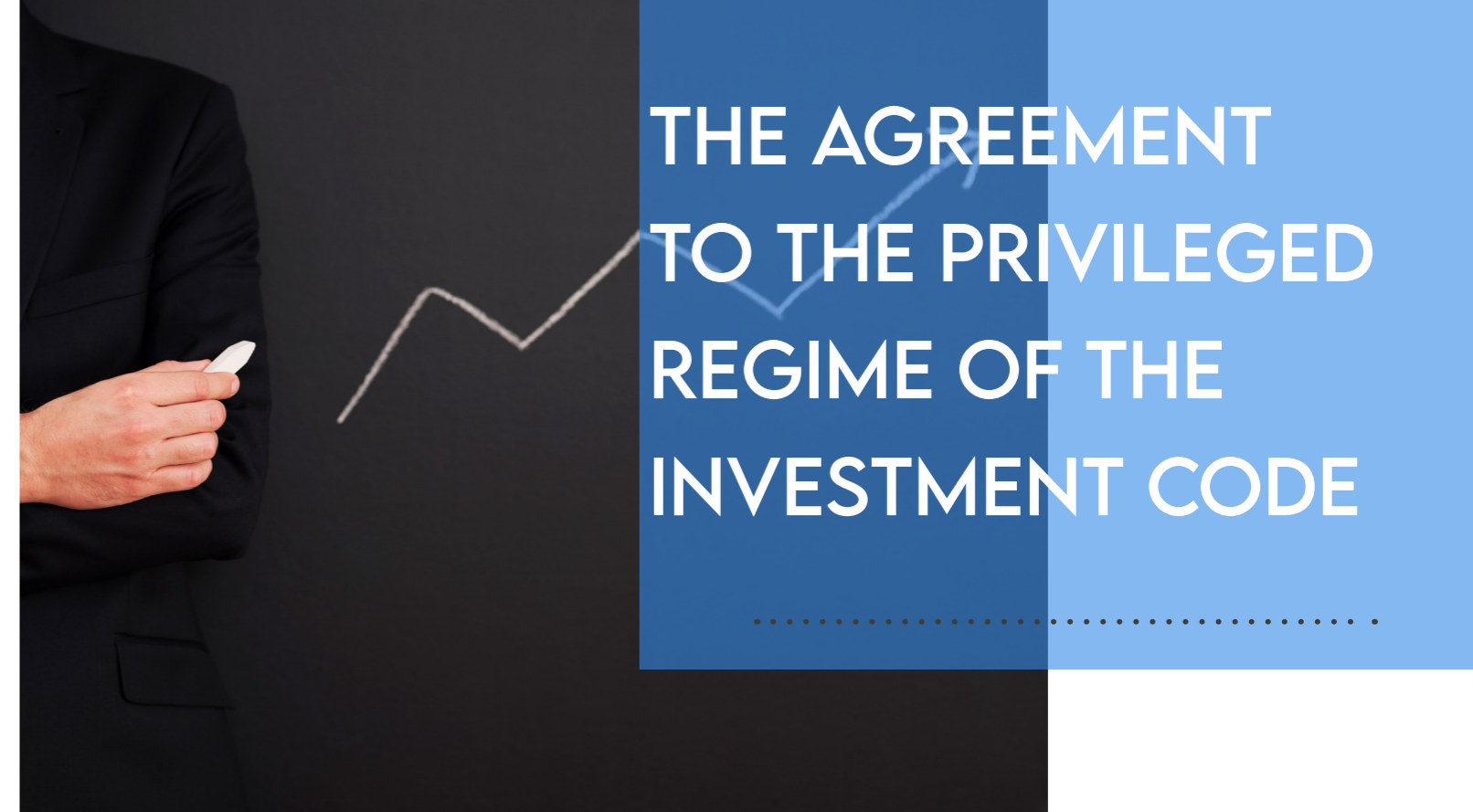
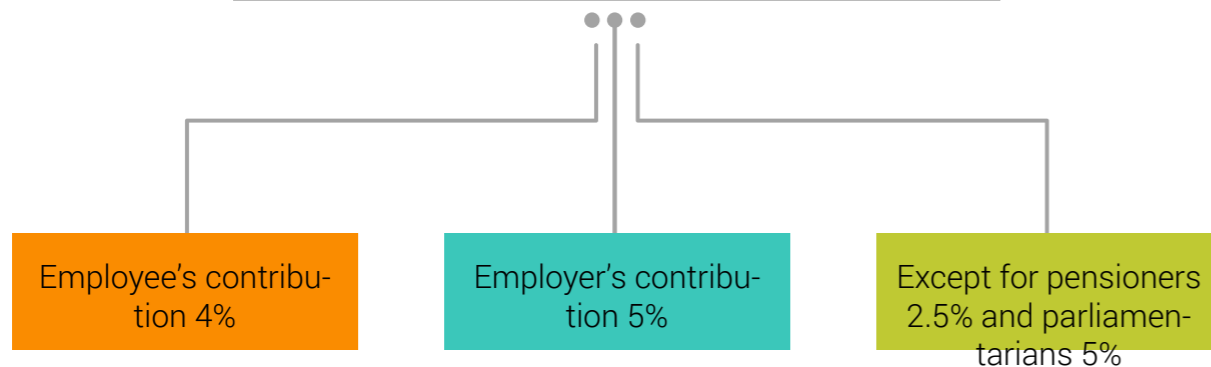
Covered by the CNAM

