

# Investment Guide

## Sudan

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## About ALN Sudan

Trusted by Sudan's business community to provide class-leading legal advice and services, ALN Sudan serves a rapidly expanding client base of local, international and multinational entities, operating in a range of sectors, including oil and gas, aviation, mining, manufacturing, agriculture, telecommunications and financial services.

Our firm offers a wide range of legal services, and our founding partner has practised in and out of Sudan for over forty years with particular expertise in commercial and corporate law, including as a legal advisor at the helm of the executive branch of the Sudanese Government. His international expertise is enhanced by our membership in the ALN.

## About ALN

ALN is an integrated alliance of the preeminent full-service corporate law firms in 14 African countries and has a regional office in UAE. Together, ALN firms provide clients with seamless practical and business-focused legal, advisory and transactional services across Africa.

The alliance specialises in blending deep local knowledge and reach with sector-specific expertise, to successfully guide clients in navigating locally and across borders.



# Executive Summary

Sudan is one of the largest and most geographically diverse states in Africa, split into two countries in July 2011 after the people of the south voted for independence. It borders Egypt, Libya, Chad, the Central African Republic, South Sudan, Ethiopia and Eritrea.



Sudan is also a country of great economic potential: a strategic location, gold reserves, oil & gas fields, other mineral resources, a favourable climate, as well as excellent irrigation and soil conditions.

Sudan is strategically well placed with access to international markets. Located between North Africa and sub-Saharan Africa, Sudan is surrounded by seven countries – Egypt, Libya, Chad, South Sudan, the CAR, Eritrea, Ethiopia – and has access to the Red Sea and Gulf countries.

The country has put in place important macroeconomic reforms that will have a real impact on development.

These reforms include “a new investment law, an anti-corruption commission and a law promoting public-private partnerships (PPPs).

Given the recent lifting of a majority of sanctions and with the impending lifting of the remaining sanctions, Sudan offers unique investment opportunities and a welcoming business climate for the natural resources/mining industry, the agricultural industry, the livestock industry as well as others. Sudan is an emerging investment opportunity, offering access to one of the few internationally untouched markets.



## Overview

# Sudan

**President**

Omar al-Bashir

**GDP**

USD 33.34 billion

**Drives On**

Right Side

**Type of Government**

multi-party system

**Area**

1,886,068 Sq/Km

**Calling Code**

**+249**

Top Level Domain

**Timezone**

GMT/UTC +3h

**Local Currency to**

**USD**

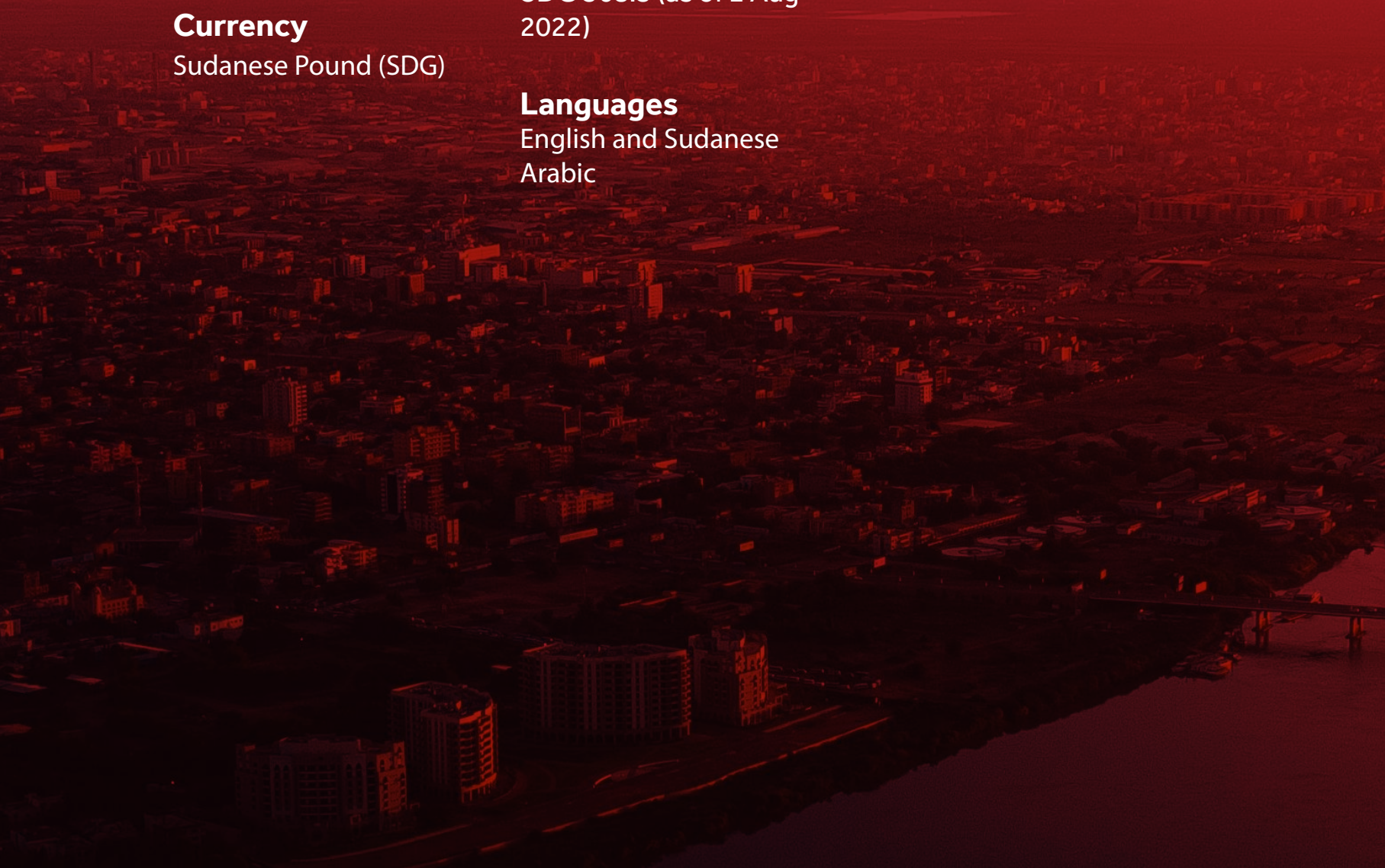
SDG 568.5 (as of 2 Aug 2022)

**Currency**

Sudanese Pound (SDG)

