

Land granted to project

- 13.(1) The Minister, or State Minister, as the case may be, in consultation with the competent bodies, shall specify the appropriate area, for the project, and license the same, in accordance with the sectoral investment map , prepared for this purpose.
- (2) The Minister, or the State Minister, as the case may be, upon the approval of the competent bodies, may specify the encouragement price of the land allotted to the project.

Import of the project requirements

- 14.(1) The investor shall present, to the Ministry, an application for the import of the project requirements of the means of conveyance, relating to production, and employees service.
- (2) The Competent Ministry or the State Ministry shall, within one week, of the date of receipt of the application, study the same with all the bodies concerned.
- (3) In case of total, or partial objection, to the import application, the investor shall be notified, in writing, of the reasons of such objection; and the investor shall have the right to appeal, to the Minister, or the State Minister.
- (4) The investor shall procure the capital equipage collectively, upon the beginning of the project, or as to such programme, as may coincide with the stages of implementing the project, which are approved by the Ministry, the Competent Ministry or the State Ministry , as the case may be.

Fixing the commencement of commercial production, or service activity and exemption from the business profits tax

- 15.(1) The Ministry, or State Ministry, shall fix the date of commencement of commercial production, or practice of service activity, and it may, in order to verify the same, pe-

ruse all such documents, as may be necessary, take the field visits, as may be mandatory and viewings, as may be essential therefor.

- (2) An investor may object to the decision, concerning the date of commencement of commercial production, or practice of service activity, to the Minister, or State Minister, within fifteen days, of his being notified of such decision; and the Minister, or State Minister shall determine the objection, within fifteen days, of the date of receipt thereof grounded.
- (3) The Ministry, or the State Ministry shall notify the Taxes Chambers and the other competent bodies, of the date of commencement of commercial production, or practice of service activity, within one week, as a maximum, of the date of the issue of the decision .

Chapter IV

The Capital and Foreign Financing

The foreign component of the invested capital

16. The foreign capital, which enters into establishment of the project, shall consist of the following :-
 - (a) the value of machinery, equipment, instruments, materials, spare parts, chassis, pre-fabricated buildings, means of conveyance and handling, which are imported from abroad, for the purposes of the project, and approved by the Competent Minister, and imported, from the capital of the investment project;
 - (b) such services, as may be rendered, to the project, in the establishment stage, such as feasibility studies, technical studies and otherwise of services, and such intellectual rights, as may be used in the project, such as patents and otherwise; provided that the same shall be paid in foreign exchange, acceptable to the Bank of Sudan and charged, against the capital of the project, or loans .

Foreign capital evaluated

- 17.(1) Components of the foreign capital shall be evaluated, as has been set out in regulation 16, by a committee, to be constituted by the Minister, from the bodies having connection . Evaluation shall include examination and auditing all the necessary documents, presented by the investor, and viewing the units; provided that the committee shall submit the report thereof, to the Minister, within a maximum period of sixty days, of the date of presenting the application.
- (2) There shall be delivered, to the investor, a copy of the report of the committee, to express his opinion. Where he does not object thereto, within fifteen days, the report shall be valid, after approval thereof, by the Minister.
- (3) Where the investor objects, his opinion shall be submitted, to the same committee, to study it. Where they accept the same, evaluation shall be repeated, in the light thereof. Where they do not accept it, the Minister shall form, within a maximum period of fifteen days, another committee, for re-evaluation, and submit the report thereof, within a maximum period of fifteen days, of the date of formation of the same, and the decision thereof, in this respect, shall be final.
- (4) The investor shall bear payment of all the evaluation costs.

Foreign capital registered

- 18.(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 deed for the establishment of the project;
 - (b) in case of entry of the capital in cash, a copy of the

- form specified therefor 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 case of import, from the account of investment, opened with one of the commercial banks, accredited by the Bank of Sudan, the certificate of customs value shall be presented;
 - (d) in case of entry of the capital in kind, a copy of the bills of lading and the original of the customs value certificate, and a copy of the report of evaluation, set out in regulation 17;
 - (e) in case of withdrawal of part of the capital, to pay for services, rendered to the project, in the establishment stage, a copy of the necessary bills and documents, together with a certificate, from a certified auditor.
- (2) For the purposes of registration of funding, with the Bank of Sudan, the investor shall present the following documents :-
- (a) the form, prepared therefor, approved by the commercial bank, through which part of the value of funding has been transmitted, into local exchange, or meeting the import of the needs of the project;
 - (b) in case of funding in kind, a copy of the customs value certificate, and the report of the evaluation, set out in regulation 17, shall be presented;
 - (c) in case of use of part of the funding, for payment of services rendered, to the project, in the establishment stage, a copy of the necessary bills and documents shall be presented, together with a certificate, from a certified auditor.