- ✓ Hospitalization: 90% of the cost
 - The insured person's share may not exceed 1,000 MRU per hospitalisation
- ✓ Medicines: 67% of the cost
 - Insured's share cannot exceed 150 MRU per drug
- ✓ Consultation: 80% of the cost
- ✓ Evacuation: 100%.
- ✓ Biological examinations: 80%.
- ✓ Radiological examinations: 80%.
- ✓ Long-term conditions: 100%.

Social rules: health insurance contributions

Local entity: The company, whatever its form, must pay the health insurance contributions of its employees on a permanent basis every quarter

The basis of the contribution is the employee's total salary, allowances and bonuses



The SME regime

2012: The new investment code has instituted a one-stop service for investments which allows one to obtain an investment certificate on request, entitling one to the following preferential tax regimes:

- ✓ SME regime
- ✓ Special Economic Zones
- ✓ Establishment agreements

This regime applies to all investments between MRU 5,000,000 and 20,000,000 million subject to the real profit regime and generating at least 10 direct jobs

The SME regime: tax benefits

3.5% import tax duty, excluding any other duty or tax payable at the customs cordon, on capital goods, the list of eligible products of which is fixed by order of the Minister of Finance

During the installation phase, limited to 3 years, exemption from the Tax on Financial Transactions (TOF) on the proceeds of credits for first investment or extension of activities contracted with banks and financial institutions.

Export Processing Zones (EPZs)

Tax benefits

Conditions : Investing at least MRU 50,000,000 million and generating at least 50 permanent jobs in the free zones and demonstrating an export potential of at least 80% are exempt from :

- ✓ any tax based on personnel costs, including the total amount of salaries, wages, allowances and remuneration of any kind, including benefits in kind, paid by the companies and borne by them, excluding the employer's contribution payable by the employers;
- ✓ the contribution des patentes, the contribution foncière sur les propriétés bâties, the contribution foncière sur les propriétés non bâties, the contribution des licences. This exemption is replaced by a single communal tax which cannot exceed an annual amount of MRU 500,000
- ✓ Companies eligible for the free zone remain subject to corporate tax at the standard rate



Customs benefits



- ✓ Total exemption from customs duties and taxes on the import of capital goods, equipment and utility vehicles intended for production
- ✓ Exemption from customs duties and taxes on export
- ✓ BN: the payment of customs duties and taxes for finished products to be sold on the domestic market remains the responsibility of

Business Center development outside

Settling in a business centre outside Nouakchott

- Industrial, agricultural or product processing company
- Investment \geq MRU 5 000 000 million
- Creation of a new activity