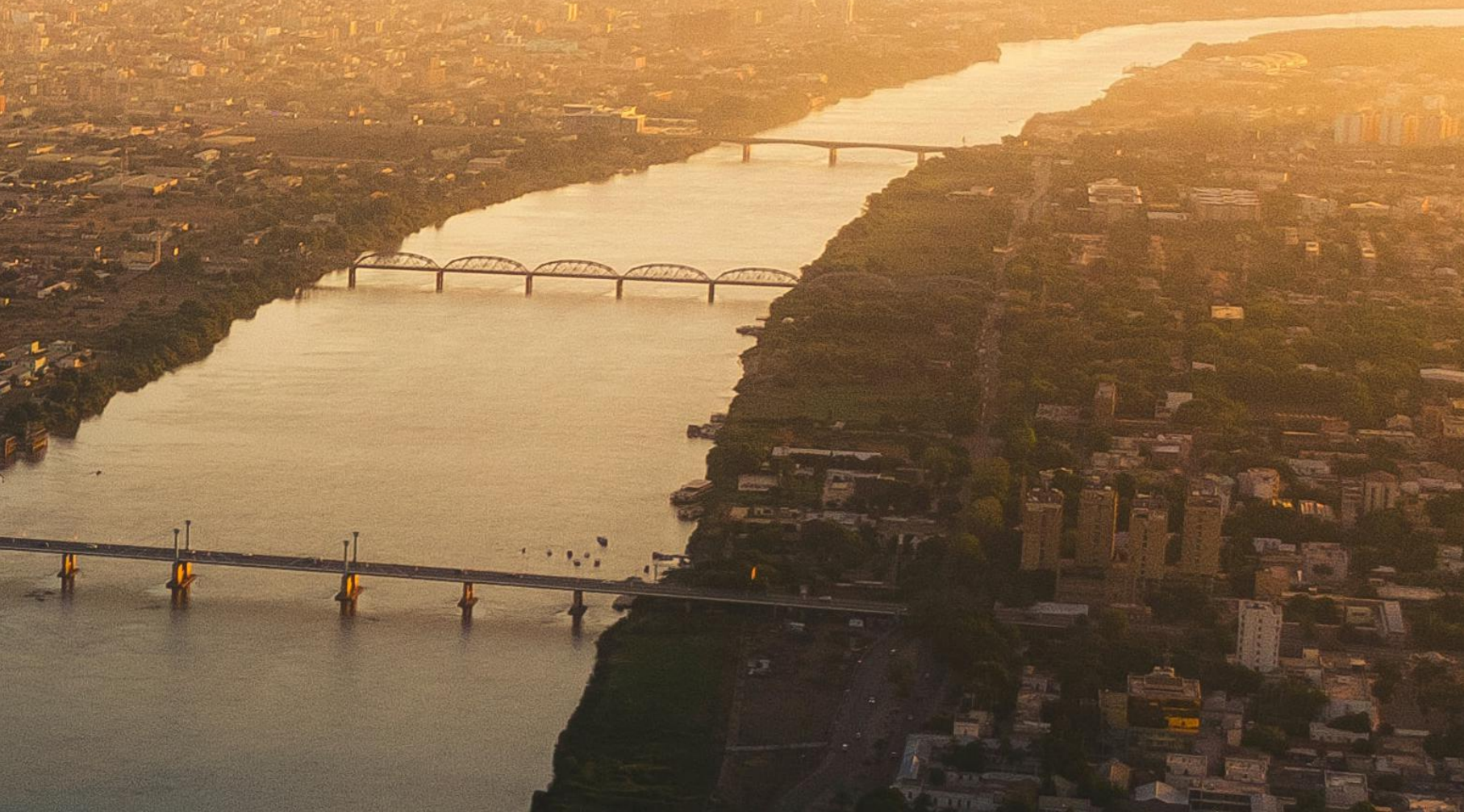
**Languages**

English and Sudanese Arabic





Capital City  
**Khartoum**



# Political Overview

Currently, Sudan is in a state of transition. Following several months of popular protests, in April 2019 the regime of the former president Omar El-Bashir was overthrown after 30 years in power.

A Transitional Military Council overtook power for a short term, then in August 2019 (based on the Constitutional Declaration for the Transitional Period 2019) a Sovereignty Council, which represents the head of state, and a Cabinet which represents the executive organ of the government were formed to run the country for a 39 months' transitional period. A Transitional Legislative Council, which should be the legislative organ of government, has not yet been formed. The plan is that free elections will be held at the end of the current transitional period.

During the April 2019 coup, the National Legislature was dissolved. The National Legislature, whose members were chosen in mid-2005, had two chambers. The National Assembly (Majlis Watani) consisted of 450 appointed members who represent the government, former rebels, and other opposition political parties. The Council of States (Majlis Welayat) had 50 members who are indirectly elected by state legislatures. All members of the National Legislature served six-year terms.

State governments were also dissolved in the 2019 coup. Sudan is divided into twenty-six states, each of which were governed by a governor and council of ministers, each member of each state of council of ministers were appointed by the president of the country.

The elections of governors was different from others, the president picks three people who he decided will be running against each other, the one who wins at least 50 percent popular vote is the governor of that state. If no one wins at least 50 percent popular vote, the person with the fewest votes is disqualified from the campaign and they redo the election and then someone has to have at least 50 percent popular vote.

The following are the states of Sudan. (wilayat, singular wilayah): A'ali an Nil, Al Bahr al Ahmar, Al Buhayrat, Al Jazirah, Al Khartum, Al Qadarif, Al Wahdah, An Nil al Abyad, An Nil al Azraq, Ash Shamaliyah, Bahr al Jabal, Gharb al Istiwa'iyah, Gharb Bahr al Ghazal, Gharb Darfur, Gharb Kurdufan, Janub Darfur, Janub Kurdufan, Junqali, Kassala, Nahr an Nil, Shamal Bahr al Ghazal, Shamal Darfur, Shamal Kurdufan, Sharq al Istiwa'iyah, Sinnar, Warab.





# Economic Performance

## Economic Performance

Following years of economic mismanagement, corruption, civil wars and severe international isolation, the transitional government is embarking on a number of plans and initiatives for economic reform.

GDP grew by an estimated 0.5 percent in 2021, recovering from a negative 3.6 percent in 2020. Growth was supported by agriculture and mining on the supply side, and private consumption and investment on the demand side. The recovery follows several years of economic contraction stemming from macroeconomic imbalances, structural deficiencies, political instability, and COVID-19. The central bank adopted an accommodative monetary policy in 2021 to boost credit growth and economic activity. Inflation more than doubled from 163.3 percent in 2020 to 358.9 percent in 2021, owing to currency depreciation and removal of fuel subsidies.

## External Debt Ratings

According to Joint World Bank-IMF Debt Sustainability Analysis, September 2020, Sudan's external debt is estimated to amount about \$56.3 billion, which represents 199 percent of the GDP at the end of 2019. The Analysis describes Sudan's external debt as distress and unsustainable. The current transitional government is in engagement with creditors for debt relief, and recently a conference was held in Paris (May 2021) with the objective of: signal the full normalization of Sudan in the International community; inform foreign investors, private sector, bankers about the economic reforms undertaken by the Government of Sudan, and highlight investments opportunities in Sudan in both public and private sectors.

Sovereign risk remains C-rated. The underlying score has improved to reflect falling debt levels and debt-servicing needs following partial debt cancellation on some bilateral arrears. Nonetheless, arrears remain massive, with Sudan set to remain in default. An inflated nominal GDP is driving down the debt/GDP ratio, but access to finance remains constrained due to political instability.

## Ease of Doing Business

Sudan is ranked 171 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of Sudan deteriorated to 171 in 2019 from 162 in 2018. The problems facing doing business in Sudan include regulatory issues, political instability, corruption and weak infrastructure. The transitional government's plan is to tackle these problems, including legal and regulatory reform.

## Regional Economic Communities

Sudan is a member of the Common Market for Eastern and Southern Africa (COMESA), the Intergovernmental Authority on Development (IGAD), the Community of Sahel-Saharan States, the Arab Authority for Agricultural Investment and Development and the Arab League.

Sudan has signed (but has not yet ratified) the African Continental Free Trade Agreement ("AfCFTA"), which is described as "the African continent's most ambitious integration initiative, embedded in the Agenda 2063 of the African Union, whose main objective is to create a single continental market for goods and services with free movement of people and investments, thus expanding intra-African trade across the continent, enhancing competitiveness and supporting economic transformation in Africa".