Foreign funding

19. The foreign funding of a project shall consist of the following:-
- (a) the foreign funds transmitted, into free foreign exchange, acceptable to the Bank of Sudan;
 - (b) the loans in kind, to import the needs of the project, upon the approval of the Minister.

The project accounts in foreign exchange

20. Accounts, in foreign exchange, may be opened for the project, in the banks accredited to the Bank of Sudan, the resources of which shall consist of the capital, and loans paid in foreign exchange, and used to respond to the needs of the project from abroad.

Profits and funding obligations transmitted in foreign exchange

- 21.(1) The investor shall present the application for transmission of the profits, to the commercial bank, with which he deals; provided that it shall be accompanied by the following documents :-
- (a) the budget and the final accounts, pertaining to the period concerned, being audited and approved by a certified auditor in the Sudan, and sealed by the Taxation Chambers; provided that such accounts shall show the net profits due to the investor, capable of transmission in foreign exchange;
 - (b) a copy of the certificate of registration of the foreign capital;
 - (c) a certificate of clearance, from the Taxation Chambers;
 - (d) in case of companies, a copy of the decision of the general assembly approving the budget, the final accounts and the decision of distribution of profits, and the date of the same.
- (2) The investor shall present the application for transmission

of the funding obligations due, to the commercial bank, with which he deals; provided that it shall be accompanied by the following documents :-

- (a) a copy of the loan agreement, approved by the Bank of Sudan;
- (b) a certificate of the registration of the loan, with the Bank of Sudan;
- (c) a certificate of clearance, from the Taxation Chambers.

Re-export of the invested capital

- 22.(1) The foreign capital invested in the project shall be re-exported abroad, upon an application, presented by the investor, and approved by the Minister, in case of disposal of the project totally, or partially, or in case of its final liquidation.
- (2) In case of partial liquidation of the project, after approval of the Minister, the investor shall attach, to the application, the following documents :-
 - (a) such documents, as may prove the disposal transferring ownership, authenticated by a competent court, or advocate;
 - (b) a certificate, from the competent bodies, that the investor has paid all his taxes obligations, and any other entitlements upon the investor;
 - (c) a copy of the certificate of registration of the foreign capital with the Bank of Sudan.
- (3) In case of final liquidation of the project, there shall be attached to the application, the following documents :-
 - (a) the budget of liquidating the project, approved by a certified auditor in the Sudan;
 - (b) a certificate, from the liquidator, in proof of payment , by the project, of all its obligations legally due, and the net share of the investor capable of transmission;
 - (c) consent of the partners and subscribers, in case of partnerships, or companies, to liquidation, authenticat-

ed by an advocate, and approved by the Commercial Registrar General, at the Ministry of Justice, or the decision of the Competent court for liquidation .

- (4) In case of foreign capital imported in kind, the investor, after approval of the Minister, may re-export the same, in the same form it has originally been imported.

Foreign workmen and experts employed

- 23.(1) The project may employ foreign workmen and experts, with respect to such required experiences, as may not be available in the Sudan, in accordance with the laws in force in this respect.
- (2) The Ministry shall notify the Bank of Sudan of the transmission of the savings of foreign employees, as the Bank of Sudan regulations may specify, after presenting all the documents necessary therefor.

Chapter V **Safeguards of Control and Bases of** **Follow-up of the Project** **Control safeguards**

- 24.(1) An investor shall supply, the Ministry and Competent Ministries, with a specific time programme, to execute the licensed project, within six months, of the date of issue of the licence.
- (2) An investor, in addition to the obligations, provided for in the Act, shall abide at all the stages of executing the project, by the following, to :-
- (a) supply the Competent Ministry, with elaborate progress reports of the time programme, every six months; provided that such reports shall include data on the steps taken, and such impediments , as may have faced the execution (if any) and the amendments consequential to the same, to the programme;

- (b) enable those deputed by the Ministry, the Competent Ministry or the State Ministry, as the case may be, to visit the project site, to get acquainted with the stages of the execution thereof, and their perusal of such data and documents, as may enable them to perform their tasks, and submit a detailed report thereon, to the Minister or the Competent Minister or the State Minister.
- (3) The Competent Ministry shall prepare periodical reports, on the progress of executing such projects, as may be licensed, and submit the same, to the Minister, including the recommendations thereof, about the continuity of validity of the licence, or any other recommendations.
- (4) There shall be presented, to the Ministry, during the period of validity of privileges and facilities, a copy of the project's annual accounts, which are approved by the certified auditor, and also a copy to the Taxation Chambers.

Follow-up of the performance of projects after commencement of commercial production, or practice of the service activity

25. The Competent Ministry shall follow-up the performance of projects, and submit reports thereon, to the Minister, every six months, or as the Minister, the Competent Minister or State Minister, may require, during the period of validity of the privileges and facilities; provided that such reports shall include the recommendations thereof, in the light of evaluation of performance of such projects, and extent of abidance thereof, by the conditions of licence.