3 years limited installation period

3.5% import tax duty excluding any other duty or tax payable at the customs cordon on capital goods

Operational phase: Customs benefits

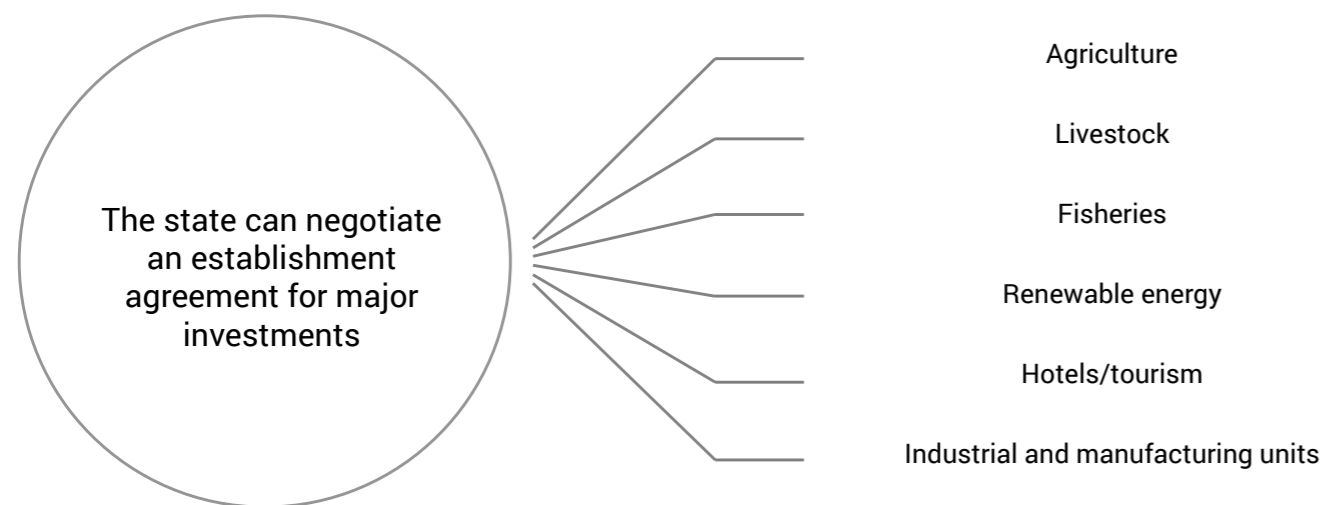
- Payment of 0% import duty excluding any other duty or tax payable at the customs cordon on capital goods for which the list of eligible products is fixed by Order of the Minister of Finance;
- These advantages also apply to spare parts recognisable as being intended for them;
- These industrial inputs are subject to the rates listed in the customs tariff throughout the approval period.

Operational phase: Tax benefits

Total exemption from corporate tax for the first eight (08) years when the new business or extension of an existing business generates (10 additional permanent jobs).



Establishment agreements



Conditions of installation Law n° 2019-002 :

Major investments in the areas of :

- ✓ agricultural activity, with the exception of the acquisition of land;
- ✓ processing of livestock products;
- ✓ the onshore fishery products industry, with the exception of fish meal;
- ✓ the development of artisanal and coastal fishing;
- ✓ industrial and manufacturing units;
- ✓ renewable wind and solar energy production;
- ✓ hotels and tourism outside Nouakchott;
- ✓ road and port facilities;
- ✓ the Health sector;
- ✓ water and sanitation infrastructure.

