

In the Name of Allah the Most Merciful the Most Compassionate

Republic of Sudan
Presidency of the Republic
National Investment Authority

National Investment Encouragement Regulation
2013

National Investment Encouragement Regulations 2013

This Regulation is issued by the supreme Council of Investment pursuant to Article 42 of the National Investment Encouragement Act 2013.

Chapter One

Preliminary Provisions

Title and Commencement

1. This Regulation shall be cited as the “National Investment Encouragement Regulation 2013”, and shall come into force as from the date of signature.

Repeal and Saving

2. a. Investment Encouragement Regulations 2000 shall be repealed;
- b. Notwithstanding the provisions of section (a) above, all procedures, provisions, order licenses made hereunder shall remain in force until repealed or amended as per this Regulation.

Application

3 The provisions of these regulations shall be applied to the extent that achieves its objectives, but without prejudice to the provisions of privileges and exemption and other mandated guarantees for the existing projects thereto.

Interpretations

4. (a) In this Regulation, the following words and expressions shall carry the meanings assigned to them;
(b) Unless the context otherwise requires:-

The Act means: National Investment Encouragement Act 2013

Extended Project means: a national project which has branches and practice its activities in more than one state.

Competent Commissioner: means the authorized person from a competent ministry or the authorized competent body at the National Investment Authority.

Chapter Two

Fields and the Procedures of Application for License

Identification of Fields

5. (A) For the purpose of Article (7) of the Act, the following fields shall be considered investment fields namely:

Oil, mining, electricity, dams and new and renewable energies, plant, livestock and industry production, transportation of all kinds, Telecommunications, medical and health services, and environmental services, infrastructure, roads, bridges, irrigation, excavation, construction, construction and housing, Educational services, tourism, sea and river ports, and dry land, air, shipping and unloading, storage, administrative and

financial services, consulting services, information technology, culture and information, and any other areas as may be specified by the Council.

(B) The Council may, upon a recommendation from the Authority, modify the fields mentioned in item (A) above.

The Procedures of Application for License

6. Applications for a project license shall be submitted to the Authority on the form attached to this regulation after fulfilling the requirements.

Initial Approval

7. (A) The Authority shall, upon receiving the application, refer the application to the competent authorities for technical approval and the competent authority shall decide on the technical approval of the application and return it to the Authority within one week from the date of delivering the application

(B) In case of non-response or rejection of the application by a competent authority or rejection of the application for any other reason the Authority may submit it as integrated to the Council and the Council decision shall be final.

(C) The period of validity of the initial approval, shall be for two-month, and due to objective reasons may be renewed for a further period not exceeding one month.

The Final License Issuance

8. The Authority shall issue the final license within a period of one week from the date of receipt of the project registration certificate in accordance with the provisions of regulating laws.

(B) A copy of the final license shall be sent to the competent ministry or investment related bodies within a maximum period of one week.

Chapter Three

Customs Exemptions for Production inputs

9.1 Production inputs listed hereafter shall subject to the same fee of the imported production inputs in the custom tariff in accordance with the approved list of the Authority, upon a recommendation from the competent authorities:

(A) Assembly Industry so that the local manufacturing industry ratio of not less than 35%

(B) Inputs to the production of metal and wood industries.

(C) Food industries Inputs that include powdered milk, fats and hydrogenated oils.

2. The Council upon the recommendation of the device may grant the service sector an exemption from customs for operation material for the projects that are not included in the tariff in the same category according to the customs duty Controls and conditions specified by the Council.

3 Production inputs for investment projects shall subject to the provisions of the tax law of the added value and the orders that issued thereon.

Customs Exemptions for Transportation

10.1. For the purpose of Article (21) of the Act, the head of the Authority may grant a project, after being registered, full exemptions from customs duties on private cars of transportation as follows:

(A) Mini buses that capacity of not less than 24 passengers, the buses of 40 passengers or more, vehicles of a half transport, pick-ups, vans with a payload of more than five tons, trucks, tankers, vans salon cars with a machine capacity not exceeding 1,000 cc.