Chapter VI
General Provisions
Services fees

26. An investor shall pay the fees of services rendered thereto, in accordance with the provisions of these Regulations, and in

accordance with Schedule II, hereto; and the Minister may amend the Schedule and fees, as he may deem fit.

Functions of the Ministerial Committee

27. The Ministerial Committee, constituted under the provisions of section 27, of the Act, shall be competent, as to the following, to :-
- (a) consider granting preferential privileges, to strategic and non-strategic projects, in the least developed areas;
 - (b) lay down the priorities and policies, in co-ordination with the Competent Ministries;
 - (c) consider granting the privileges, set out in regulation 11(5) , of these Regulations;
 - (d) any other matters, as may be transferred thereto, by one of the Committee's members.

Penalties and sanctions

28. In addition to any penalties, as may be provided for in any other law, whoever contravenes the provisions of these Regulations, shall have any of the sanctions, provided for in section 26, of the Act, inflicted thereon.

I certify that the Council of Ministers have made the Investment Encouragement Regulations, 2000, Amended 2003 in their sitting No.(358), on the 12th of Gamad Elakher ,.1424, A.H., being the 10th . , August, 2003. A.D.

Lieutenant General (P.S.C.)
(Signed and sealed)
Omar Hassan Ahmad Al-Basheir

Schedule I
Specification of Strategic Projects
(See regulation 4)

For the purposes of section 9, of the Act, the following projects shall be deemed as strategic projects, in the following fields:-

(1) In the fields of energy and mining :-

- (a) infra-structure projects, in the fields of thermal, hydraulic nuclear and solar generation, or other sources of electrical energy, of not less than 15 Megawatts;
- (b) projects for rendering integrated electrical services, including generation, transmission lines, distribution grids, maintenance, operation and marketing; provided that the produced energy shall be within one Megawatt and above;
- (c) major mining projects for metals, such as gold, copper, silver, iron and otherwise, which are usually established under agreements of production sharing, between the State and the Investor;
- (d) projects of extracting petroleum and gas, which are usually established under agreements of production sharing, between the State and the Investor;
- (e) projects of pooling operations, in the field of petroleum and gas, such as petroleum distillation plants, storage utensils and pipelines for transport of petroleum, and liquefied gas;
- (f) projects of utilization of new and renewable energy, of the investment size of not less than one milliard Sudanese Dinar, and include :-
 - (i) assembly and installation of solar cells, windmills and biogas units for generating electricity, or mechanical energy;
 - (ii) manufacturing and assembly of accumulators, which work for storage of electric energy generated by solar

energy or winds; provided that such industries shall be established under specifications approved by the competent technical body.

(2) In the field of industry :-

- (a) such major projects of engineering industries, and mining industries, as may rely upon procuring modern technology, and use local raw materials, to provide new products, to substitute the imports of basic materials, such as iron and steel, craft paper, writing paper, within the limits of three thousand tons, plane glass of the types thereof, cement and building materials and plastic materials (granules and the like of chemical substances, as inputs of industry); such that the capital used, for the purposes of investment, shall not be less than three milliard Sudanese Dinar;
- (b) such major engineering industries, as may produce tractors and agricultural machinery, such as engines, equipment and instruments, as may be used in industrial operations and basic services, in health, education, transport, communications, information and otherwise; such that the capital used, for the purposes of investment, shall not be less than three milliard Sudanese Dinar;
- (c) such projects, as may concern petrochemical industries, such as fertilizers, pesticides, asphalt, rubber and other chemical substances;
- (d) such projects, as may concern such industries, as may achieve the value added to agricultural, animal and mining products, and earth moving machinery, and otherwise; on condition that the same shall be of a great productive capacity, and the capital used , for investment purposes, shall not be less than three milliard Sudanese Dinar;
- (e) such projects, as may concern the basic, essential and medicinal industries, for the State, such that the capital used,

for the purposes of investment, shall not be less than three milliard Sudanese Dinar.

(3) In the field of agricultural and botanic production :-

- (a) projects of building dams, weirs and irrigation structures, for major irrigated agricultural projects, the irrigated area in which shall not be less than ten thousand feddans;
- (b) agricultural projects irrigated by flooding, or pumps, from rivers, of not less than five thousand feddans , and artesian wells, of not less than two thousand feddans;
- (c) projects of major pastoral farms, for the service of production in the areas of traditional pastures, by dispersal of seeds for planting grasses, and providing water services and veterinary care and protected diseases free zones;
- (d) projects of services of mechanized farming, of such capacity, as may suffice to render services to farms, the area of which shall not be less than two hundred thousand feddans annually;
- (e) projects of the post-harvest services, for integrated gardening products, which include specialized transport, from the field, plants of separation, classification, gradin, packing, cold storage, cold and specialized conveyance to markets, or export ports, of a capacity, which shall not be less than three thousand tons annually;
- (f) projects of the rain fed mechanized farming, or the mechanization, in which not less than forty thousand feddans are cultivated;
- (g) projects of forests and environment , such that the area of the irrigated forests shall not be less than five thousand feddans, and rain forests shall not be less than twenty five thousand feddans (the size of investment in mixed projects shall be specified, such that it shall not be less than two milliard Sudanese Dinar);
- (h) projects of irrigation machinery and manufacture of products in the irrigated sector.