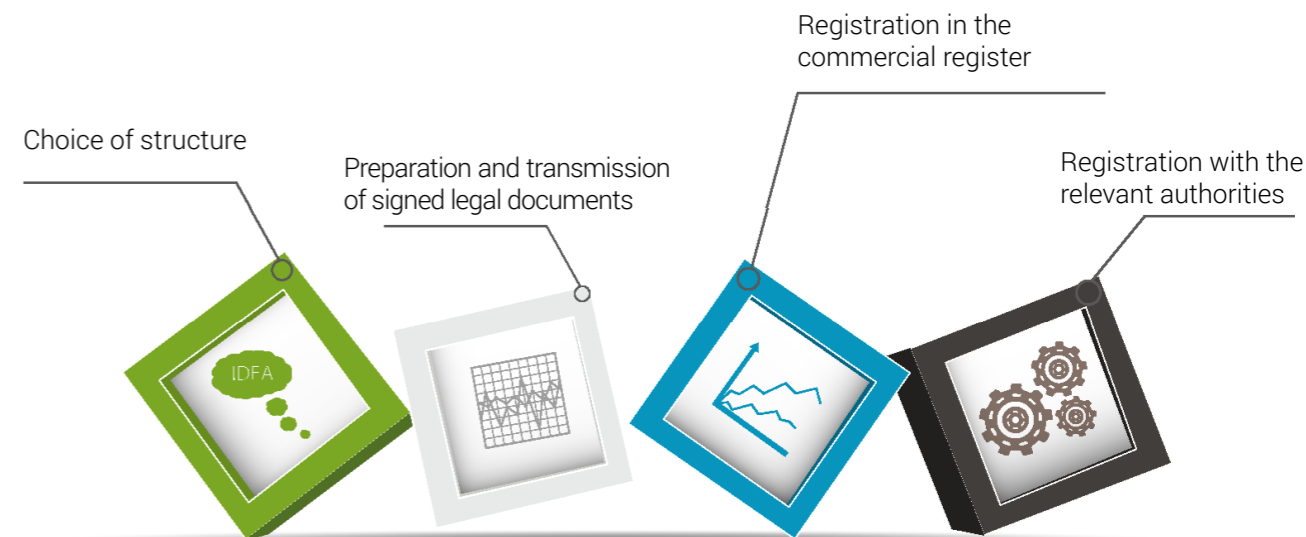