# The Capital Markets

## Securities Act and Stock Exchange

The Authority" (the "Authority") as the regulator for capital markets in Sudan. Khartoum Stock Exchange ("KSE"), was established under the Khartoum Exchange Act 1994. There are 67 public companies (mainly banks and insurance companies) and 20 mutual funds listed in KSE.

The board of directors of the Authority issued the Regulations for Governance of Public Companies 2018 setting rules for corporate governance, such as the shareholders' general rights, shareholders rights regarding general meetings, voting in general meetings, dividends, disclosure and transparency, powers of the board of directors, duties of directors, formation of the board of directors, independence of the director, disclosure of interest by the director, the executive management, conflict of interest between executive management and company, disclosure by executive management, restrictions on dealings in company shares and tender procedures.

## Bilateral & Multilateral Treaties

Sudan has bilateral investment agreements with each of Germany, Netherlands, Egypt, Romania, Malaysia, Indonesia, India, Lebanon, Eritrea, United Arab Emirates, Jordan, Djibouti, Ethiopia, Bahrain, Syria, Oman, Iran, Yemen, Morocco, Qatar, and Libya.

Multilateral Treaties to which Sudan is party:

- i. the Agreement for Settlement of Investment Disputes between States and Nationals of other States 1965
- ii. the Unified Agreement for the Investment of Arab Capital in Arab States 1980,
- iii. the Agreement for Settlement of Investment Disputes among Arab States 1974,
- iv. the General Agreement for Economic, Technical and Commercial Co-operation among Member States of Islamic Conference 1977.

Sudan's World Trade Organisation accession process is underway.



## Double Taxation Agreements

Double Taxation Agreements are in force with the Arab Economic Union Council, Bahrain, China, Egypt, India, Indonesia, Iran, Iraq, Jordan, Kuwait, Libya, Malaysia, Qatar, Romania, Syria, Tunisia, Turkey, the United Arab Emirates, the United Kingdom and Yemen.

## Regulatory Environment

### The Companies Act

The Companies Act 2015 (which repealed and replaced the Companies Act 1925) regulates the incorporation of companies in Sudan by way of registration. Under this Act a foreign investor may either incorporate a company registered in Sudan as a Sudanese company, or set up a branch of a foreign company. The principal forms of business entities commonly used in Sudan are sole traders, partnerships, public or private limited liability companies, and branches of foreign registered companies. The World Bank's Doing Business Report 2020 ranks Sudan 157th out of 190 countries in ease of starting a business. The Act recognizes the following forms of companies:

- Unlimited Company;
- Company Limited by Shares;
- Company Limited by Guarantee (Not-for-Profit Company);

Limited Companies can either be: private companies with limited liability; or: public companies (also with limited liability) but with the right to offer its shares to the public at large.


The Companies Act 2015 represents a reform of the company law in Sudan, and it introduced for the first time legislative provisions on certain basic company law issues such as the directors' duties, mergers, minority protection, rules regarding holding and affiliate companies, and abolition of "ultra vires" and constructive notice doctrines, as well as improving rules on issues such as voluntary liquidation.

The minimum share capital for a company with foreign shareholder is SDG 500,000, and for companies in the fields of oil, mining, telecommunications, manufacturing and electricity the minimum share capital is SDG 1,000,000.

### The Intellectual Property

The Sudan is a signatory to the World Intellectual Property Organization (WIPO), but not party to WTO's Agreement on Trade-related Intellectual Property Rights (TRIPS). The following legislation has also been promulgated regarding Intellectual Property law:

- The Trademark Act, 1969;
- The Patents Act, 1971; and
- The Copyright Act, 1996.



**Under this Act a foreign investor may either incorporate a company registered in Sudan as a Sudanese company, or set up a branch of a foreign company.**

### Specific Statutory Restructuring and Insolvency Regimes

The Banking Act 2004 overrides all other legislation when it comes to the restructuring or insolvency processes of financial institutions licensed by the Bank of Sudan pursuant to the Banking Act 2004. The Banking Act 2004 provides for the following three processes:

**Conservatorship** – this can be initiated by the Bank of Sudan to protect the assets of the financial institution for the benefit of its depositors and other creditors. The Bank of Sudan may appoint a conservator if, for example, the capital of the financial institution is impaired, or there is a threat of such impairment;

**Voluntary liquidation** – this is a solvent winding-up that may be initiated by the financial institutions, with the prior approval of the Bank of Sudan;

**Receivership** – this process may be initiated by the Bank of Sudan if, for example: the licence of the financial institution has been revoked; the ratio of the capital of the financial institution to its assets is less than 2 percent; or the business of the financial institution is being conducted in an unlawful, unsafe, or unsound manner.

### The Business Registration Act

The Business Registration Act 2002 is a statute that provides for the registration of persons carrying on business in Sudan and of their business names, the allocation of a single business registration number and the issue of a business registration card to those persons and for matters connected.

The Act establishes a Central Business Registration Database, which shall be known as the CBRD. The Registrar shall be the repository of the CBRD. The CBRD shall The functions of Corporate and Business Registration Department are :

- The incorporation, registration and striking-off of companies; the registration of documents that must be filed under the Companies Act 2001;
- the provision of company information to the public; the enforcement of compliance with the legal requirements ;
- registration of businesses ; the Insolvency Service and Registration of Limited Partnerships and Foundations.

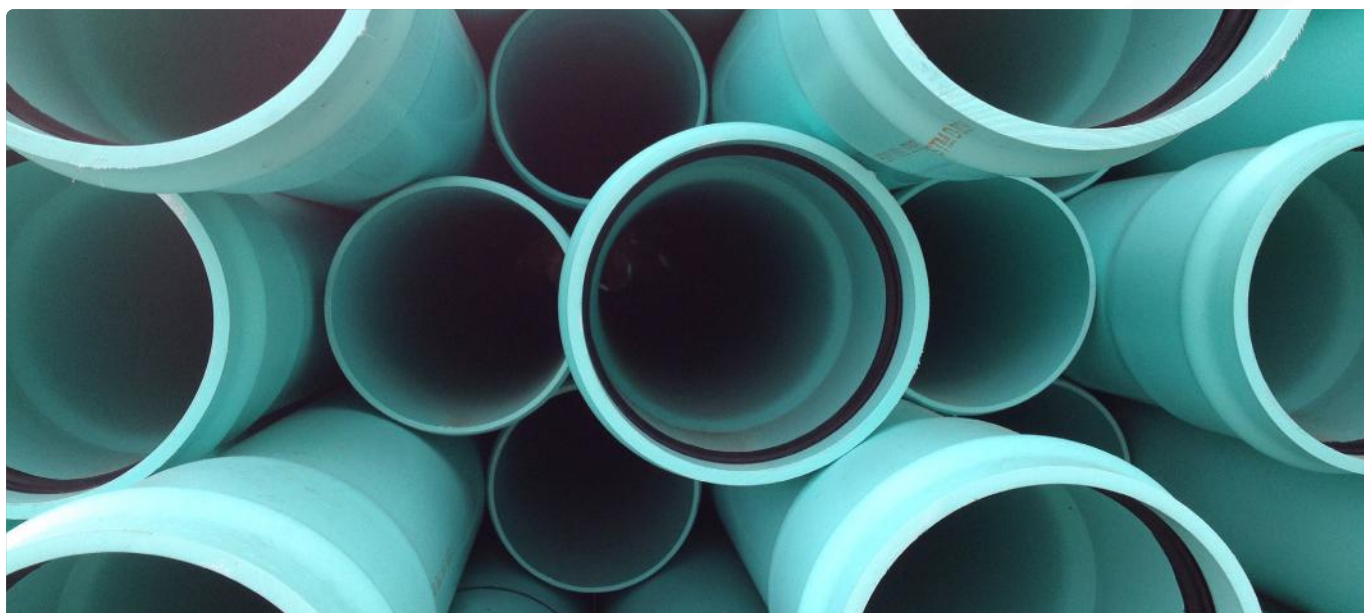


## CBRD

**Business Registration Act 2002 establishes a Central Business Registration Database, which shall be known as the CBRD.**