(B) Specialized vehicles and vehicles that serve one purpose.

(C). Limousine vehicles that not less than 35 vehicles, and entered once, provided that the machine of the vehicle with capacity of 1500 CC, provided further that the model of the vehicle shall be of the same year of manufacture.

2. The head of the Authority, upon a recommendation of the concerned State Minister may grant privileges to the project of state level in accordance to the provision of item (1) above, in accordance with the conditions and regulations in force.

Conditions of the Strategic Project and Preference Privileges

11. For the purpose of Article 10.1 and Article 19 of the Act:

(A) A project shall be deemed a strategic project if it satisfies any of the conditions that listed on the list Number (1) hereafter.

(B) The project shall be treated with the same privileges of the strategic project according to the provided documents, if the project satisfies the strategic project attributes that mentioned in the list number (1) hereafter.

(C) Preference Privileges shall be granted for the projects that are classified as rehabilitation projects, projects that located in least developed regions, according to the criteria specified by the Authority and the competent authorities.

Investment Projects Transactions Safeguards

12.1 An investor shall apply to the Authority to obtain the written approval, to take any action pursuant to section (27) of the Act during the license validity period and granted privileges, in accordance with the safeguards stipulated hereunder:

(A) 40% of the project shall be implemented according to the feasibility study.

(B) In case of selling or granting the project to somebody else, the investor shall sell or grant the project totally but not partially.

(C) An investor may sell the project in primary contract and the final contract shall be signed upon the agreement of the Authority.

2. In the case of the disposition of capital equipment partially, the project shall satisfy the minimum conditions for the purpose of continuation of the project in accordance with the approved license except in the case of full replacement.

3. There shall be no taxes or additional indirect fees issued by any national or State authority more than what has been paid in advance.

4. Notwithstanding the provision of Article 12.1 above, the Authority may agree to mortgage or rise the mortgage of the project totally or partially if it satisfies the following conditions:

(A) The buildings of the project shall be implemented according to the approved plan.

(B) The mortgage shall be used for the sake of the project.

(C) An investor shall submit a current bank approval for the project that shows the purpose of the mortgage. (or from any institution that has a financial accreditations)

(D) Bank approval shall be shown to bring extra mortgage to indicate the purpose of the mortgage, and the Authority shall be provided with documents relating to the mortgage.

5. In case of changing the purpose of a project, the following conditions shall be satisfied:

(1). Obtaining the approval of the Authority.

(2) Attach a certified report showing the equipment, machinery and equipment that granted as a privilege for the project.

(3) Attach the documents.

(4) Satisfy all the legally due obligations

6. In the case of an investor rent the project site in part or in whole shall obtain a written approval that shall be renewed annually by the Authority.

The Least Developed Areas

13.1 For the purpose of the Article 10 of the Act, the following areas are deemed as the least developed areas:

(A) Areas where infrastructure and basic necessities of development are not available.

(B) Areas that do not always get investment and development projects.

(C) Rural border areas.

(D) Areas that contribute to carry out investment projects to achieve rural development Balanced.

(E) Any other areas designated by the Council.

2. The council, upon a recommendation of the Authority shall approve the least developed areas.

Allocation and Granting of Land for Investment

Land Privilege

14. Notwithstanding provision of Articles 22 and 23 of the Act, land shall be allocated as follows:

(A) The head of the Authority shall issue a decree to constitute a committee for allocation of lands and national projects and the decree shall determine the members and the mission of the committee.

(B) The lands mention in item (A) above shall be kept in records of the competent State as a national land to be under the Authority.

The Validity and Renewal of the License

15. (A) The period of validity of the license and granted for the implementation of the project privileges shall be three years from the date of Issuance of the license.

(B) the investor shall provide the Authority with the project schedule that not exceed the time period mentioned in item (A) and state the stages of project implementation (the construction of buildings, or bring the equipments, and import the capital inputs and outputs , the start of production or operation).