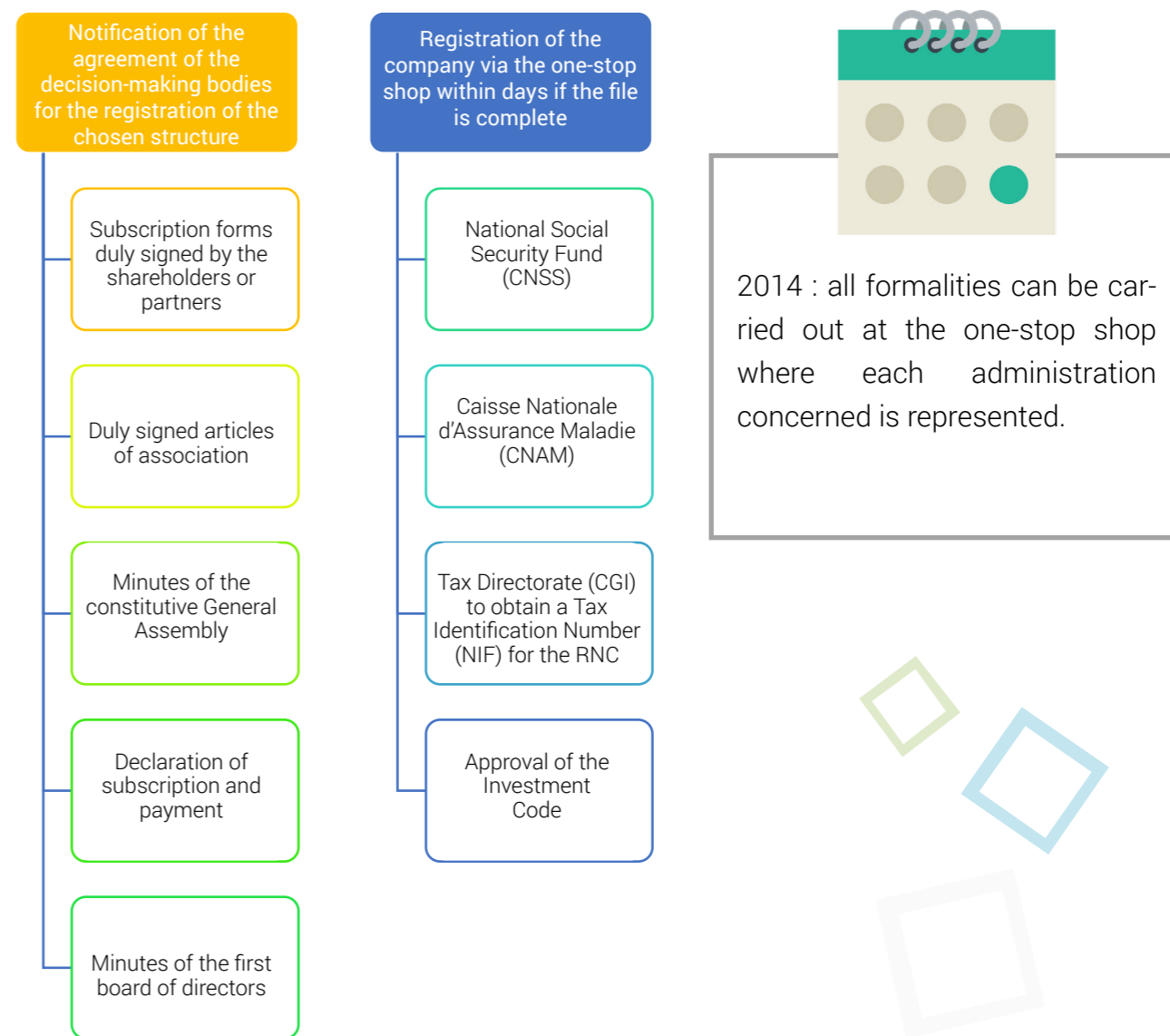
Benefits :