# Investment Promotion



## Institutes Governing Investment Promotions

Under the Investment Act an authority called “Investment and Private Sector Development and related Units Authority” (the “Authority”) headed by the Minister of Investment is the highest body in charge of investment affairs in Sudan.

The following Units are supervised by the Authority:

- Investment Encouragement and Promotion of Investors’ Services Unit;
- Public-Private Partnerships Unit;
- Free Markets and Zones Unit;

Small and Medium Business Pioneer Companies Unit. The Ministry of Investment adopts a “one – stop - shop” system, through which applications for investment licences are made and processed. This system shall be applicable at both Federal and State levels.

### Investment Incentives

**Tax Exemption:** Exemption from corporate profit tax for a maximum of five years from commencement of commercial production.

Projects capital imports approved by the Ministry of Investment shall be exempted from Value Added Tax (VAT).  
Exemption from Customs Duty: - Exemption from:

- Customs duty on capital imports which are not enrolled in custom tariff;
- Customs duty on specialized transport conveyances in accordance with the Regulations;

- Production inputs of investment projects, not enrolled in customs duty tariff shall be subject to the same rate imposed on production inputs provided for in customs duty tariff as determined by the Regulations.

**Land Allocation:** only land free from third party rights or other contractual or legal restrictions shall be allocated for investment projects for an initial term of three years, renewable with the investment licence. Residence permits for foreign investors for the duration of the investment project.

### Special Economic Zones

The Free Markets and Zones Act 2009 sets the rules regarding free markets and zones in Sudan. This Act provides for certain incentives for companies registered and operating from free zones, including exemption from certain taxes and import duty.

The Sudanese Company for Free Markets and Zones, a public company listed in Khartoum Stock Exchange, is in charge of Gari Free Zone (north of Khartoum) and Red Sea Free Zones (near Port Sudan, Sudan’s main sea port at the Red Sea).

One of the units supervised by the Investment Authority under the newly introduced Encouragement of Investment Act 2021 is Free Markets and Zones Unit.

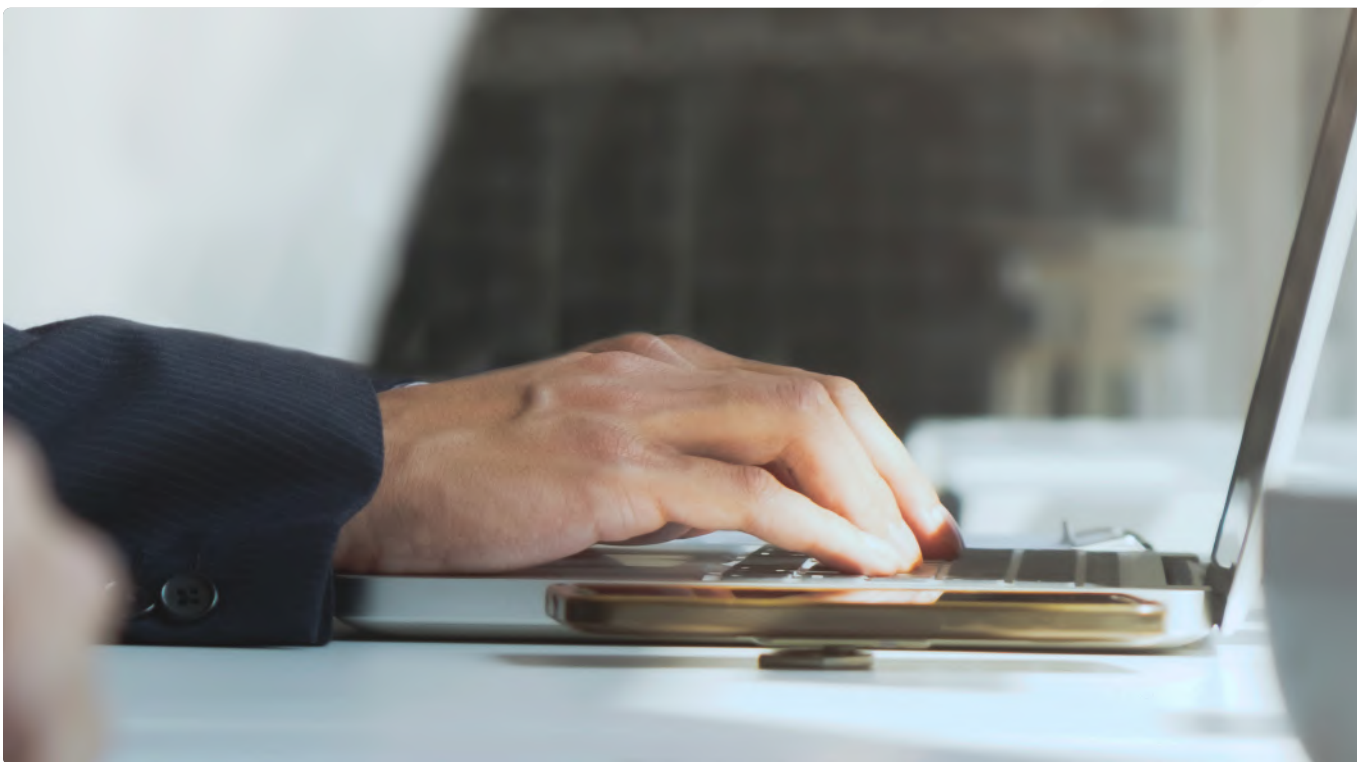
# Taxation

## Income Tax - Individuals, Corporations and Trust

A company is deemed to be tax resident in Sudan if it is incorporated in Sudan under the Companies Act, 2015 (or its predecessor the Companies Act 1925) or if the management and control of its affairs are exercised in Sudan in the relevant tax year.

Resident companies are liable to tax on their worldwide income, whilst non-resident companies pay tax on profits derived from a Sudanese source only. Corporate tax rates in Sudan are dependent on the specific activity of each entity. Corporate tax is charged at the following rates:

Item	Tax rate in percentage
Agriculture	0
Manufacturing	15
Real estate rent	10
Commercial and services activities	15
Oil and gas services	35
Oil and gas distribution	15
Telecommunications	40
Banks	30
Mining	15
Cigarettes and tobacco companies	30
Capital gains from sale of shares, bonds and capital assets	15
Withholding tax royalties	15
Management fee	15
Interest rate on loans and other transfers outside Sudan	7



## Personal Income Tax

Individual income tax rates are based on amount of gross salary and are subject to 15% taxation after deducting the exempted salary.