(C) Notwithstanding the provisions of item (a) above, and upon a recommendation from the competent authority backed by documents and the objective reasons, the Authority may extend the validity of the license for a period of not to exceed an additional two years.

Importing the Requisites of the Project

16. (A) For the purpose of Article 21 of the Act, the investor shall apply to import the project needs of capital preparations and production inputs that not included in custom tariff.

(B) Applications may be accepted for means of transport that related to establishment and production and service workers.

(C) Notwithstanding the provision of subsection (B) (as the case may be) grant project a privilege to import transportation means at incorporation upon recommendation of the competent authority.

(D) The Authority shall study the application, within one week from the date of receipt of the request in coordination with all competent authorities.

(E) An investor shall have the right to bring the capital preparations in a whole at the beginning of the project or according to a specific timetable during the implementation of the project that approved by the Authority.

(F)The investor shall be notified in writing in case of rejecting the reasons for this Rejection and the investor shall have the right to appeal to the Council within one week from the date of receipt the decree.

Chapter Four

Capital and Foreign Financing

The foreign Component of the Invested Capital

17. Foreign capital for establishment of a project shall consist of:

(A) The value of machinery, equipment, apparatus, materials and spare parts, structures and prefabricated buildings and means of the

transportation and handling that imported from abroad or local for the purpose of the project that approved by the Authority and imported from the capital of the invested project.

(B) Services provided to the project in the establishment phase such as technical studies and other services and moral rights that are used in the project, and the name of fame and moral rights and intellectual property rights that include copyright and trademark acquitted of invention and Industrial design or any other rights that shall be registered in accordance with the provisions of the law of each and owned by the investor or granted the license to be used, that shall be paid in foreign currency that acceptable to the Bank of Sudan discount on the project's capital or loans.

Foreign Capital valuation

18. (A) The components of the foreign capital shall be valuated by a committee that constituted by the secretary-general of the relevant authorities, and the evaluation includes examining and revising all the necessary documents provided by an investor, and preview of the units, the committee shall submit its report to the secretary-general within a maximum period of sixty days from the date of application.

(B) The Investor shall be delivered a copy of the Committee's report, to show his/ her opinion, and if the investor does not object to the report within fifteen days, the report shall become valid after approval of the Secretary-General.

(C) If the investor objected, the investor objection shall be displayed to the Committee to study the objection, and if the committee accepts the objection, the re-evaluation shall be made and if the committee rejects the investor's objection, the first evaluation shall be approved and the decree in this respect shall be final.

Registration of Foreign Capital

19.1 The foreign capital in the project shall be registered with the Bank of Sudan, and a certificate to this effect, from the Bank of Sudan, shall be delivered to the investor. For the purposes of such registration, the investor shall present the following documents:

(A) A copy of the legal documents for the establishment of the project.

(B) In case of entry of the capital in cash, a copy of the form specified therefore shall be presented, approved by one of the commercial banks, through which any part of the foreign capital has been transmitted, into local exchange;

(C) In the case of import from the investment account at any of the commercial banks that accredited to the Bank of Sudan, a certificate of the custom value shall be provided.

(D) In the case of entry of capital in kind, a copy of the shipping documents and testimony and the original of Customs value certificate, and a copy of the evaluation report shall be provided.

(E) In the case of withdrawal a part of the foreign capital to pay for services provided for the project at establishment phase, a copy of the necessary bills and documents with a certificate of a legal auditor shall be provided.

2. For the purposes of registration of funding at the Bank of Sudan, the investor shall present the following documents:

(A) The specific model that approved by the commercial bank that part of amount of the fund changed into local currency, or to import the needs of the project.

(B) In the case of entry of capital in kind, a copy of the shipping documents and testimony and the original of Customs value certificate, and a copy of the evaluation report shall be provided.

(C) In the case of withdrawal a part of the foreign capital to pay for services provided for the project at establishment phase, a copy of the necessary bills and documents with a certificate of a legal auditor shall be provided.