- The eligibility thresholds are set as follows:

- The conditions of installation as well as the specific advantages to be granted are defined within the framework of a Convention negotiated with the competent departments in relation with the Ministry of Economic Affairs and Development and the Ministry of Finance.



>> Summary of the action schedule





OUR FIRM EXCO-GHA MAURITANIE

An international trademark

Thanks to its expertise and knowledge, EXCO GHA MAURITANIE is a member of the following networks

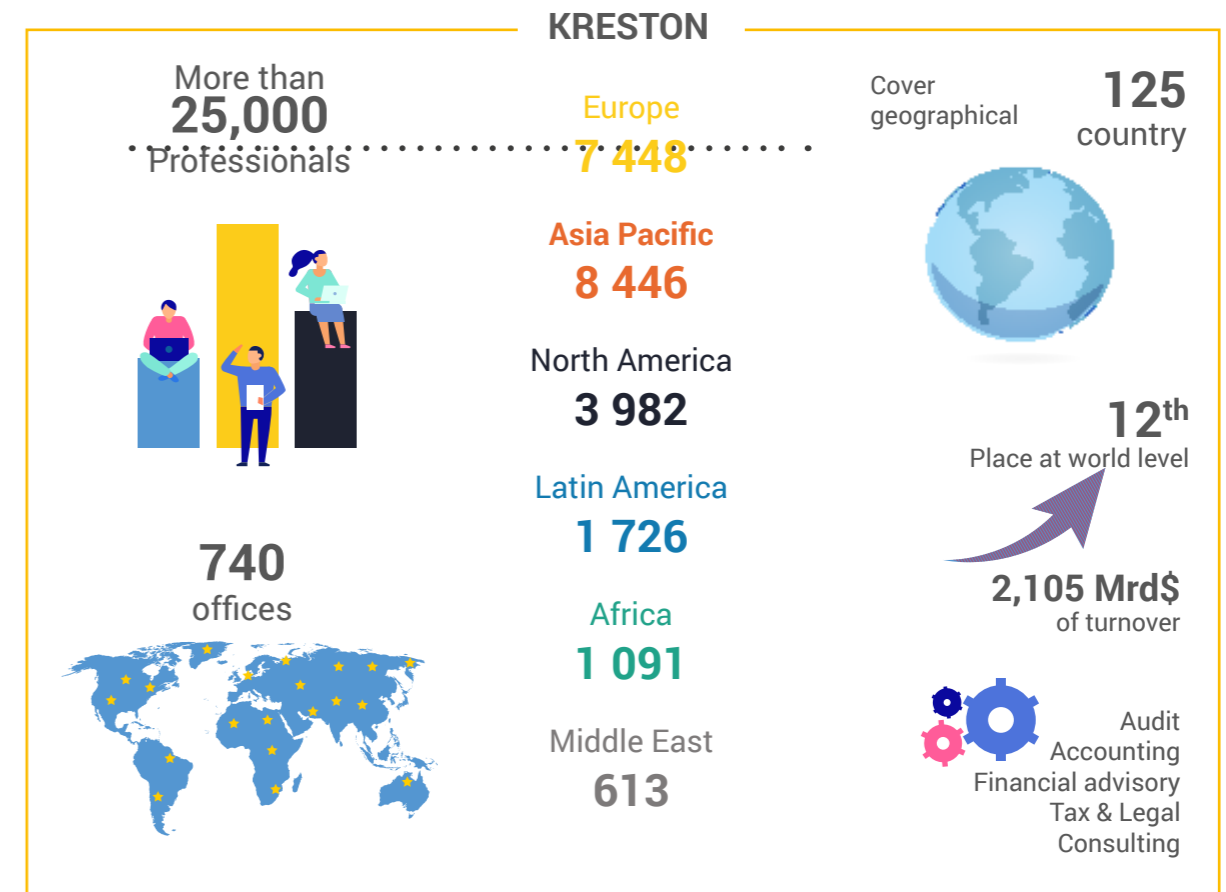
■ **EXCO Afrique:** 1st African network of accounting firms present in fifteen countries in West, Central and North Africa. Exco Afrique has a turnover of 15 million Euros, employs more than 500 professionals and has more than 5000 clients in Africa.

■ **EXCO France:** 6th largest independent French network of audit, accounting and consulting firms. EXCO employs nearly 2,500 people in 140 offices in France and its overseas territories, in Portugal and in Africa.

■ **KRESTON Global:** 12th largest network of independent accounting, auditing and consulting firms in the world. Founded in 1971, Kreston covers 125 countries with 740 offices and more than 25,000 employees and partners.

EXCO & KRESTON Global in a few figures

A large-scale network, common practices, a strong signature



Exco GHA Mauritania, who are we?

Strong business expertise + Experienced professionals = Winning team

Cabinet EXCO GHA Mauritania, a member of the Exco Afrique and Kreston International networks, is the leader in auditing, statutory audit, accounting and legal and tax expertise in Mauritania.

The firm was elected Best Audit and Accounting Services Provider 2020 in Mauritania, by the Global Excellence Awards 2020 from INTL magazine (Best Audit & Accountancy Services Provider 2020 - Mauritania).

Created in 1991, Exco GHA Mauritania has around forty experienced professionals, including four qualified accountants, with specialized skills and in-depth knowledge of the local environment.

The partners of the firm, with more than 35 years of experience in the fields of accounting, auditing and consulting, have in-depth knowledge of the local and regional economic fabric.



our practices

Accounting

- Managing and supervising accounting system
- Consolidated accounts
- Reporting
- Forecast / Business creation
- Tax consolidation

Legal & Tax

- Legal support
- Tax optimization
- Corporate law
- Social law
- Risk assesment, recovery claim
- Dispute resolution, arbitration ...

Consulting

- Business organization
- Quality
- Asset management advice
- Strategic diagnosis...

Audit

- Legal audit
- Contractual audit
- Fraud audit
- Internal control...

Social

- Training management
- Outsourcing payroll
- Work permit ...