## Capital Gains Tax

Capital gains tax is charged at 5% on gains from the sale of land and buildings, 2.5% on sale of vehicles, and 2% on sale of securities, shares and bonds.

## Withholding Tax

Sudan does not levy withholding tax on dividends. Dividends are subject to stamp duty at the rate of 1%. Loan interest paid to non-residents is subject to 15% withholding tax. Royalties paid to a non-resident company are subject to a 15% withholding tax. Management consultant fees paid to a non-resident subcontractor are subject to a 15% withholding tax. Payments from resident companies to non-resident subcontractors for interest and other services are subject to a 7% withholding tax. Imports of goods paid for by a resident company are subject to a 2% creditable withholding tax. Payments from resident companies to entities registered in Sudan as a branch of a foreign company are subject to a 5% creditable withholding tax.

## Value Added Tax

VAT is levied at a standard rate of 17%. A special rate of 30 % applies to telecommunications services. VAT applies to the supply of most goods and the provision of services, including importation of goods and services into Sudan.

The following activities are exempted from VAT:

- All types of local agricultural products which are sold in their natural form;
- Livestock, poultry and animal products, fish, milk and its products;
- Fertilizers;
- Agricultural seeds;
- Medicines for human and animal uses;
- Locally produced wheat flour;
- Bread;
- Imported goods which are exempted from the tax and customs according to provisions of the Immunities and Privileges of 1956, Act; Goods imported under the treaty exemption agreement with Sudan Government.





Exempted Services are:

- Financial services, which include financial services for banks and money operating companies, financial funds and sale of share and securities and bonds;
- Insurance services;
- Education services;
- Medical services;
- Rentals and sale of real estate for residential purpose;

All goods and services which are exempted by the Minister of Finance and Economics according to the recommendations of the taxation secretary.

## Import Duty

In Sudan most tariff rates are ad valorem (i.e. customs duties are calculated as a percentage of the value of the goods), with variable rates. The tariff system provides for a single rate of duty for each item, which applies to all countries. The rates are in a schedule, and the primary basis of customs valuation is the transaction value. However, the Customs authorities have the right to review the transfer price to make sure that it is a fair reflection of the market value.

As part of the government's IMF monitored program with the aim of receiving debt relief and receive fresh finance, after devaluation of currency and adoption of a policy of a flexible managed float, followed by removing subsidies on care petrol and diesel, recently Sudan has eliminated its customs exchange rate, used to calculate import duties, as the final step in a devaluation of its local currency. Simultaneously with this, it had reduced tariffs across the board and even to zero for some necessary goods.

## Excise Duty

Excise duty ranges from 5% to 210%. Exported goods and goods transported to free zones are exempted.

## Transfer Pricing & Thin Capitalisation

Transfer pricing is not applicable in Sudan.

# Financial Sector Regulation

Sudan's investment law provides for international arbitration. Sudan is also a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States 1965.

Under the Anti-Money Laundering and the Financing of Terrorism Act 2014, Control and Supervision Bodies in the financial and non-financial institutions are entrusted with the task of controlling the activities of such institutions in order to ensure that such institutions comply with the provisions of this Act. Beside the Control and Supervision Bodies, under the Act two entities are established. The first is the National Committee for Anti-Money Laundering and Terrorism Finance, which is entrusted with the task of establishing general policies, plans and programs regarding anti-money laundering, terrorism finance and mass destruction weapons proliferation finance. The second is the Financial Information Unit ("the Unit").

The general manager of the Unit is appointed by the Governor of the Central Bank of Sudan at the recommendation of the National Committee for Anti-Money Laundering and Terrorism Finance, and the employees are appointed by the Committee at the recommendation of the general manager.

The Unit is entrusted with the task of receiving and analyzing notices and information regarding money laundering and terrorism finance; request information from any Financial or Non-Financial Institution whether for its own purposes or upon the request of counterpart foreign agencies; request from concerned and administrative agencies additional information; referral of information and results of analysis to public prosecution or other concerned authorities on its own motion or upon request of other parties when there are sufficient grounds for suspicion of money laundering or terrorism finance; preserve and protect the information received by it; notify the Control and Supervision Bodies in case of any violation of the provisions of the Act by any Financial or Non-Financial Institution; issue guidelines regarding notification requirements to Financial and Non-Financial Institution; and issue regulations regarding operational aspects of the Unit.



The Central Bank of Sudan ("CBOS") issued a document entitled "The Regulatory and Control Rules for Banks and Financial Institutions regarding Combating Anti-Money Laundering and Terrorism Finance Crimes". Sudan is a member of the Middle East and North Africa Financial Action Task Force ("MENAFATF"), which, on its turn, is an Associate Member of the Financial Action Task Force ("FATF"). Pursuant to a Memorandum of Understanding between the governments of the member states, the objectives of MENAFATF include, inter alia, adoption and implementation of the 40 Recommendations of the FATF against money laundering, adoption and implementation of the Special Recommendations of the FATF against terrorist financing, implementation of the relevant UN treaties and agreements

and UN Security Council Resolutions dealing with countering money laundering and terrorist financing and cooperation regarding raising compliance with these standards and measures within the MENA Region and to work with other international organizations to raise compliance worldwide.

Thus, through its membership in MENAFATF, Sudan is bound by the relevant international treaties adopted by the United Nations and by the resolutions of the UN's Security Council on money laundering. Under the MOU MENAFATF's Plenary would establish an ongoing program of mutual evaluations in which all members agree to participate. At least one mutual evaluation report for Sudan was conducted in 2012.



# Anti-Bribery Corruption

Sudan is ranked 174 of 179 countries on Transparency International's 2020 Corruption Perception Index. Sudan is signatory to the United Nations Convention against Corruption (UNCAC), and the African Union Convention on Preventing and Combating Corruption (AUCPCC).





# Dispute Resolution

Sudan's investment law provides for international arbitration. Sudan is also a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States 1965.

In 2018 Sudan signed the 1958 New York Convention on Recognition and Enforcement of Arbitration Awards. Under the Arbitration Act, 2016 (which repealed and replaced the Arbitration Act 2005), subject to the provisions of any international agreement regarding arbitration to which Sudan is party, the provisions of the Act shall apply to every arbitration conducted in Sudan or abroad where the parties thereto have agreed to be subject to the Act, whenever the legal relationship is of a civil nature, whether contractual or non-contractual.

If there is an arbitration agreement regarding the subject matter of a claim before a court, the court shall dismiss the claim if the defendant asks for it either before or at the time of submission of response to the statement of claim.

The Arbitration Act sets rules regarding enforcement of foreign arbitration awards in Sudan.



# Competition Act

In Competition, the Organization of Competition and Prevention of Monopoly Act, 2009 is one of the most important pieces of legislation This Act applies to all commercial agreements and transactions regarding goods or services, and it provides for the following:



Prevention of monopoly, by outlawing any agreement, contract, transaction, conduct and/or arrangement regarding the following:

- reduction, increase or control of sale or purchase prices of goods or services
- restrictions on production, manufacture, distribution or marketing of goods or limitation of services; dissection or division of any existing or potential market on geographical, consumer, importers, time or other basis with the aim of control; coordination regarding bids or other offers for supply of goods or services or non-participation therein and share the proceeds;
- agreements, whether among competitors or non-competitors, with the aim of pressurising consumers or importers; taking any action or conduct restricting freedom of participation in production, development, or distribution of goods or services.
- binding a competitor not to produce, manufacture, use, develop, distribute or market a specific good or provide specific services;
- determining the price or conditions for the sale of goods or provision of services by a competitor;
- sale of goods or services if such sale is conditional that the buyer shall buy other goods or services from the seller or from another entity or not to buy certain goods or services from another entity;
- sale of products for a price lower than the price fixed by the competent authority; and
- discrimination in prices by entering into special or preferring deals.
- Consumer protection. (See below).
- Injurious merger, which includes anti-competition mergers. Any merger may be made only after obtaining the approval of the Council for Competition and Prevention of Monopolies.