Foreign Funding

20. The foreign funding shall consist of:

(A) Cash transferred in hard currency that acceptable to the Bank of Sudan,

(B) In kind funding for importing the project needs that approved by the Authority.

Project Foreign Exchange Accounts

21. Accounts in foreign currency for the project can be opened at the banks that accredited by the Bank of Sudan, the resources of the accounts consist of the capital and loans that remitted in foreign currency and they shall be used to meet the needs of the project from abroad.

Profits and funding Obligations transmitted in Foreign Exchange

22.1 The application shall be submitted to the Central Bank of Sudan that the application shall be accompanied by the following documents:

A) An audited Budget and final accounts of the period in question that approved by a certified auditor in Sudan and sealed by taxes authority, and these accounts shall describe the profit due to investor that can be converted into foreign currency.

(B) A copy of the foreign capital registration certificate.

(C) A certificate of clearance from the taxes authority.

(D) In the case of companies, a copy of the General Assembly's decision of approval of the budget and final accounts, and the decision of the distribution of profits and its date shall be provided.

(2) The investor shall apply through the Authority to transfer the deserved financial commitments to Bank of Sudan, at least a month, from the due date, and accompanied by the following documents:

(A) A copy of the loan agreement, approved by the Bank of Sudan.

(B) A certificate registration of loan at the Bank of Sudan.

(C) Certificate of clearance from the taxes authority.

3. The Bank of Sudan shall order the commercial bank to transfer the commitments of the fund and the profit of the investor from the foreign hard currency of the project.

Re-export of Invested Capital

23.1 The investor, in the case of the disposition of the project in whole or in part, or in the case of the final liquidation of the project may re-export the foreign capital invested to the outside, upon on the investor's request.

2. In the case of re-export to any of the components of the project, the investor shall accompany the application with the following documents:

(A) Certificate from the competent authorities stating that the project paid all the obligations legally due.

(B) A copy of the registration of foreign capital at the Bank of Sudan, as the case may be.

3. In the case of the final liquidation of the project together, the following documents shall be attached to application:

(A) Puget liquidation of the project shall be approved by a legal auditor in Sudan.

(B) Certificate of liquidator proves that the project paid all commitments that legally due, and the convertible net share of the investor

(C) Agreement of partners and shareholders on the liquidation that documented by a lawyer and certified General trade registrar at ministry of Justice, or a decision from a competent court for liquidation.

(D) In the case of importing the foreign capital in kind, the investor may re-export the same that imported, upon an agreement of the Authority.

project implementation follow up and Monitoring Safeguards

1 investor shall provide the Authority and the competent authorities a periodically report every six months from the date of Issuance of the license demonstrates the progress of implementation of the licensed project.

2. In the case of suspension of the project for a period of six months without objective reasons approved by the Authority, the competent authorities shall be liable to sanctions in accordance to the provisions of Article (33) of the Act.

3. In addition to the commitments that stipulated in Article (28) of the Act, the investor shall commit to the following:

(A) The Authority shall be provided by a detailed timetable for the implementation phases of the project.

(B) Steps taken and the obstacles encountered in the implementation (if any) and consequential amendments on that matter.

(C) Enable the Authority representatives and the competent authorities to visit the project site, to determine the Stages of implementation and inform

them of the data and documents that enable them to perform their duties and raise a detailed report of this to the Authority and the competent authorities.

4. The competent authorities shall prepare periodic reports on the progress of implementation of licensed projects and submit them to the Authority, including recommendations about the continuation and validity of the license or any other recommendations

5 The investor shall provide the Authority and the competent authorities during the period of validity of the privileges and facilities with an audited copy of annual accounts.

Follow-up Projects Performance after the Beginning of Production or Engage in Service Activity

25. The competent authorities, in coordination with the Authority may follow-up project performance during the period of validity of privileges and facilities, and report it every six months or as requested by the Authority and that reports shall include recommendations in the light of the performance of these projects and assess the extent of its commitment to the conditions of Licensing.