Exco Afrique, local connection global cohesion

Your African partner in line with international standards and values

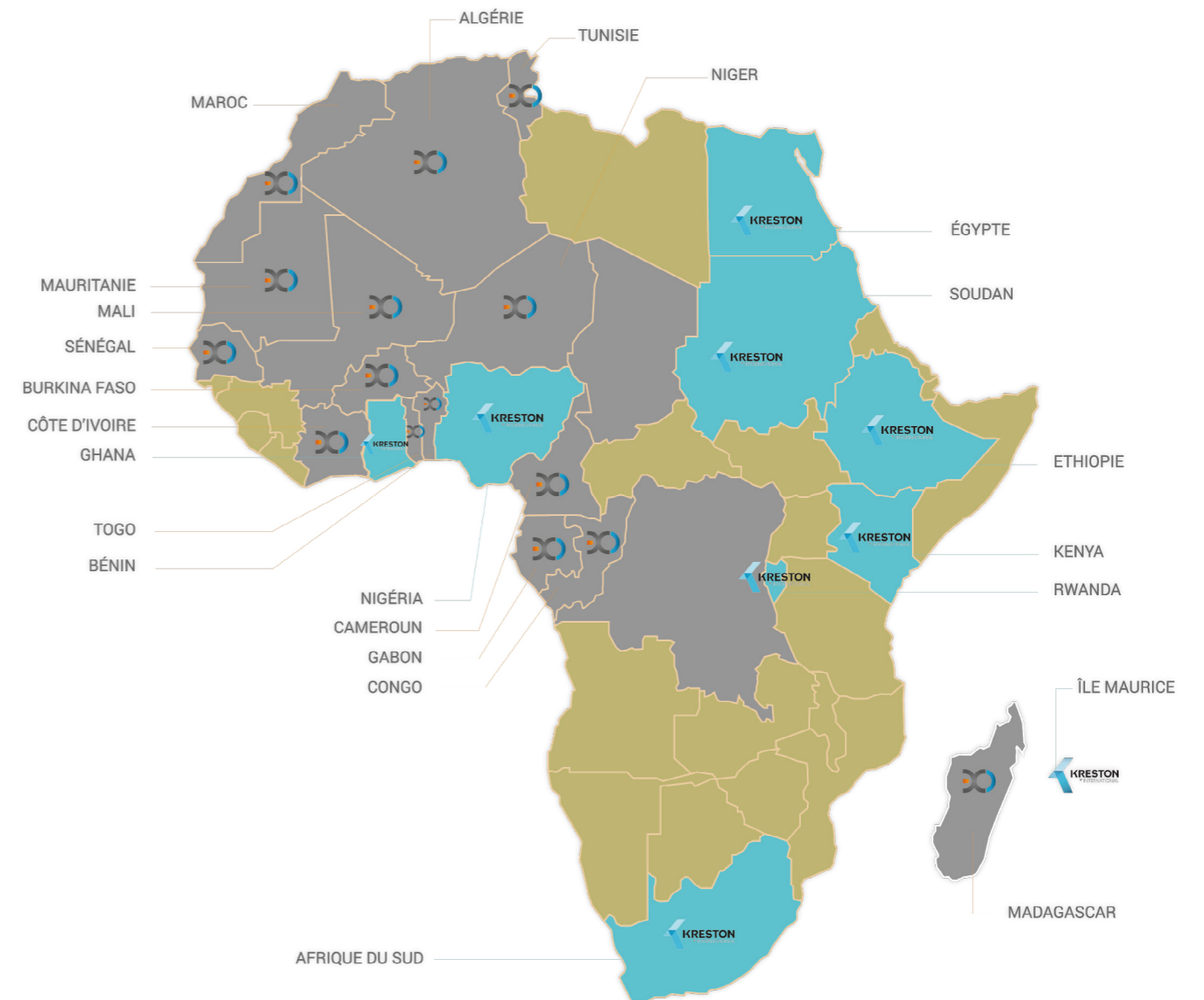
A strong presence in :

GAFTA - Greater Arab Free Trade Area

ECOWAS - Economic Community Of West African States

CEMAC - Central African Economic and Monetary Community

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OUR SECTORS



OUR CLIENTS





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