Misuse of controlling/dominating position in a specific market, such misuse is prohibited. Examples of such misuse are:

- granting exceptional rights regarding distribution of goods or services exclusively whether such rights are with respect to geographical area, consumers, time or other basis;

## External Trade Organization Act, 2009 (ETOA)



Under the ETOA, trade means export, import, transit and border trade. The ETOA's objective is to achieve freedom of trade and free competition, open markets to reduce or eliminate non-technical restrictions and create free access to markets, and to encourage movement of goods in a fair manner.

This short Act directs the Ministry of External Trade to take actions and policies to facilitate flow of goods and services, provision of data and information regarding commercial laws

and regulations, organization of export and import and border trade and export promotion.



## Anti-Dumping Act 2009 (ADA)

The ADA is applicable to any transaction which causes damage to local industries.

An Anti-Dumping Committee set up pursuant to the ADA is in charge of receiving complaints, conducting investigations and taking actions regarding any alleged dumping practice.



# Consumer Protection

The Organization of Competition and Prevention of Monopoly Act 2009, sets rules regarding consumer protection.



This Act applies to all commercial agreements and transactions regarding goods or services, and it provides, inter alia, for the following rules regarding consumer protection:

- prevention of consumer misleading/fraud, including making misleading information about the sale, prices, basic elements, the origin or source of goods or services;
- conceal of lack of goods of legal or customary requirements;
- provision of incorrect information regarding the sale or distribution of goods which affect in consumers' decision making;
- practices which restrict the consumers freedom in selecting the goods or services, including making objective pricing of goods or services or objective comparison with similar goods or services more difficult;
- entering into undisclosed transactions.

# Real Estate and Property

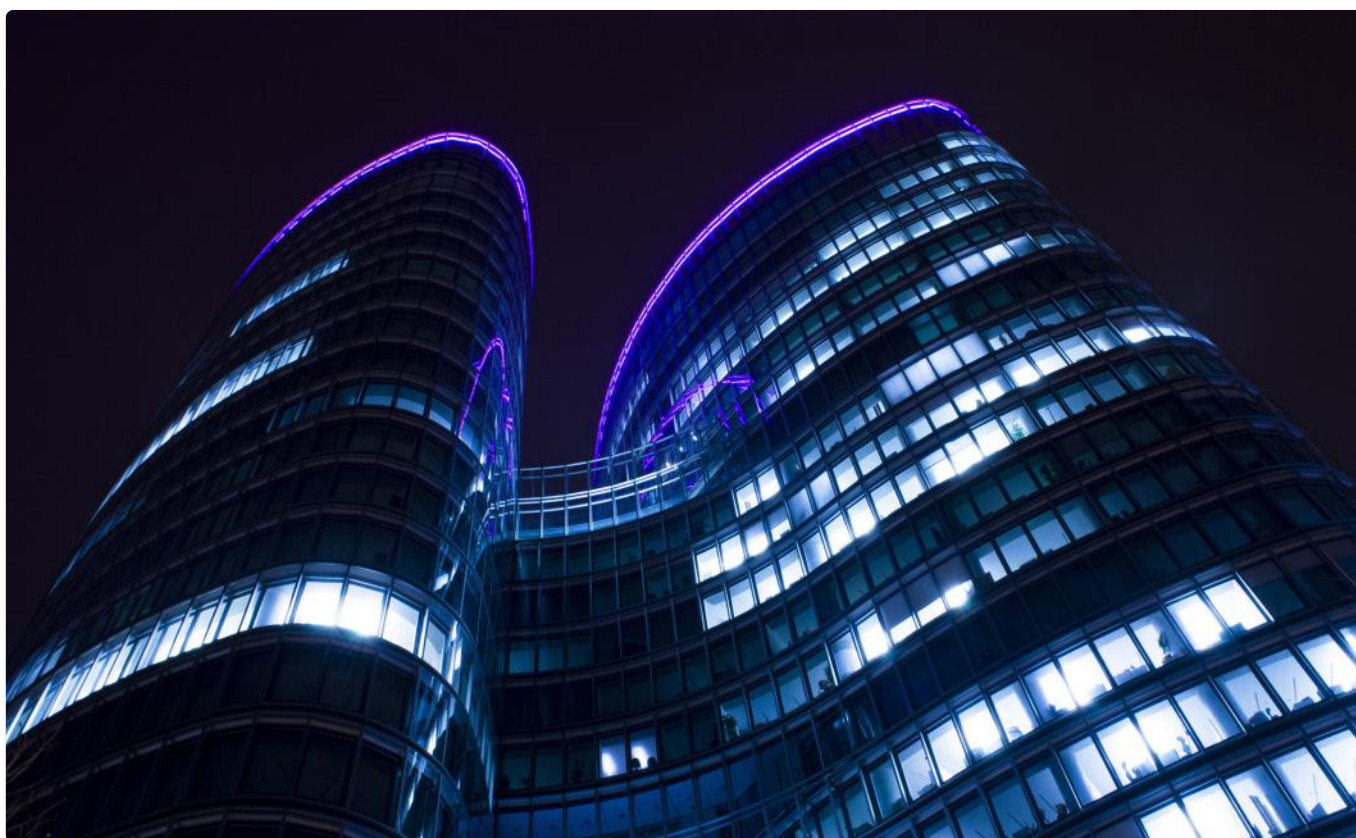
In Sudan the main legislation regulating registration of land ownership and dealings is Land Settlement and Registration Act 1925.

Land is normally registered subject to any charges, encumbrances, leases and other liabilities, reflected in the land registry, as well as certain unregistered liabilities such as taxes and rates charged on land, rights of way and other easements, rights in the course of being acquired by prescription and leases or agreements for leases for terms of less than three years. Detailed rules governing ownership, leases, and land use are provided for under various other laws.

The law allows for the purchase of privately or publicly held land in Sudan. The Government has provided land without transferring ownership to foreign companies as an investment inducement.

Land may be leased in Sudan without restrictions on the amount or the duration. The lease may not be transferred without permission.

Registering property requires six steps and takes an average nine days. The cost of registering property totals approximately 2.5% of the value of the property. The World Bank's Doing Business Report 2020 ranks Sudan 95th out of 190 countries in terms of the ease of registering property. Land registration is regulated by the Land Settlement and Registration Act 1925 under which the land registry is set up.





# Industry Sectors

## Agriculture

Agriculture is the mainstay of the Sudanese economy. The country's main agricultural products include cotton, groundnuts, sorghum, millet, wheat, gum arabic, sugarcane, cassava, mangoes, papaya, bananas, sweet potatoes, sesame and livestock.