Committee of Grievances and Investment Complaints

26. For the purpose of Article 10.1.k and Article 26 of the Act, the head of the Council shall constitute a committee to the grievances and complaints in investment and the constitution decision of the committee shall determine its membership and power and jurisdictions.

Penalties and Sanctions

27. In addition to any penalties, as may be provided for in any other law, whoever contravenes the provisions of this Regulation, shall have any of the sanctions, provided for in Article (33) of the Act, inflicted thereon.

I certify that the Supreme Council of Investment has made the Investment Encouragement Regulation, 2013, in their session No. (1), on the, 1434, A.H., being the,2013. A.D

Field Marshal

(Signed and Sealed)

Omar Hassan Ahmad AlBasheir

Schedule (I)

Specification of Strategic Projects

(See Article 11)

For the purposes of Article 19, of the Act, the following projects shall be deemed as strategic projects, in the following fields:

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1. Fields of Energy and Mining

(A) Infrastructure projects such as: roads, ports, electricity, dams and reservoirs, oil, Mining, telecommunications and information technology.

(B) To establish residential cities or agricultural and animal areas, technological areas including necessary infrastructure, provided that invested capital no less than Fifty million US dollars or the equivalent in foreign and local currencies.

(C) Working in the fields of value-added of the national economy linking between industry and production sectors: agriculture, animal, the wealth of the ground and the sea, and mining and oil, and natural resources, provided that the project shall satisfy the following:

1. Invested Capital shall not be less than seventy million US dollars or Equivalent in foreign and local currencies.
2. To contribute to social responsibility programmes.
3. To contribute in increasing GDP.
4. To depend on local raw materials mainly, however production inputs can be imported

(D) Projects that deal with health services, agriculture, agricultural mechanization, tourism, education and culture, and the media, human resource development, provided that the project shall satisfy the following:

1. That uses modern technology to help in the development of services as determined by the competent authorities.
2. The invested Capital shall not be less than fifty million dollars or equivalent of foreign and local currencies.
3. Mechanization projects that provide services for farms that not less than two hundred thousand acres per year

2. Field of agricultural and animal production:

A - Working in food security or that issued by the agricultural sector of grazing

1. Irrigated projects or that use pumps from rivers, and the invested area shall not be less than five thousand acres and groundwater wells shall be included.

Not less than two thousand acres.

2. Projects of planting pastoral in the traditional grazing areas that scattering seeds and herbs and water supply services and veterinary care protected areas that free from diseases, and invested capital shall not be less than fifteen million US dollars or equivalent foreign and local currencies

3. Projects of post-harvest services of integrated horticultural products that

Include specialized field of transport and the coefficient of sorting and classification and staging and packaging and refrigerated transport to specialist markets or to the ports of export and the invested capital shall not be less than fifteen million dollars.

(B) Forests and environment projects of the irrigated area shall not be less than five thousand acre and rain forest shall not be less than twenty five thousand acres and mixed invested project shall not be less than ten thousand acre.

3. Field of Industry:

(A) Industrial project shall be with a capital of not less than fifteen million dollars or its equivalent of other currencies.

(B) Industrial projects that use local raw materials and its capital shall not be less than actual investment of ten million dollars or its equivalent in other currencies.

4. Field of transport:

A transit States transport projects include: -

1. Railways projects and the construction of new lines and strengthening and rehabilitation and modernization of the infrastructure, and operation of trains or run specific sectors of the railways national network, and development and modernization of equipment, and operating the workshops for maintenance.

2. Projects such as land transport of materials and coolant liquid and bulk and livestock that subject to compliance with technical conditions and regulations governing the activity, and the following conditions shall be satisfied:

(A) The trucks or flat cars fleet shall not be less than fifty trucks, of a load not less than 35 tones and not exceed 46 tones.

(B) The number of the trucks shall not be less than 35 in the commencement of the project.