(4) In the field of animal production :-

- (a) projects of meat production, of large quantities, not less than seven thousand heads of mother sheep, or two thousand of mother cows, or camels, in the pastoral farms;
- (b) establishment of modern abattoirs, of such specifications, as may qualify them for export, together with the presence of integrated services, and depots for storage of meat;
- (c) integrated projects for production of milk, of large capacities, not less than five hundred productive cows (of high productivity); together with the establishment of dairy plants, and means of cold conveyance, for distribution;
- (d) manufacture of milk and dairy products, such that the size of investment therein shall not be less than two and a half milliard Sudanese Dinar;
- (e) projects of poultry production, of large capacities, not less than two million eggs annually, in the field of eggs production, and two thousand tons, and more annually, in the field of meat chicken production;
- (f) projects of integrated veterinary services, in the traditional areas, for animal rearing, including breeds improvement centers, vaccines production, establishment of veterinary quarantines, having integrated services, establishing stationery and mobile treatment hospitals and providing veterinary medicines for animals;
- (g) fishes and aquatic organisms fisheries, in freshwaters and the Red Sea waters, and equipping them with boats, vessels, machinery, modern preparation equipment, ice factories, cold storage and means of cold conveyance, manufacture of fish products, of a capacity, not less than one thousand tons annually;
- (h) projects of fish cultivation, in fresh waters, and the Red Sea waters, by use of modern technology, in this field, and equipping the same with all the modern equipment

and instruments, of a size of production, not less than three thousand tons annually.

(5) Transport and Communications Projects :-

(a) projects of conveyance by rail ways :-

in the construction of new lines, strengthening, habilitation and modernizing the infra-structure, and operating trains, or operating specific sectors of the national railways network, promoting and modernizing the equipment and operation supports, and maintenance workshops; provided that the investment shall not be less than one milliard Sudanese Dinar;

(b) Projects of land conveyance :-

- (i) the trucks, or flat cars fleet shall not be less than fifty trucks, and the date of the manufacture thereof shall not exceed three years, of such load, as may not be less than (35) tons; provided that the commencement of the project shall not be less than (25) trucks; on condition of the presence of stationary and mobile maintenance workshops, together with training the technical cadres . The cars may be diversified for conveyance of dry, liquid and bulk materials, cold conveyance and cattle conveyance;
- (ii) the fleet of across towns travel coaches shall not be less than fifty coaches, and the date of manufacture of the same, shall not exceed two years, of a load of (45) passengers, and they shall be modern, airconditioned and supplied with the necessary services and equipment, as the competent bodies may specify; provided that the project shall have centres for maintenance and equipment; on condition that operation shall commence with a number not less than (25) coaches;
- (iii) the cattle cars fleet shall not be less than (20) trucks, of a load not less than (30) tons; provided that the date of manufacture thereof shall not exceed three years;
- (iv) the cold conveyance cars fleet shall not be less than (20)

cars, of a load, not less than (30) tons; provided that the date of manufacture thereof shall not exceed three years;

(c) River Conveyance Projects :-

projects of river vessels, and include the following :-

(i) passengers conveyance projects :-

the vessel shall be new and overhauled, with new main and auxiliary engines; provided that the load shall not be less than (250) passengers, and provided that it shall satisfy all such conditions and standards , as the regulations of classifications of ship building for internal navigation may specify;

(ii) 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; provided further that the size of investment shall not be less than two milliard Sudanese Dinar, thereof; provided further that the project shall satisfy the conditions and regulations of classifications of vessels for internal navigation;

(iii) projects of conveyance of cattle and fishes :-

provided that the total load shall not be less than Five thousand heads and one hundred fifty tons of fishes; provided further that the project shall satisfy such conditions, as the regulations and specifications of ship building for internal navigation may specify;

(iv) projects of mixed conveyance :-

provided that the size of invested capital shall not be less than one milliard Dinar, or the equivalent thereof; provided further that the project shall satisfy such conditions, as the regulations and specification of ship building, for internal navigation, may specify;

(v) projects of loading and unloading :-

the size of the capital invested in preparation, equipage and machinery shall not be less than one milliard Sudanese Dinar;