Agriculture accounts for nearly one third of Sudan's GDP, employs about 60 percent of the labour force, provides livelihood to approximately two-thirds of the population and provides production inputs for several transformative industries such as textile, sugar and edible oil. Sudan's main exports from this sector are cotton, arabic gum, groundnuts

and sesame. Out of 84 million hectares suitable for agriculture, only 20 million hectares are actually cultivated.

In 2018, forest area for Sudan was 187,039 sq. km, falling from 197,327 sq. km in 2012. The Ministry in charge is the Ministry of Agriculture and Forests.

## Banking & Financial Services

Sudan's financial system is relatively small by regional standards. The banking sector comprises of 39 banks. Sudan remains under-banked, with banking and other financial institutions concentrated around Khartoum. The financial and banking sector is regulated by the Bank of Sudan (under the Sudan Central Bank Act 2002), the Capital Markets Authority (under the Capital Markets Authority Act 2008), the Khartoum Stock Exchange (under the Khartoum Stock Exchange Act, 1994) and the Insurance Supervisory Authority (under the Insurance Control Act 2001).

An important development is the introduction of a new legislation (Miscellaneous Amendments Act 2021), whereby the banking and financial sector has been exempted from the rules outlawing interest, and conventional banking is allowed side by side with Islamic banking. In Sudan, as part of Islamization of laws in mid 1980s, only Islamic banking was permitted, and under the Civil Procedures Act 1983 the general rule is that: "a court shall under no circumstance whatsoever make a decree ordering payment of interest on the principal sum adjudged". The dominant view in Islamic law literature is that any fixed rate interest would be considered as usury (riba) disallowed under Islamic Shari'a rules, and Sudanese courts are directed to follow Islamic Shari'a. These rules no longer apply to banking and financial dealings.



The Central Bank of Sudan's ("CBOS") 2021 Policies aim to re-integrate Sudan's economy into the international economy by complying with international control and supervision standards and transparency, with the aim of encouraging investment and ease of doing business, and exposure of the Sudanese banking system to the global banking system by adopting international best practices. CBOS issued regulations and circulars governing, inter alia, dealing in foreign currencies, regulating exchange rates, issuing internationally accepted credit cards and mobile payments.

## Education

Education is one of the most neglected areas in Sudan. Under the outgoing regime which was in power for thirty years, only 3% of the national budget was allocated to education. The current transitional government plans to increase this percentage to 20%.

The following table (from UNESCO Institute for Statistics) shows the number of students at the pre-primary, primary and secondary levels.

Level of Education	Total students
Pre-primary	2,384,221
Primary	6,683,215
Secondary	5,970,498
Tertiary	4,323,034

### School-age population by education level

There are 38 universities, colleges, vocational schools, and other higher education institutions in Sudan, however, there are huge disparities on the quality of their educational standards.

The University of Khartoum is by far the oldest and most well respected, having been originally founded as the Gordon Memorial College in 1902, and re-established in 1956 at the time of independence. It has an impressive range of faculties and research centers, and also a main library regarded as amongst the oldest in all of Africa.

## Healthcare

In Sudan, health service is provided by the Ministry of Health (both Federal and State), private sector, military, police and universities. There is a social health insurance scheme in place. Due to civil wars and sanctions, this sector is poorly funded, and as a result the level of health service is not adequate especially in rural areas.

The Public Health Council, established under the Public Health Act 2008, is the regulatory body in charge of setting rules and policies on health service. The Medical Council is in charge of regulating qualification aspects for health service providers.

## Manufacturing

In 2019, in the last official report concerning this sector, World Bank Data recorded that manufacturing was responsible for 11.75% of Sudan's GDP.

The main manufacturing fields in Sudan are: refined sugar, edible oil, cotton ginning and textiles, cement, soap distilling, shoes, petroleum refining, pharmaceuticals, armaments, automobile/light truck assembly, milling. Industrial conditions in Sudan are simultaneously a consequence and a propagator of the country's overall economic and development realities.

The country's manufacturing exports show low levels of technology and diversification and high dependency on the basic metal extractive sub-sector. Analysis of the manufacturing sub-sectors in the country in 2016 showed that basic metals control over 88.5% of the share of exports in Sudan. Other manufacturing exports include low technology industries such as food and beverages, and leather and footwear. These estimations indicate that the Sudanese economy is highly dependent on mining, an industry where over 15% of the country's population work. Most of them (73 %) having migrated from the agricultural sector.

## Mining, Oil & Gas

According to the General Research Authority of Sudan (GRAS) of the Ministry of Minerals, the main mineral potential in Sudan includes: gold, silver, platinum, copper, zinc, lead, iron, chrome, manganese, uranium, REE, phosphates, limestone, marble, gypsum, granite, and graphite.

The gold mining industry has become a key focus of the Government of Sudan in an attempt to generate new revenue streams. National and foreign companies are being encouraged to invest in the Sudanese gold sector and this has led to a significant increase in gold production and exploration activity in the country.

Sudan's oil reserves amount to c.1.5 billion barrels. Its current production is c.60,000 barrels per day. Oil production fell sharply after the secession of South Sudan in 2011.

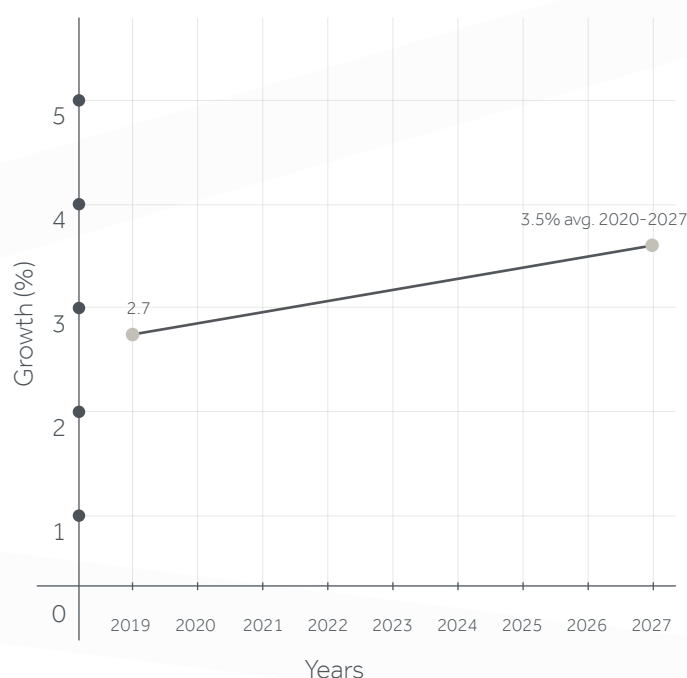
Sudan's has proven reserves of gas of c.3 trillion cubic feet as well as under-prospected off-shore blocks that show gas potential.

## Real Estate & Construction

The World Bank's Doing Business Report 2020 ranks Sudan 124th out of 190 countries in dealing with construction permits. According to Fitch Solutions: "Sudan's construction market contracted by an estimated 11.8% in 2020 as the negative effects of the Covid-19 pandemic, combined with severe floods in September 2020, weighed on construction sector activity. We expect a rebound in construction growth of 2.6% in 2021 due to positive base effects, reconstruction efforts and receding risks from the pandemic.

The political and security environment remains unstable given that there are significant risks to the timeline for the transition to civilian rule, which is scheduled to be completed with elections in 2022. Sudan and South Sudan's construction industry should recover at a steady rate over the coming years, after a 7.7% contraction in 2018. Rising oil prices and production, continuing improvements in Sudan's business environment and investment into regional connectivity will be supportive of growth. We forecast Sudan's construction industry to grow by 2.7% in real terms in 2019 and then by an annual average of 3.5% between 2020 and 2027. Construction projects in Sudan are concentrated in the capital Khartoum, some cities and oil production areas.