(C) A mobile and permanent workshops for maintenance shall be therein.

(D) The fleet of across towns travel coaches shall not be less than fifty coaches, of a load of (45) passengers, and they shall be modern, air-conditioned and supplied with the necessary services and equipment, as the competent authorities may specify equipment; provided that operation shall commence with a number not less than (25) coaches.

(E) The cattle cars fleet shall not be less than (20) trucks, of a load not less than (30) tons.

3. River Conveyance Projects include:

(A) Passengers conveyance projects shall be of a capital not less than ten million US dollars and its load shall not be less than (250) passengers, and provided that it shall satisfy all such conditions and standards of competent authorities.

(B) Projects of conveyance of the general goods, containers and petroleum and gas substances, provided that the total load of the project shall not be less than Forty thousand tons and not less than thirty tons; provided that the size of investment shall not be less than ten million US dollars, thereof; provided further that the project shall satisfy such conditions, as the regulations and specification of competent authorities, may specify;

4. Projects of Sea conveyance : include the following :

(A) Conveyance, by vessels, for carriage of goods, passengers, petroleum materials, cattle, natural

gas and otherwise, and the integrated projects accompanying the same, such as clearance, transport, storage, loading, unloading, marine agency, depots, dry docks, wharfs and otherwise of projects having connection with marine conveyance, specify with the size of investment, not less than fifteen million US dollars, thereof;

(B) Establishment of sea ports, in the coordination with the competent bodies, with the size of investment, not less than thirty million US dollars, thereof.

5. Goods and Passengers Air Transport:

(A) Air craft fleet must not be less than three aircrafts registered at the competent authorities in the name of the investor with minimum capacity of hundred passengers or forty tons each.

(B) Project of construction of air ports in production zones and remote areas.

(C) Planes maintenance centers and workshops and earthen instrument service of investment size not less than fifteen million US dollars.

(B) Construction, building maintenance of roads, bridges, dams and irrigation means equipped with necessary machinery, devices, pumps, mixers, asphalt, sprayers cranes electrical generators, provided that, the project shall satisfy the conditions that specified by competent authorities.

7. Field of tourism and environment include:

(A) Projects of environmental tourism that include tourist villages

(B) Solid waste collection projects and the establishment of wastewater treatment stations of sewerage and extending sewerage systems.

(C) Drinking water treatment plants and extending networking of drinking water projects.

- Provided that the invested capital of all the projects that mentioned above shall not be less than fifteen million US dollars.

Table No (2)

Investment Transactions Fees

Items	2013 Fees in (SDG)
Transfer of Ownership	1500
Change of Purpose	1000
Mortgage	100
Application for Privileges and	150

facilitations of Investment project	
Project License	1000
Additional Preference Privileges Decision	750
Introducing A partner	1000
Dissolution	1000
Electronic Card	60
Appeal	1000
Work-site leased and Traffic License Fees	3000
Rent of the Building	1000
Applications Screening	150
Approval of Foreign Investment	150
A certification of a License for a Business Record	150
Approval of Business Record	200
License Renew Fees	150
State Decision Fees (Khartoum and other States)	500
Means of Transport Decision	500

In the Name of Allah the most Merciful the Compassionate

Model of the License Application

National Authority for Investment

A model Application to take advantage of the Encouragement of the National Investment Act of 2013

Applicant's Name:

Nationality: Address:

Location:

Phone Number(s): Fax:

E-mail:

Kind of Investment.....

Field of Investment	Agricultural (Rain)	Agricultural (Irrigated)	Agricultural (Mixed)	Animal	Industrial	Service
Major Project products or Service						
Minor Project Products or Service						

Invested Capital	Foreign	Local	Individual	Company
Source of Fund				
Legal Form				
Sudanese Employment				
Foreign Employment				

Required privileges and facilitations

- 1.
- 2.

Name of Applicant..... Signature

Approval of Technical Authority:

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Signature..... Date.....

Approval of Environment:

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Signature..... Date