Problems and challenges facing construction industry in Sudan include, inter alia, civil wars, political and economic instability, corruption, inefficient regulatory instruments and professional institutions, lack of adequate finance, and shortage of skilled labour.



### Sudan's Construction Industry Growth:

In 2019, the industry grew by 2.7%.  
It's expected to average 3.5% annual growth from 2020 to 2027.

*This sustained growth reflects the resilience and potential of Sudan's construction sector, driven by increased infrastructure development and investment opportunities. As the country continues to develop, it's poised for steady expansion in the construction industry.*



## Telecommunications

The new law “Telecommunications and Postal Regulation Act 2018”, (the Act), repealed and replaced the Telecommunications Act 2001 and the Post and Telegram Act 1910. Under the Act the Telecommunications and Postal Regulatory Authority (the “Authority”) has been established to be in charge of regulating the telecommunications and postal business in Sudan.

The Act outlines the purposes of the Authority as follows:

- Organizing and developing telecommunications and post to keep up with developments in the field.
- Encouraging and protecting investments in the field of telecommunications and post services and applications, organizing free competition, providing favourable environment for the sector’s growth and considering it as a strategic national affair.
- To secure the availability of interconnection and interoperability among the licensed networks.
- Developing human capabilities to raise the awareness and enhancing confidence in the field of telecommunications and post services.
- Enhancing Sudan’s role in the field of telecommunications and post services at the regional and international levels.
- To ensure full coverage of telecommunications and postal services to all populated areas and areas with economic activity, in addition to urban, rural and remote areas.
- To ensure the optimal use of the frequency spectrum, numbering, post addresses and any other relevant scarce resources and optimize their use.
- To ensure compliance with the terms of regional and international agreements that are ratified by Sudan relating to telecommunications or postal services.
- To ensure security of international exits and submarine cables.
- To protect the national security and the supreme interests of Sudan in the field of telecommunications, post and information technology.
- To design specifications for the systems, devices and materials used in the field of telecommunications and postal services, establish methods for measurement, compliance and monitoring in coordination with competent authorities.
- To establish and manage the national numbering plan, and organize and manage postal address system.
- To ensure full telecommunications and postal services coverage for all populated areas, economically active areas, urban rural and remote areas in affordable prices, up-to-date technologies and high quality.
- To ensure the protection and confidentiality of post.
- To ensure the utilization of the data resulting from the subscribers’ communications movement as specified by the regulations.
- To ensure the commitment to transparency and fairness among the licensees.
- To take necessary measures and procedures to limit the non-competitive behaviours of the licensees, as specified by the regulations.
- Regulating domain names in Sudan; enact regulations for the use and applications of the internet while protecting confidentiality of information and limiting uses contrary to beliefs, values, morals and legacies.
- Coordination with competent authorities regarding the import, assembly and manufacture of devices, equipment and materials and systems of telecommunications, while issuing and accrediting quality approvals for such devices, equipment and materials.
- Representing the state in regional and international forums on telecommunications and post.

The Authority’s powers include, inter alia, the following:

- To establish guidelines, plans, programs of systems intended to provide telecommunications and postal services on the national level, taking into consideration balanced development, serving national and social objectives, and implementing state policies in regards to telecommunications and post.
- To establish systems for planning, managing, allocating, licensing and monitoring the use of the spectrum, the operation and use of wireless devices, broadcasting stations taking into account the security aspects that related to it in coordination with the competent authorities.
- Inspection, technical measurement, monitoring, control and supervision of all telecommunications activities and postal services in accordance with the principles and standards set by the regulations.
- To issue controls and guidelines to meet environmental and health standards in everything that is related to telecommunications and post, including e-waste, electromagnetic radiation, and harmful gas emissions, in coordination with competent authorities.

## Tourism

In the past, Sudan used to be a popular tourist attraction; not now. Examples of popular attractions include Dinder National Park, the Marrah Mountains, the National Museum, and the Red Sea coast, beside archaeological sites in northern Sudan such as the Meroe Pyramids, tombs at Kerma, and the temple at Soleb.



Due to civil wars, underdeveloped infrastructure and lack of basic facilities, tourism in Sudan contributes a marginal part to the country's economy, representing about 2.4% of the country's GDP.

If the problems facing tourism are solved (as planned by the current transitional government) tourism can play a major role in improving Sudan's economy.

# Key Developments

## Government Vision/ Agenda

The main agenda for the transitional government are political stabilization of the country by ending civil wars, preparation for general elections at the end of the transitional period prior to which a National Constitutional Conference shall be held, civil service reform, and economic reform by adopting the right policies and solving the problem of massive external debt.

On this last issue, recently there were positive developments as regards debt relief. On 29 June 2021 IMF issued the following statement: "The Executive Boards of the World Bank's International Development Association (IDA) and the International Monetary Fund (IMF) have determined that Sudan has taken the necessary steps to begin receiving debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. Sudan is the 38th country to reach this milestone, known as the HIPC Decision Point.

Debt relief will support Sudan in implementing essential reforms to improve the lives of its people by allowing the freeing up of resources to tackle poverty and improve social conditions. Sudan's external public debt will be irrevocably reduced—through HIPC debt relief and other debt relief initiatives anchored to the HIPC initiative—by more than US\$50 billion in net present value terms, representing over 90 percent of Sudan's total external debt—if it reaches the HIPC Completion Point in about three years' time.

In addition, as Sudan continues on its path towards peace, stability and development after more than 30 years of isolation from the international financial system, the normalization of its relations with the international community will enable access to critical additional financial resources to strengthen the economy and improve social conditions.



## Infrastructure

Infrastructure is an area which the transitional government needs to address, because the country's infrastructure is in bad shape, following years of negligence, under investment and civil wars. 80% of the railways, and 50% of the highways require rehabilitation. There is shortage in electricity supply, both generation and distribution wise, inadequate safe water supply, poor and inadequate airports and sea ports, inadequate hospital, school and other public facilities.

Access to electricity ( percent of population) in Sudan was reported at 53.83% in 2019, according to the World Bank collection of development indicators, compiled from officially recognized sources.

## Developments in the fight against bribery and corruption

The transitional government is keen to eradicate corruption inherited from the previous regime and put in place anti-corruption means.

In 2019, a law set up a committee for dismantling the 30 June 1989 Regime ("High Anti-Corruption and Dismantling Committee"), with wide powers to dissolve entities connected to the outgoing regime and its political arm the National Congress Party, abolish public posts, dismiss individuals from office if his job was obtained through nepotism, and determine how to dispose/handle suspected assets. The Committee succeeded in recovering substantial sums of money, properties and companies owned by associates of the old regime.

Recently the transitional government introduced an "Anti-Corruption National Commission Law", however, the former Committee would continue to carry out its duties and recover public funds as originally planned. The government declared that there would be no conflict between the roles of the new Anti-Corruption Commission and the Dismantling Committee. This new law sets up a commission with a wide range of powers to protect public property, combat corruption, promote transparency and good conduct in public transactions by adopting policies and plans for combating corruption and retrieving public property illegally appropriated and conducting investigations regarding any corrupt practices.





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